

Fact Sheet

Lotus Halal Investment Fund

March 31, 2023



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 proper risk management and Shariah compliance.

Fund Facts	
Launch Date	August 2008
Currency	Naira (NGN)
Fund Size	₦3.701bn
Units Outstanding	2.032bn
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 Ijarah (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 (First Quarter 2023)

The Nigerian Economy grew by 3.10% in 2022 with the nation's Gross Domestic Product estimated at ₦21.04trillion at the end of the year. The Non-Oil sector was the key driver of growth in the year, with Agriculture, Construction, and ICT being the primary contributors. Conversely, the Oil sector contracted in the period, as oil output remained at suboptimal levels.

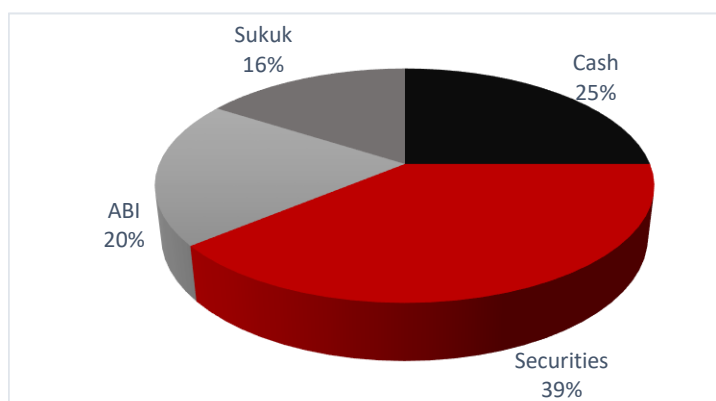
At the currency market, the Naira weakened by -2.56% against the US Dollar in Q1'2023, trading at ₦460.85/\$ (Q4'2022: ₦449.05/\$) at the Investors and Exporters Window, as external reserves dipped by -4.28% to \$35.50bn. Consequently, in the parallel market, the Naira exchanged for ₦750/\$ in Q1'2023 compared to ₦736/\$ in the last quarter, in spite of the apex bank's currency support activities at various trade points.

The CBN maintained a hawkish stance on monetary policy in the first quarter of 2023, with the Monetary Policy Committee increasing the benchmark interest rate by 150bps in its two meetings in the quarter. This action pegged the Monetary Policy Rate at 18.00% as the apex monetary regulator intensifies efforts to curtail inflation which stood at 21.91% in February. The NGX All Share Index recorded a return of 5.82% at the end of the quarter, while the NGX Lotus Islamic Index closed the quarter with a 8.79% gain.

Fund Performance

In the first quarter, the Halal Investment Fund gained **9.32%** 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.

Current Allocation



	Q1'2023	2022*	2021	Inception to Date
Fund Return	9.32%	12.84%	11.11%	113.55%
Benchmark	4.45%	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.

*audited

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.