

## Fund Overview

### Introduction

The Meristem Equity Market Fund (MEMF) is an actively managed open-ended collective investment scheme authorized by the SEC whose primary objective is long term capital appreciation targeted at investors with high risk appetite and long term horizon. Resources pooled through subscription are invested leveraging on the Fund's size and expertise of the Manager to grow the wealth over long term horizon to achieve positive risk-adjusted return.

### Market & Fund Review (December 2018)

#### Market Overview

The Nigerian Equities Market (NGSEASI) ended the year 2018 in the red zone posting a loss of 17.81%. Similarly, the Meristem Equity Market Fund (MEMF) posted a net of fees return of negative 11.34% compared to its composite benchmark return of negative 14.68% in 2018.

The market was bearish for the most part of 2018 because of emerging market tensions, trade wars in the developed economies and fed rate hike. The upcoming elections in the country added to the investors fear and impacted negatively on the market as foreign and local investors pull out funds from equities in 2018.

The Fund (MEMF) outperformed its composite benchmark return net of fees by 3.34% for the year as well as All Share Index by 6.47%.

The investors' confidence in the Nigerian equities remained largely weak. We maintain a cautious positive outlook on the Nigerian equities post-elections largely on the back of its attractive price-earnings-ratio relative to its peers.

### Statement of objectives

The Fund's objective is to seek long term capital appreciation through investment in equity securities with a focus on a portfolio of stocks listed on the Floor of the NSE

### Investment Management

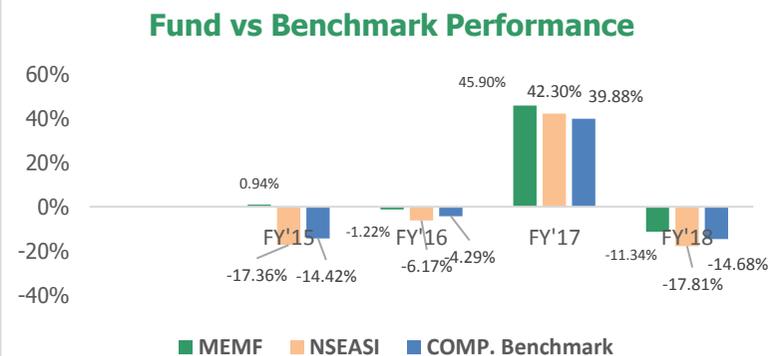
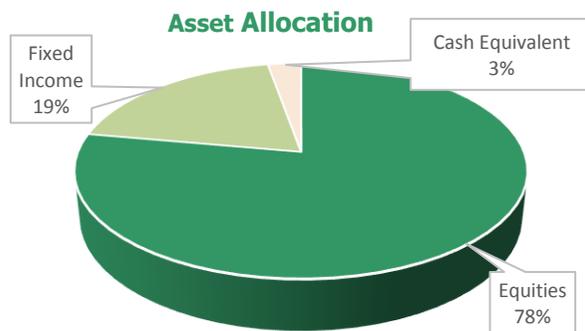
The mode of investment management shall be **full discretionary**. A portion of dividends and gains earned by the fund shall be distributed to unit holders of the Fund on an annual basis.

### Fund Outlook

Macro-economic data in the recent National Bureau of Statistics' releases showed that the nation's GDP grew by 1.81% Y-o-Y in Q3'2018. The growth rate remained weaker than expectations for economy that just barely came out of recession. Albeit, growth outlook retained. In the same vein, inflation pegged at +11.28% YoY in November 2018. The equities market outlook is weak in the near term given the headwinds and emerging market tensions as foreign portfolio investors exit pressures the market downward.

However, given stable FX market and robust external reserve, we expect government spending on capital projects in H2'2019 (post-elections) to have positive impacts on the economy and improve capacity utilization in the real sector of the economy. Also, possible recession in the US might translate to gains in the emerging economies. we maintain a cautious optimism on equities in the second half of 2019. Our strategy is to maintain a strategic allocation of the Fund's asset in dividend paying value stocks that have solid fundamentals in different sectors of the economy while taking tactical movement within permissible range and protecting the downside risk with an acceptable level of fixed income investment earn a risk-adjusted return.

Meristem Equity Market Fund	
Fund Profile and Objective	
Fund Inception Date	28-Oct-15
Investment horizon	Long term
Currency	Naira (NGN)
Bid/Offer (December 31, 2018)	NGN11.4915/NGN11.5867
Objectives	Capital Preservation & Growth
Risk tolerance	High



### Subscription

**Bank Name:** Standard Chartered Bank Nigeria  
**Account Name:** VETIVA TRUSTEES LTD/MERISTEM EQUITY FUND  
**Account Number:** 0002190530  
**Sort code:** 068150057  
**Minimum Subscription:** 1,000, subsequent multiples of 100  
**Redemption:** Five (5) business days

### Profile of the Fund Manager

The company's business is all about wealth management for both high net worth individuals and corporate organizations. Meristem Wealth Management has evolved over the years as a household name in investment portfolio management in Nigeria. The Company has a variety of portfolios developed for retail and semi retail clients.

It is based on this strength that the company has decided to take a giant stride to improve its market share by setting up two investment funds namely, the Meristem Money Market Fund and Meristem Equity Fund.

### Fund Managers

Sulaiman Adedokun, CFA  
 Kehinde A. Ibrahim, CFA