

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.

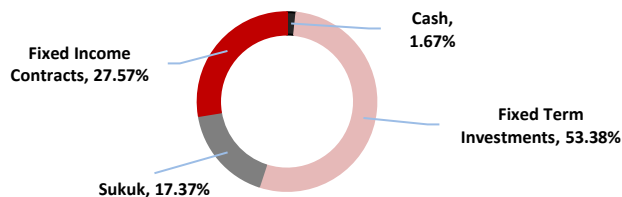
Fund Facts	
Launch Date	May 2016
Currency	Naira (NGN)
Fund Size	₦45.5bn
Net Asset Value (NAV) Per Unit	₦1,308.22
Custodian	Citi Bank Nigeria Limited
Trustees	STL Trustees Limited
Minimum Investment	5 units
Minimum Holding Period	30 days
Income Accrual	Daily
Risk Profile	Low
Annual Management Fee	1.5% of Net Asset Value
Distribution Frequency	Quarterly
No. of Distributions Since Inception	35
Last Distribution	December 2025: ₦42.10/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 .

Note:

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

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Market Review (First Quarter 2026)

GLOBAL ECONOMY

On the global scene, market sentiment was largely cautious. Inflation was up during the quarter, settling at 3.3% in the United States, 2.6% in the Euro Area, and 3.3% in the United Kingdom partly driven by energy prices. Most central banks maintained cautious monetary policy stances, opting to hold rates steady as they assessed the broader economic implications of the ongoing US-Iran conflict. The US Fed held its benchmark rate at 3.5%-3.75%, the Bank of England kept its rate at 3.75%, while European Central Bank maintained its policy rate at 2.15%.

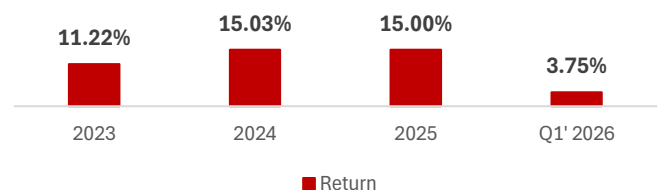
LOCAL ECONOMY

In Q1 2026, the CBN MPC eased its monetary policy stance, cutting the benchmark rate by 50bps to 26.50% at its February 2026 meeting, while retaining other key rates. The decision was supported by easing inflation, a stable FX market, and modest growth prospects with headline inflation having declined to 15.06% in February 2026. However, the rate cut preceded the material escalation in the Middle East conflict, which introduced fresh upside risks to inflation through elevated energy and commodity prices. This was reflected in the March 2026 inflation print, which rose to 15.38%. Based on this trend, the CBN may pause further rate cuts similar to other central banks.

During Q1 2026, the short tenor Sukuk yield rose while the mid to long tenors declined. Yields on Sukuk 27, 31, 32, and 33 closed the quarter at 17.86%, 16.27%, 16.42%, and 16.38% respectively, compared to 16.81%, 17.12%, 17.11%, and 17.00% at end-2025. This could imply that investors now expect a slower decline in inflation and less aggressive monetary easing.

Fund Performance

The Lotus Halal Fixed Income Fund gained 3.75% in Q1'2026 to end the quarter with a Net Asset Value of ₦1,308.22/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 3.75%.



	Q'1 2026	Q'4 2025	FY' 2025	Inception to Date
Fund Return	3.75%	3.54%	15.00%	132.49%
Benchmark	4.11%	4.38%	18.30%	

Fund Outlook

In the coming quarter, we expect further inflationary pressure and elevation in yields if the US-Iran conflict persists. The Fund will therefore aim for investments that offer good opportunities for repricing in the event that inflation and yields rise. This is to ensure that the Fund generates positive real returns for investors. 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.