

## 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

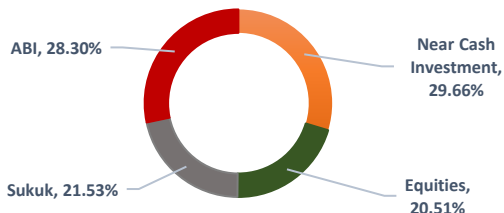
Launch Date	August 2008
Currency	Naira (NGN)
Fund Size	₦4.218bn
Net Asset Value (NAV) Per Unit	₦2.01
Custodian	Citi Bank Nigeria Limited
Trustees	FBNQuest Trustees Limited
Minimum Investment	₦5,000
Recommended Holding Period	3-5 years
Income Accrual	Daily
Risk Profile	Moderate
Share of Profit	70% (Investor) :30% (Manager)
Equity Portfolio Beta	0.79
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 (Second Quarter 2024)

### GLOBAL ECONOMY

In the period under review, lower inflation in advanced economies made monetary authorities confident enough to refrain from contractionary policies. Notably, the European Central Bank (ECB) reduced its benchmark interest rate for the first time in five years to 3.75% after Eurozone inflation dropped to 2.6% in May 2024 (Yearend 2023: 2.9%). In the US, the Federal Reserve Bank maintained its benchmark interest rate at 5.5%, following a 10-basis point decline in inflation to 3.3% in May 2024 (Yearend 2023: 3.4%). A shift in monetary policy in advanced economies may contribute to stimulate capital flows to emerging markets such as Nigeria in the near term.

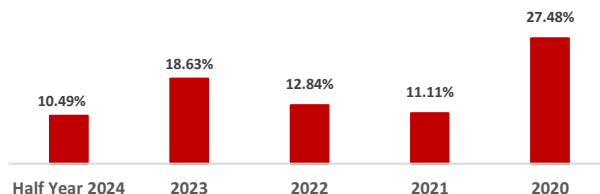
### LOCAL ECONOMY

In the local economy, FX shortages persisted and the Naira took a hit at the Nigerian Autonomous Foreign Exchange Market (NAFEM) where it weakened by -14.96% to ₦1,505.30/\$ at the end of June (March 2024: ₦1,309.39/\$). In the parallel market, the Naira traded at circa ₦1,525.00/\$. The higher exchange rates and other consumer price pressures pushed inflation to 33.95% in May 2024. The Central Bank of Nigeria made further effort to curtail inflation and raised the benchmark interest rate by 150bps within the quarter to 26.25%.

Despite the macroeconomic shocks and tough business environment, there was positive investor sentiment in the local equities market particularly for stocks in the industrial sector which pushed the broad market index higher by 33.81% in the quarter. Conversely, prices of fixed income securities declined markedly as investors sought higher yields to hedge the high inflation.

## Fund Performance

In the second quarter of 2024, the Halal Investment Fund gained 4.15% to close with a Net Asset Value of **₦2.01/unit**. The positive performance was driven by profits from halal equities exposure, fixed-term investments and rental income on Sukuk resulting in a year-to-date return of 10.49%.



	HY'2024	Q2'2024	Inception to Date
Fund Return	10.49%	4.15%	146.00%
Benchmark	19.06%	2.89%	-

## Fund Outlook

In the coming quarter, the Fund intends to increase its holding in fixed income investments to take advantage of the higher yields. For equities, we will invest in undervalued companies and minimize exposure to companies with significant foreign currency obligations. We believe these strategies would lead to higher returns 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.