

Fact Sheet

Lotus Halal Investment Fund

June 30, 2022



Fund Overview

The Halal Investment Fund is designed for investors with moderate risk tolerance and a medium to long-term investment horizon. The Fund invests in a broadly diversified portfolio of equities, Sukuk and asset backed investments.

The Fund's activities are supervised by an investment committee which meets regularly to take investment decisions, oversee performance and ensure Shariah compliance and proper risk management.

Fund Facts	
Launch Date	August 2008
Listing	Nigerian Exchange (NGX)
Currency	Naira (NGN)
Fund Size	₦3.313bn
Net Asset Value (NAV) Per Unit	₦1.61
Minimum Investment	₦5,000
Recommended Holding Period	3-5 years
Income Accrual	Daily
Risk Profile	Moderate
Share of Profit	70 (Investor) :30 (Manager)
No of Distributions Since Inception	11
Last Distribution	March 2022: ₦0.06/unit

Asset Class	Allocation Range
Listed equities	10%-80%
Unlisted equities	0%-30%
Asset Backed Investment	10%-80%
Sukuk	0%-80%
Cash and Equivalents	0%-40%

* Asset Backed Investment refers to non-interest finance contracts such as Ijara (lease) Murabaha (cost-plus) and mudaraba (joint venture) contracts.

* Cash and equivalents include Shari'ah compliant short-term investments in Non-Interest Financial Institutions)

Investor Profile

The Fund is specifically designed for ethical investors with a moderate risk tolerance. The Fund is suitable for **individual and institutional investors** seeking non-interest-based returns.

Benefits to the Investor

Competitive Returns	Aims to provide attractive returns comparable to conventional instruments with a similar risk profile.
Moderate Risk	Minimizes risk through diversification.
Long term goals	Suitable for investing towards long term goals such as retirement and education.
Dividend	Dividend is paid periodically at the discretion of the Fund Manager.
Inclusive	The Fund is certified annually for Shariah compliance and is targeted at investors with faith-based or ethical preferences.

Market Review (2nd Quarter, 2022)

Nigeria's economic output was up for the sixth consecutive quarter in Q2'2022 with the National Bureau of Statistics (NBS) reporting 3.11% growth. This was underpinned by improvements in Trade, Manufacturing, Agriculture and others.

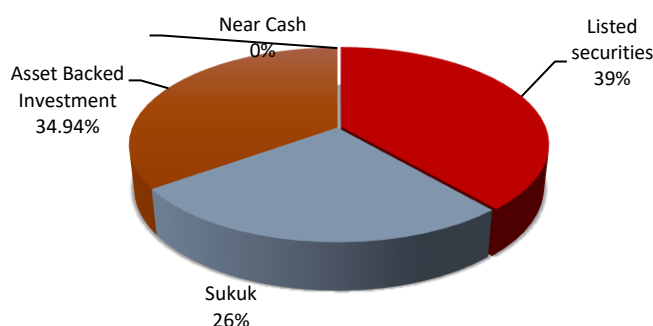
At the currency market, the naira weakened at the Investors and Exporters window to ₦425.00/\$ (March: ₦416.00/\$) while hovering around ₦615/\$ at the parallel market, despite the apex bank's currency management activities. In addition, external reserves dipped to close at \$39.16bn (March: \$39.55bn), with constrained accretion from oil receipts and Eurobond issuance. Against this backdrop, consumer price pressures lingered and inflation reached 18.6% in June mainly due to higher food and energy prices.

To curb inflation, the central bank raised the benchmark rate to 13% during the quarter but price pressures persisted. In the equities market, domestic investors dominated trading activities and reacted positively to corporate earnings and dividend announcements. Notably, the NGX All Share Index advanced by 11.4% alongside the NGX Lotus Islamic Index which closed up by 5.3%.

Fund Performance

In the second quarter, the Halal Investment Fund gained 9.87% to close with a Net Asset Value of ₦1.61/unit. This performance was driven by an appreciation in listed equities and rental income on Sukuk. Based on its earlier returns in the first quarter, total gains in the first half of the year came to 13.34%.

Current Allocation



	Q2'2022	Q1'2022	2021	2022 YTD	Inception to Date
Fund Return	9.87%	3.47%	11.11%	13.34%	77.67%
Benchmark	2.89%	1.88%	5.49%	4.77%	-

Fund Outlook

In the third quarter, we plan to increase our investment in fixed income instruments to take advantage of the rising yields. For equities, we intend to trade cautiously as we anticipate bearish momentum as more businesses feel the weight of high energy costs and FX scarcity. We are optimistic that this strategy would be positive for the fund.

Note: Investing in Shariah-compliant products involves risk as the value of investments may rise and fall depending on the performance of the underlying assets. Past performance does not guarantee future performance.