

Structured Guarantee Meri–Dollar Investment Portfolio (M-DIP)

Executive Summary

Meristem Structured Guarantee Meri–Dollar Investment Portfolio “**M-DIP**” is a unique portfolio offered to investors as a means of diversifying portfolios to foreign currency denominated investment with guaranteed principal and competitive return on investment. This portfolio target investors whose earnings are generated in foreign currency and those with preference for foreign currency denominated assets to hedge against the decline in Naira value or investors with future liabilities denominated in dollars. The investors have zero exposure to exchange rate volatility with potentials to earn both exchange gain and investment income.

The objectives of this portfolio includes

- Creation of an alternative investment avenue;
- Wealth creation as capital value of the portfolio is preserved;
- Steady income flow;
- Exchange rate hedging;
- USD-NGN Assets and Liabilities Management.

The benefits of Meristem M-DIP include lower risk exposure as it enable investors to pool funds together to partake in an investment portfolio structured to buy foreign denominated assets and provided guaranteed income for investors as well as preserves capital. Sharing of investment risks, opportunity to invest in alternatives asset class for investors overall investment portfolio diversification while facilitating investment with low capital.

The Portfolio (M-DIP)

The portfolio is an Open-Ended portfolio with initial size of USD1,000,000.00. As an open-ended portfolio, the investors will be able to subscribe and redeem their investments from the portfolio based on terms and conditions specified below.

Benefits of M-DIP

- The primary benefit of M-DIP for investors is the ability to hedge their exchange rate exposure over their investment period while benefitting from investment return given the volatile exchange rate environment;
- The portfolio “M-DIP” invests in dollar denominated underlying assets as such will allow investors to diversify their risks and gain exposure to foreign asset class;

- This portfolio provides currency hedge and investors may benefit from exchange gain;
- This portfolio offers graduated guarantee return on investment to would-be investors. Each investor receive return rate commensurate to his/her level of subscription which is in excess of return on domiciliary account in any Nigerian Bank.

Risks to Investment in M-DIP

- The risk of Naira strengthening against USD;
- Investors unable to hold investment for the minimum lock in period wherein penalty will apply.

Investment Case

Guaranteed income. The portfolio will pay out return at the end of the period the fund is invested for.

Exchange gain and Investment Income. The investment is denominated in USD. Both capital and return will be repaid in the currency of subscription which will enable investors benefit from both exchange gain and investment income.

Currency Hedging. The portfolio underlying assets are denominated in USD thereby hedging subscribers' exposure to exchange rate risk.

Diversification benefit. This portfolio "M-DIP" offers diversification benefit to investors in their overall investment portfolio.

This Offer "M-DIP"

Meristem is offering investors' opportunity to participate in portfolio of dollar denominated assets with a graduated guarantee rate of return. Investors are rewarded based on their level of exposure in the portfolio in line with principle of high return for higher risk. The applicable rate of return is 3.5% per annum for a 90-day tenor and 5% per annum for a tenor of 1 year and above.

How to subscribe "M-DIP"

- Fill the attached form and supply the necessary KYC documents to indicate interest in the portfolio and return to us;
- Pay into Meristem Wealth Management Limited USD account

- Investment window is open on a first come first served basis. However, the portfolio is open-ended and subscription is acceptable any time;
- The guaranteed return on the portfolio is paid out at maturity in dollar on a pro-rata basis;
- The minimum acceptable subscription is USD2,000.

Terms and Conditions

Tenor	90 days	1 year and above
Minimum investment	\$2,000 and multiple of \$500 afterwards	\$2,000 and multiple of \$500 afterwards
Means of payment for subscription	By transfers in USD "no cash deposit"	By transfers in USD "no cash deposit"
Lock in period and penalty	No lock-in period	Six months
Penalty for early redemption	Redemption before maturity attracts a penalty charge of 20% of return earned on his/her investment	Redemption before the minimum lock-in period will forfeit 20% of return earned on his/her investment
Payment	Currency of subscription and by way of transfer only to the subscribers account	Currency of subscription and by way of transfer only to the subscribers account