

1. What is Style Investing?

Style investing refers to an investing philosophy designed to gain exposure, to the capital market, whether equities market or fixed income market, based on some pre-set criteria. An index that is constructed on the constituents screened based on an investment style is a Style Index.

2. What are the styles of the NSE-Meristem Value Index?

NSE-Meristem Value Index is to capture the value style investing.

3. What is the investment strategy behind the index?

The value style places more emphasis on the price that investors are willing to pay to purchase a company's earnings, book value, dividend, among others, and not so much about the growth prospects of the company.

4. Why the Style Index?

To provide benchmarks to track the performance of value stocks that are traded on the floor of the Nigerian Stock Exchange ("NSE"), deepen the capital market by availing investors broader product portfolio, provide a more appropriate benchmark that aligns with fund managers' stated investment disciplines, provide a means of effective performance attribution for managers, and facilitate better manager selection and appraisal.

5. How are the constituents selected?

The constituents of the index must have first satisfied a minimum liquidity criterion of trading for at least 95% of the trading days of the market in each half-year, over the previous three years at each review date. Afterwards, the stocks are selected and categorized based on the 10 value and growth factors.

6. Who can use the index?

The index was created to cater to investors seeking profitable portfolio investments, to

Asset & Fund Managers looking to create differentiated products to meet investment objectives, and to Capital Market Intermediaries seeking benchmark for portfolio valuation.

7. How can I access historical and daily index data?

Information on the index is provided on the NSE's website in real time. Potential index data users can however subscribe for additional information such as daily constituent weights, capping factor and historical index values by contacting the NSE Market Data team at contactcenter@nse.com.ng.

8. How do I obtain a license to use the index?

In line with the existing practice for the NSE's suite of indices, the Exchange welcomes the creation of ETFs, Index funds, structured products, futures and options based on the NSE-Meristem Value Index. For enquiries on how to obtain a license, you may contact the Nigerian Stock Exchange Indices Product Manager via productmanagement@nse.com.ng.

9. How often will the index be reviewed?

The Meristem Style Index is reviewed semi-annually, in the last week of December and June.

The style index methodology is designed by Meristem Securities Limited and the index is calculated and maintained by the Nigerian Stock Exchange.