

The Meristem Equity Market Fund (MEMF) aims to achieve long term capital appreciation through investment in equity securities with a focus on a portfolio of stocks listed on the Floor of The Nigerian Stock Exchange. The Fund is an actively managed open-ended collective investment scheme that mainly invests in equity.

The Fund seeks to outperform (gross of fees) its benchmark (80% NSE30 & 20% Average 91-182day TBills). The objectives would be achieved by taking advantage of the economies of scale that come with the pooling together of funds to actively invest. These will enable it to operate in an extremely efficient manner, thereby minimizing transaction cost. The Fund seeks to achieve its stated objective of delivering long-term capital appreciation by relying on its qualitative research capabilities to identify outperforming stocks and instrument to be held by the Fund.

The equity Fund's assets will typically be invested in a diversified portfolio of blue-chip companies that tend to be market leaders in their respective industries. Some percentage of the Fund will however be kept in liquid investment to provide both for redemption and portfolio rebalance to capture market values.

Asset Allocation:

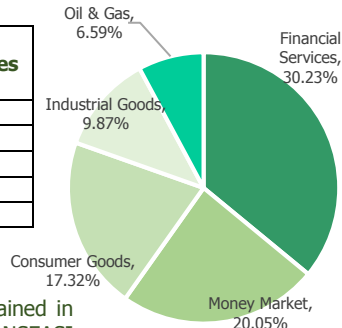
In seeking to achieve fund objectives, the Fund Manager has set the target asset allocation within identified risk levels. The distribution of funds between asset classes and stock selection drive the investment performance over time. In the event of extreme market conditions, the Fund Manager may revise the asset allocation in an attempt to preserve

Assets	Lower Limit %	Upper Limit %	Target Weight %
Equities	75	95	80
Money Market	5	25	20

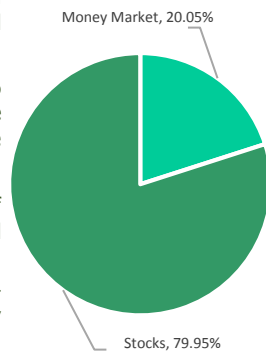
Top 5 Holdings by Sector

SECTOR	Sector Weight %	No of Securities
Financial Services	30.23%	9
Money Market	20.05%	3
Consumer Goods	17.32%	7
Industrial Goods	9.87%	2
Oil & Gas	6.59%	1

Sector allocation (Equity)



Portfolio Holdings



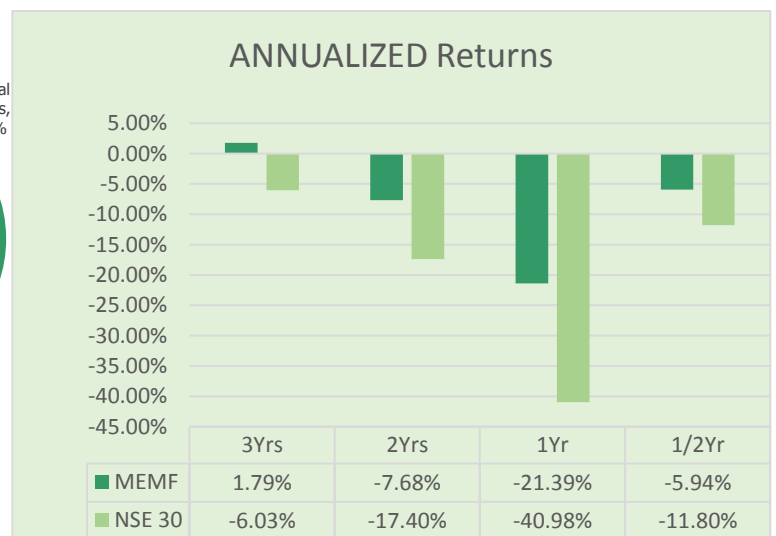
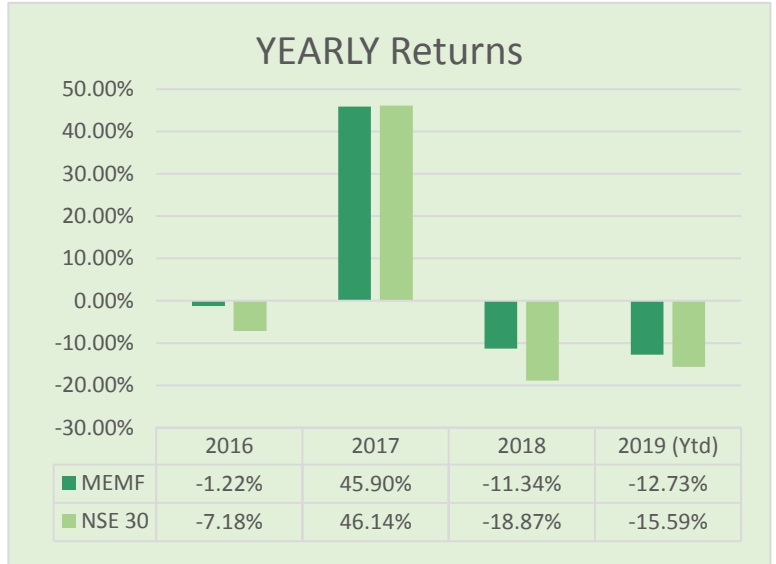
Fund Performance and Portfolio Characteristics:

The prevailing bearish sentiment was sustained in August although at a calmer pace as NSEASI declined by Month-on-Month by -0.69% (-5.75% in July) while the bourse YTD return printed at -12.42%. The market performance during the month was on the back of interim dividend declarations and profit taking activities.

Similarly, the Fund YTD return settled at -12.73% while benchmark (80% NSE30 & 20% Average 182day T-bills) YTD return printed -15.59%; the Fund outperformed its benchmark by 2.86%.

We expect same bearish sentiment in the month of September as we do not see likely positive fiscal and monetary policy stimulus from the FGN and CBN.

The portfolio contained 26 securities comprising 24 equity stocks, 1 Commercial Paper and a Treasury bill. There were no other asset types.



The bar charts and tables provided above are intended to help you understand the risk of investing in the MEMF. The bar chart on top shows the changes in the returns of the fund from year to year whilst the chart below shows the fund's average annual total returns for 1, 2, and 3 years compared to those of a broad measure of market performance – the NSE30. The fund's past performance does not necessarily indicate how it would perform in the future.

The risk of investing in the MEMF is currently largely associated with the risk of general price fluctuations in the stock market but the fund strategy entails a sound and methodical control of these fluctuations through a conscientious and broad sectoral diversification.