

**What is the Meristem Fixed Income Fund?**

The Meristem Fixed Income Fund is Authorized and Registered in Nigeria as an Open-Ended Mutual Fund and proceeds of the issue shall be invested in naira denominated Fixed Income Securities issued by the Federal Government of Nigeria (FGN), Nigerian Top Tier Banks, and other qualifying Corporates whose securities are registered with the Commission as may be decided by the investment committee. The offer size is NGN5,000,000,000 (offer for subscription of 50,000,000 units of NGN100 each at par).

**Who will manage the Meristem Fixed Income Fund?**

The fund will be managed by Meristem Wealth Management Limited, a wholly owned subsidiary of Meristem Securities Limited. The company was incorporated on the 1st of August 2008 with a fully paid-up capital of N500 million and registered as Portfolio/Fund Managers with the Securities Exchange Commission (SEC) in 2017.

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. Each portfolio is designed to meet the investment objectives of specific groups of people while affording them the primary objective of quality returns on sums invested.

**What are the benefits of investing in the fund?**

The objective of the Fund is to provide unitholders with long-term capital growth and regular income by investing in a diversified portfolio of fixed income instruments.

**What is the issue price?**

The issue price is NGN100 per unit.

**How much can I invest in the fund?**

The Minimum investment a Unitholder(s) may make in the Fund is in respect of 100 (One hundred) Units of the Fund. Thereafter, additional Units in the Fund shall be issued in multiples of 50 Units and shall be subscribed for in those multiples.

**What is the minimum holding period for the fund?**

The minimum holding period for an investment in the Fund is 90 calendar days. Unitholders can redeem their Units within three (3) to five (5) Business Days following receipt by the Fund Manager or any of its agents of a Redemption Notice. However, redemptions within three (3) months of making the initial investment shall attract an early redemption fee of 20% of the accrued income.

### **How do interested investors subscribe to the fund and sell or redeem their investment?**

Investors can subscribe to the Fund by completing the Application Form or through our wealth buddy app. Investor can redeem online, through the wealth buddy app or by completing and submitting the redemption form. Redemption can be done on part or all the units at the prevailing Bid NAV price (price at which the fund will buy back from investor).

### **What will I receive as evidence of my investment in the fund?**

Unitholders will be issued with Unit Statements, which shall be the evidence of their title to the number of Units specified on such statements.

### **How do I monitor my investment in the fund?**

Investors can monitor their investment via their wealth buddy account.

### **What is the fund's asset allocation?**

The funds will be invested in FGN Bonds, Corporate Bonds, State Bonds, T-bills, Commercial papers, Bankers' acceptance, fixed deposit, and Cash.

### **Is there a guaranteed rate of return on an investment in the fund?**

While the return of the fund is dependent upon key macro-economic indicators, interest rates of the financial markets and comparable investment returns in the market, the investment is benchmarked to the return on a 5-year Tenor FGN Bond

### **How can I profit from my investment?**

The amount to be distributed as return to Unitholders shall be 75% of the net income that has accrued to the Fund during a Financial Year (the "return"). The Manager shall distribute the returns amongst the Unitholders in accordance with their respective holdings of the Units Bi-annually. Each Unitholder has the option to reinvest their returns in the Fund. The 20% of the net income that has accrued to the Fund during a Financial Year shall be automatically reinvested in the Fund amongst the Unitholders in accordance with their respective holdings of the Units. However, Unitholders may opt to either receive the distribution in cash or re-invest in additional units of the Fund, in line with the provisions of the Trust Deed.

### **Can periodic contributions be made in addition to the initial investment?**

Yes, periodic contributions can be made. The Meristem Fixed Income Fund is open-ended and there is no minimum period of participation or closing date.

### **Who will monitor Meristem Management Wealth Management Limited activities as Fund Managers?**

The SEC, Trustees, and the Investment Committee will be responsible for the decisions regarding the primary and substantive investment activities of the Fund. The trustee (Emerging Africa Trustees) has been appointed to act on the behalf of unit-holders, legally ensuring that the Fund is managed in the best interests of unit-holders and in accordance with the provisions of the Trust Deed, the Investment Committee will also ensure that the Fund Manager's activities with respect to the Fund are in line with the SEC's guidelines regarding permissible investments as well as investment restrictions as prescribed from time to time.

### **Who are the trustees of the fund and what is their role?**

The fund's trustee is Emerging Africa Trustees Limited (the Trustee), a Trust Subsidiary of the Emerging Africa Group. Emerging Africa Trustees possesses a strong track record and experience in capital markets, trusteeship, and wealth management, with a seasoned and dedicated Board of industry leaders with diverse experience in public and private sector institutions. The trustees have a legal duty to protect the interest of the unitholders. Their activities would include ongoing supervision of compliance with the investment policies of the fund.

### **Who can invest in Meristem Fixed Income Fund?**

Investment in the Funds is open to individuals (Retail and High net worth), and institutional investors.

### **How can I start investing?**

Investment in the Fund can be made by completing a subscription form and making payment into the following account.

- Account Name: EA Trustees Meristem FI Fund
- Account Number: 1000158718
- Bank name: Rand Merchant Bank

**Are there any risks to investing in the fund?**

An investment in the Fund involves various risks. Investors in the Fund should be willing to accept some degree of volatility in the price of the Fund. Consequently, it is important to have a complete understanding of the investment strategies and underlying products from which the Fund derives its value to evaluate the risks.

**Will the fund be listed on any exchange?**

The Fund will not be listed on any exchange.