

Fund Overview

The Lotus Halal Fixed Income Fund (Lotus FIF) is an open-ended mutual fund that invests in fixed income instruments such as Sukuk (non-interest bonds) and fixed-return contracts such as Ijarah (lease) and Murabaha (cost-plus) contracts. The Fund does not invest in equities or interest-bearing securities like treasury bills or conventional term deposits.

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.

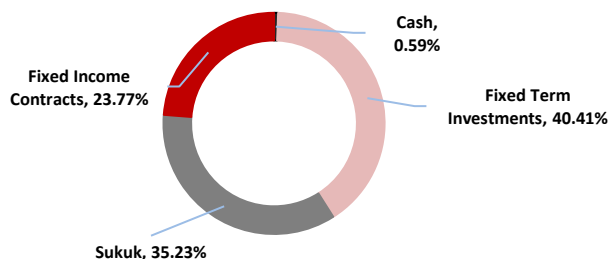
Fund Facts	
Launch Date	May 2016
Currency	Naira (NGN)
Fund Size	₦31.12bn
Net Asset Value (NAV) Per Unit	₦1,274.48
Custodian	Citi Bank Nigeria Limited
Trustees	STL Trustees Limited
Minimum Investment	5 units
Minimum Holding Period	30 days
Income Accrual	Daily
Risk Profile	Low
Annual Management Fee	1.5% of Net Asset Value
Distribution Frequency	Quarterly
No. of Distributions Since Inception	34
Last Distribution	March 2025: ₦32.50/unit

Asset Class	Allocation Range
Cash	0% - 5%
Sovereign & Sub-Sovereign Sukuk	0% - 90%
Corporate Sukuk	0% - 60%
Fixed Term Investments	0% - 100%
Fixed Income Contracts	0% - 70%

* Fixed Income Contracts include Ijara (lease) and Murabaha (cost-plus) contracts.

* Fixed Term Investments are Shari'ah compliant short-term investments with Non-Interest Financial Institutions.

Current Asset Allocation



Investor Profile

The Fund is specifically designed for ethically-inclined investors with low-risk appetite. The Fund is suitable for **individuals and institutional investors** seeking non-interest-based returns.

Benefits to the Investor

Returns	Aims to provide attractive returns comparable to conventional fixed-income investments.
Low Risk	Minimizes risk of loss through diversification and focus on low-risk assets.
Income	Aims to pay out 80% of profit to investors on a quarterly basis.
Liquidity	Investors can enter and exit the Fund every business day.
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 (Second Quarter 2025)

GLOBAL ECONOMY

In Q2 2025, the global economy contended with a range of conflicting signals. While optimism grew following the temporary de-escalation of the U.S.-China trade war, fresh concerns emerged from the intensifying conflict between Israel and Iran, which rattled commodity markets and investor sentiment.

Amid the uncertainties, central bankers extended their dovish monetary stance. The Bank of England and Peoples Bank of China lowered their benchmark rates to 4.25% and 3.00% respectively, while the US Federal Reserve held its benchmark rate at 4.50%.

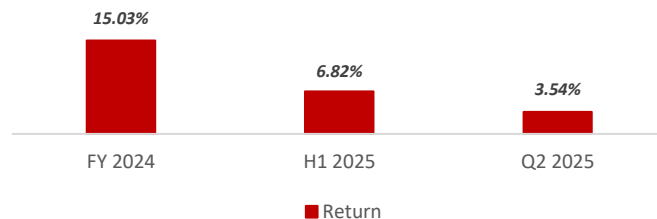
LOCAL ECONOMY

In Nigeria, inflation moderated further to 22.97% in May 2025, from 24.23% in March 2024 following reduced pressure on food prices. The moderation was further supported by the stability of the naira which traded at circa ₦1,539.24/\$ at the Official market.

During the quarter, the World Bank recognized the improvement in the Nigerian economy and revised Nigeria's 2025 GDP growth projection upward to 3.60% for 2025 from its earlier estimate of 3.00%.

Fund Performance

The Lotus Halal Fixed Income Fund gained 3.54% in Q2'2025 to end the quarter with a Net Asset Value of ₦1,274.49/unit. The positive performance was driven by profits from fixed-term investments and rental income on Sukuk resulting in a year-to-date return of 6.82%.



	Q2'2025	Q1'2025	Inception to Date
Fund Return	3.54%	3.28%	117.21%
Benchmark	4.18%	4.67%	-

Fund Outlook

In the coming quarter, the Fund aims to take advantage of the moderation in market yields by reducing its Sukuk holdings in favour of fixed income contracts. We are optimistic that this strategy will 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