

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.

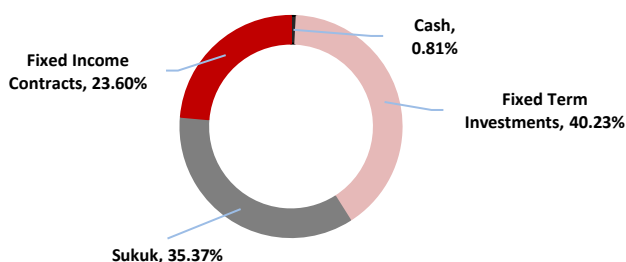
| Fund Facts | |
|--------------------------------------|-----------------------------|
| Launch Date | May 2016 |
| Currency | Naira (NGN) |
| Fund Size | ₦41.22bn |
| Net Asset Value (NAV) Per Unit | ₦1,300.82 |
| Custodian | Citi Bank Nigeria Limited |
| Trustees | STL Trustees Limited |
| Minimum 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 | September 2025: ₦42.00/unit |
| Benchmark (Composite) | 3yr FGN Bond & 90-day NITTY |

| 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 (Fourth Quarter 2025)

GLOBAL ECONOMY

On the global scene, particularly the US, market sentiment was largely dovish. The US Fed cuts its benchmark rate by 25 bps in both its October and December 2025 meetings, prioritizing support for the weak labor market over the need to bring inflation down.

Inflation outcomes were mixed, settling at 2.7% in the United States, 1.9% in the Euro Area, and 3.2% in the United Kingdom.

Globally, central banks broadly maintained accommodative monetary stances to support economic activity. The Bank of England reduced its policy rate by 25 basis points to 3.75%, while the European Central Bank held its key policy rates unchanged at 2.15%.

LOCAL ECONOMY

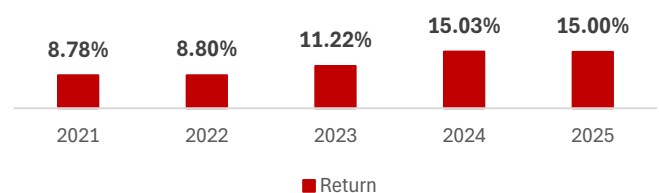
In Q4 2025, CBN MPC maintained its shift from aggressive tightening to a more balanced stance. After lowering the benchmark by 50bps to 27% in Q3'2025, it held it at that level till yearend.

The policy corridor and liquidity conditions were however adjusted to support market liquidity, reflecting a gradual pivot towards supporting growth without undermining price stability. The decision was underpinned by the easing inflation which fell to 15.15% in Dec'25, a stable FX market and modest economic growth prospects.

Consequently, the Sukuk market witnessed a further compression in yields across the curve during the quarter. Improved market liquidity, the CBN's policy pivot and easing inflation spurred buying activity. This caused average yields to fall to 15.90% in Nov'25 but trend back upwards to 17.01% at yearend following the maturity of the second sovereign Sukuk (SK25).

Fund Performance

The Lotus Halal Fixed Income Fund gained 3.54% in Q4'2025 to end the quarter with a Net Asset Value of ₦1,300.82/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 15.00%.



| | Q'4 2025 | FY'2025 | Inception to Date |
|-------------|----------|---------|-------------------|
| Fund Return | 3.54% | 15.00% | 231.74% |
| Benchmark | 4.48% | 18.30% | |

Fund Outlook

In the coming quarter, we expect further moderation in yields hinged on continued deceleration of inflation, further easing of interest rate and improved system liquidity. The Fund aims to take advantage of the moderation in market yields increasing investments in higher yielding fixed income contracts. We are optimistic that this strategy will be positive for the Fund.

Note:

THIS LOTUS HALAL FIXED INCOME FUND IS REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION, NIGERIA.

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