

## 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

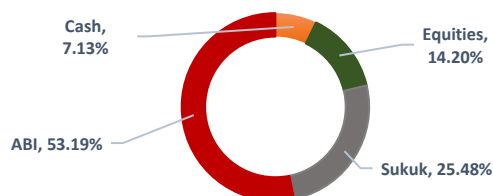
Launch Date	August 2008
Currency	Naira (NGN)
Fund Size	₦4.057bn
Net Asset Value (NAV) Per Unit	₦1.94
Custodian	Citi Bank Nigeria Limited
Trustees	FBNQuest Trustees Limited
Minimum Investment	₦5,000
Recommended Holding Period	3-5 years
Income Accrual	Daily
Risk Profile	Moderate
Share of Profit	70% (Investor) :30% (Manager)
Equity Portfolio Beta	0.73
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

## Current Asset Allocation



## 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

<b>Competitive Returns</b>	Aims to provide attractive returns comparable to conventional instruments with similar risk profile.
<b>Moderate Risk</b>	Minimizes risk through diversification.
<b>Long term goals</b>	Suitable for investing towards long term goals such as retirement and education.
<b>Dividend</b>	Dividend is paid periodically at the discretion of the Fund Manager.
<b>Inclusive</b>	The Fund is targeted at investors with faith-based or ethical preferences, but open to the general investing public. It is reviewed annually for <b>Shariah compliance</b> .

## Market Review (First Quarter 2024)

### GLOBAL ECONOMY

In the United States, inflation remained above the Federal Reserve Banks' target, rising to 3.50% in March 2024 from 3.40% in December 2023. Despite this increase, the Federal Reserve opted to maintain its benchmark interest rate at 5.50% in an effort to stimulate economic growth.

In the Euro Area, authorities grappled with sluggish economic growth. The European Central Bank held its benchmark lending rate steady at a record level of 4.50%, resulting in a moderation of inflation to 2.40% in March 2024 (December 2023: 2.90%).

### LOCAL ECONOMY

In Nigeria, inflation recorded its fourteenth consecutive monthly increase, soaring to 31.70% in February 2024. In response, the Cardoso-led monetary policy committee made a decisive move to hike the benchmark interest rate by 600bps to 24.75% in the first quarter. However, the rate hike did not have an immediate impact on inflation.

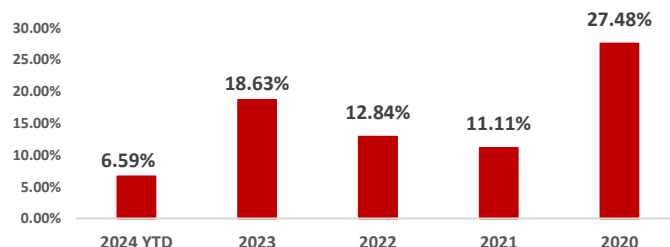
In the period, the external reserves inched up slightly by 2.78% to stand at \$33.83bn following the settlement of outstanding foreign exchange obligations by CBN. The Naira was particularly turbulent in the period and weakened by -45.88% at the official window to trade at ₦1,662.85/\$ in February, before recovering partially to end the quarter at ₦1,330.76/\$ (December 2023: ₦899.89/\$).

### CAPITAL MARKET

The ongoing economic reforms buoyed investor sentiment in the equities market in the first quarter. As a result, the NGX ASI surged by 39.84%, driven in large part by the industrial goods sector. Similarly, the NGX Lotus Islamic Index (NGXLII) was up by 37.20%. However, the performance of constituent stocks was mixed as some companies were pressured by significant foreign exchange related losses. Prices of fixed income securities were also lower in the period due to the higher yield environment.

## Fund Performance

In the first quarter of 2024, the Halal Investment Fund gained 6.59% to close with a Net Asset Value of **₦1.94/unit**.



	Q1'2024	FY'2023	Inception to Date
Fund Return	6.59%	18.63%	139.40%
Benchmark	16.61%	21.28%	-

## Fund Outlook

In the next quarter, our strategy is to rotate into fixed income investments to take advantage of the higher yields. For equities, we will trade cautiously and minimize exposure to companies that could be adversely affected by the economic transition. 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.*