

Fact Sheet

Lotus Halal Investment Fund

December 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	₦3.749bn
Units Outstanding	2.037bn
Net Asset Value (NAV) Per Unit	₦1.84
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	November 2023: ₦0.07/unit

Asset Class	Allocation Range
Listed equities	10%-80%
Unlisted equities	0%-30%
Asset Backed Investment (ABI)	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 (Fourth Quarter 2023)

Amidst various economic reforms, the Nigerian economy continued to face external and domestic headwinds. In particular, the Country's external reserves in the final quarter was significantly lower due to the lower oil price and the CBN's decision to settle a backlog of FX forward contracts. The lower level of reserves was in spite the increase in oil output to 1.45mbpd in Q3'2023 from 1.22mbpd in Q2'2023.

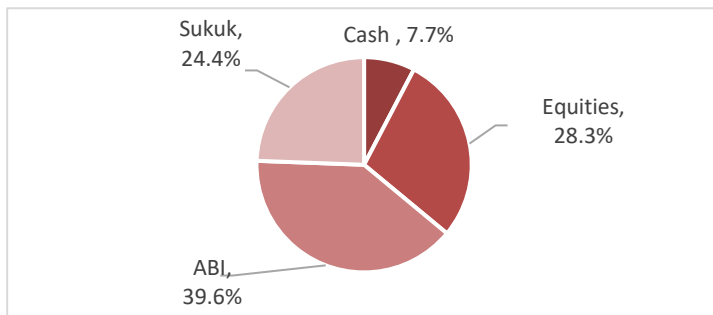
Ultimately, the Naira weakened by -14.52% against the dollar at the official window to trade at ₦899.89/\$ in December 2023 (September'2023: ₦769.26/\$). At the parallel market, the Naira plunged to trade at ₦1,210.00/\$. Despite efforts by the CBN to narrow the differential between the FX rates, the gap between the official and parallel market widened to 34.46% (September'2023: 31.04%).

The economic reforms nevertheless had a positive impact on investor sentiment and the equities market extended its gaining streak in the fourth quarter to gain 12.64% (Q3'2023: 8.88%). The year 2023 was hence a landmark year for the Nigerian Equities market as the NGX All-Share Index crossed the 70,000-bps mark for the first time, ending the year at 74,773.77bps. Additionally, eight companies closed the year with market capitalization in excess of ₦1 trillion, up from five companies in 2022. At the closing bell, the ASI was up by 45.90% for the year. The NGX Lotus Islamic Index (LII) equally had a good outing and gained 6.86% in the final quarter, to bring its full year return to 42.55%.

Fund Performance

In the fourth quarter, the Halal Investment Fund gained 4.37% to close with a Net Asset Value of **₦1.84/unit**. This performance was largely driven by appreciation in equities, rental income from Sukuk and profit on Asset Backed Investments with marginal equity gains. The fund ended with a full year return of 18.66%.

Current Allocation



	2023	2022	Inception to Date
Fund Return	18.63%	12.84%	129.45%
Benchmark	21.28%	7.57%	-

Fund Outlook

In the next quarter, our strategy is to maintain our fixed income investments at the long end of the yield curve. 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.

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.