

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.

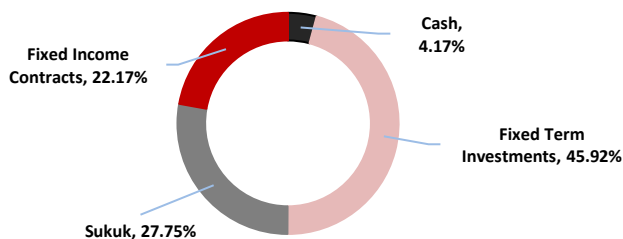
Fund Facts	
Launch Date	May 2016
Currency	Naira (NGN)
Fund Size	₦34.96bn
Net Asset Value (NAV) Per Unit	₦1,296.88
Custodian	Citi Bank Nigeria Limited
Trustees	STL Trustees Limited
Minimum Investment	5 units
Minimum Holding Period	30 days
Income Accrual	Daily
Risk Profile	Low
Annual Management Fee	1.5% of Net Asset Value
Distribution Frequency	Quarterly
No. of Distributions Since Inception	35
Last Distribution	June 2025: ₦35.00/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 (Third Quarter 2025)

GLOBAL ECONOMY

In the third quarter of 2025, global central banks maintained generally supportive monetary policies. In particular, US Federal Reserve cut its benchmark rate by 25 basis points to 4.25%, while the Bank of England (BoE) lowered its benchmark interest rate from 4.25% to 4.00%. In the commodities market, Brent Crude prices slumped by 2.53% to \$65.9pb during the quarter, weighed down by increased OPEC+ output.

LOCAL ECONOMY

Nigeria's economy improved in Q3 2025, supported by the impact of policy measures and higher crude oil output at 1.68 mbpd from 1.40 mbpd in the prior quarter.

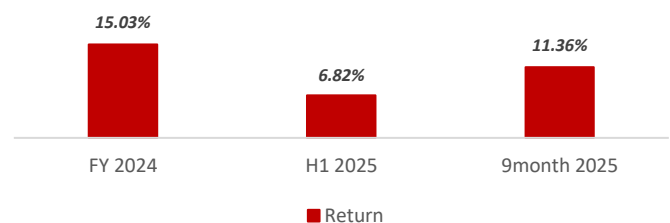
Consequently, Foreign reserves grew by 13.8% to \$42 billion and the naira was relatively stable, closing at ₦1,575/USD at the official window and ₦1,485/USD at the parallel market.

The Central Bank of Nigeria (CBN) lowered the benchmark rate, albeit slightly by 50bps to 27.0%, effectively maintaining a tight policy stance to control inflation. This stance contributed to lowering inflation which dropped to 20.12% in August 2025 from 22.22% in June 2025.

In the Sukuk market, yields declined due to lower benchmark rates and strong investor demand. In particular, the yield on the FGN Sukuk 33 dropped to 16.01% by September 2025, from 18.84% in June 2025.

Fund Performance

The Lotus Halal Fixed Income Fund gained 4.50% in Q3'2025 to end the quarter with a Net Asset Value of ₦1,296.88/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 11.36%.



	Q3'2025	Q2'2025	Q1'2025	Inception to Date
Fund Return	4.50%	3.54%	3.28%	127.15%
Benchmark	4.55%	4.18%	4.67%	-

Fund Outlook

In the coming quarter, the Fund aims to increase its investment in longer dated and higher yielding fixed income contracts by reducing exposure to short-dated fixed term investments. This will enable the fund to lock-in higher rates as yields trend downwards. 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