

Fact Sheet

Lotus Halal Investment Fund

December 31, 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
Currency	Naira (NGN)
Fund Size	₦3.553bn
Units Outstanding	2.023bn
Net Asset Value (NAV) Per Unit	₦1.76
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 ethically-inclined investors with moderate risk appetite. 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 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 targeted at investors with faith-based or ethical preferences, but open to the general investing public. It is reviewed annually for Shariah compliance .

Market Review (Fourth Quarter 2022)

Economic growth in Nigeria slowed in the third quarter of 2022 as economic output grew by 2.25% compared to 3.54% in Q2'2022. The non-oil sector led by Agriculture, Construction, and ICT were the key drivers of growth during the quarter, while contraction in the oil sector from low oil receipts moderated economic growth, with oil output remaining at suboptimal levels during the period.

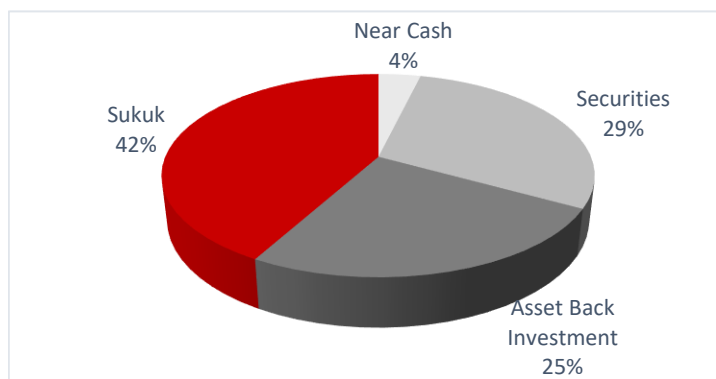
At the currency market, the Naira experienced further devaluation in Q4'2022, trading at ₦449.05/\$ (Q3'2022: ₦432.50/\$) at the Investors and Exporters Window, as external reserves dipped by -3.13% to \$37.08bn. Consequently, in the parallel market, the Naira exchanged for ₦736/\$ in Q4'2022 compared to ₦722/\$ in the last quarter, in spite of the apex bank's currency support activities at various trade points.

In its final meeting for the year, the CBN increased the Monetary Policy Rate by 100bps to 16.5% in an effort to curtail inflation which slowed marginally to 21.34% in December. This rate hike did not have a significant impact on the equities market, as investors went bargain-hunting, buying into undervalued tickers. The NGX All Share Index recorded a return of 4.54% at the end of the quarter, while the NGX Lotus Islamic Index closed the quarter with a 6.62% gain.

Fund Performance

In the fourth quarter, the Halal Investment Fund gained **7.55%** to close with a Net Asset Value of **₦1.76/unit**. This performance was driven by an appreciation in the fund's equities portfolio and rental income from Sukuk and Asset Backed Investments. The gain recorded in the fourth quarter augments the **year-to-date** performance of the fund, with **total gains in 2022 cumulating to 22.32%**.

Current Allocation



	Q4'2022	2022 YTD	2021	Inception to Date
Fund Return	7.55%	22.32%	11.11%	114.02%
Benchmark	4.13%	7.57%	5.49%	-

Fund Outlook

In the next quarter, our strategy is to maintain our fixed income investments at the short end of the yield curve and gradually extend our duration as yields rise over the course of the quarter. For equities, we will trade cautiously in fundamentally sound tickers that show bargain opportunities. We believe these strategies would lead to higher returns for the fund in the year.

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.