

MERISTEM ETHICAL EARNINGS PORTFOLIO

Meristem Ethical Earnings Portfolio (referred to as 'The Portfolio') is a unique portfolio product offered to investors as a means of **portfolio diversification especially for investors precluded from interest generating investments for religious or other ethical reasons**. It is backed by investments in ethical securities (excluding interest bearing, gambling/ alcoholic backed instruments etc) which provides highly competitive income for investors. The objectives of this portfolio include;

- Creation of an alternative investment avenue especially for ethical investors;
- Wealth creation as capital value of the portfolio is preserved with income earned;
- Portfolio diversification for ethical investors and others.

Generic Benefits

- Highly competitive income with bi-annual distribution
- Low risk exposure due to the pooled investment structure and investment diversification
- Liquidity provision for early exit
- Professional management of the portfolio

The Portfolio

The portfolio is diversified across various asset classes. Investors will be able to subscribe and redeem their investments from the portfolio based on terms and conditions specified below. The product does not guarantee a fixed rate of return as the return on investment would be driven by the underlying assets in the portfolio. The product excludes investments in the following instruments:

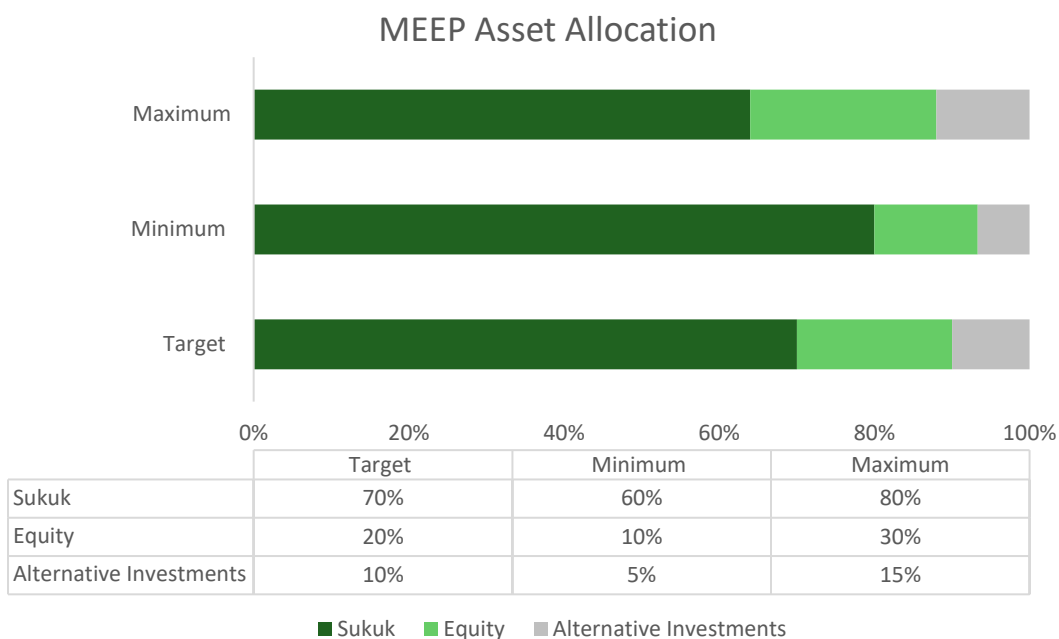
- Interest bearing instruments: e.g. treasury bills, commercial papers, bonds and other debt securities.
- Equity of financial institutions that deal primarily in interest bearing loans i.e. banks.
- Equity of alcohol, tobacco, gun and adult content producers.
- Equity of companies involved in gambling e.g. betting companies, casinos.
- Alternative instruments that directly or indirectly support unethical investments e.g. casino building, brewing factory.

The portfolio would be actively managed and investments in the portfolio include:

- Sukuk Bonds: The instrument would generate a fixed rate of return to the portfolio through its rental income.
- Equity: The portfolio would be exposed to equity instruments which are expected to generate a high rate of return and meet the investment criteria
- Alternative Investments: The portfolio would hold ethical alternative products including real estate, infrastructure projects etc.

Asset Allocation

The portfolio is moderately conservative, having a target weight on sukuk instruments of 70% with a band of +/- 10%. Equity investments have a target weight of 20% while alternative investments are weighted at 10%.



Terms and Conditions

- Minimum investment of N1,000,000 and multiple of N100,000 afterwards;
- Minimum investment period of six months;
- Target return of 8% per annum;
- Income payments to subscribers will be made twice a year (April and October), based on the income generated by investments. This will be paid to the registered bank account provided by the subscriber;
- Termination before minimum investment period will attract a charge of 40% on accrued income;
- Redemptions on this portfolio would be done the Net Asset Value (NAV) as at redemption date.

How to subscribe to the Portfolio

- Fill a fund management application form and supply the necessary KYC documents;
- Pay any Meristem Wealth Management Limited bank account, using reference code- **MEEP**.