

Emerging Markets Bond Fund

Information as at: 30 November 2024

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$57,411,273
A USD class, USD	\$57,411,273
Fund Inception Date	01/09/2016
Strategy Inception Date	01/04/2017
Performance Benchmark	J.P. Morgan EMBI Global Total Return Index
ISIN	CYF000000200
Fund Domicile	Cyprus
Fund Type	AIF-LNP
Bloomberg Ticker	MERFXPT CY
Base currency	USD
Management fee	0.75%
Performance fee	15%
Hurdle rate	3%
Liquidity	Monthly

MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	B+
Modified Duration	2.39 years
Yield to Worst	8.03%
Fixed Income	34.12%
Equity	57.99%
Cash	11.89%
Repo Instruments	-9.19%
Reverse Repo Instruments	3.01%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	28.19
Government	30.86
Consumer, Cyclical	14.94
Financial	3.82
Communications	9.53
Basic Materials	2.09
Consumer, Non-cyclical	1.95
Industrial	0.37
Funds	0.48
Technology	2.07

Country	% of Total
United States	61.17
United Kingdom	7.69
Germany	5.50
Egypt	2.98
Russian Federation	2.79
Nigeria	2.49
Ghana	1.95
Côte d'Ivoire	1.79
Italy	1.17
Canada	1.08
Other	5.69

Currency Break-Down	% of Total
USD	74.98
EUR	11.97
GBP	11.72
RUB	1.33

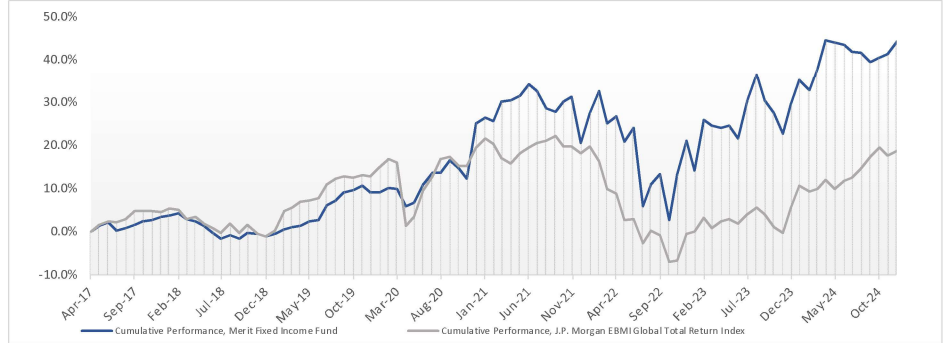
MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Advisor	Persella Ioannides

INVESTMENT OBJECTIVE

Merit Fund AIFLNP V.C.I.C Limited aims to achieve attractive returns through a combination of capital growth and income preservation. At any one time, 90% of net assets of the fund are invested plus any leveraged amount utilized within the scope of investment purposes in sovereign or corporate debt securities of predominantly emerging market countries.

PERFORMANCE GRAPH*



*The fund remained dormant between Sep 2016 and Mar 2017. The performance is presented from the date the investment strategy was implemented. Share Class performance displayed in USD, Benchmark performance displayed in USD

PERFORMANCE*

	MTD	YTD	SI
MeritKapital Fixed Income Fund - A Shares USD	2.17%	8.69%	44.31%
J.P. Morgan EMBI Global Total Return Index	2.14%	8.62%	18.61%

Share Class performance of 2.17% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for November 2024 is 0.52%

*The fund remained dormant between Sep 2016 and Mar 2017. The performance is presented from the date the investment strategy was implemented.

FUND COMMENTS

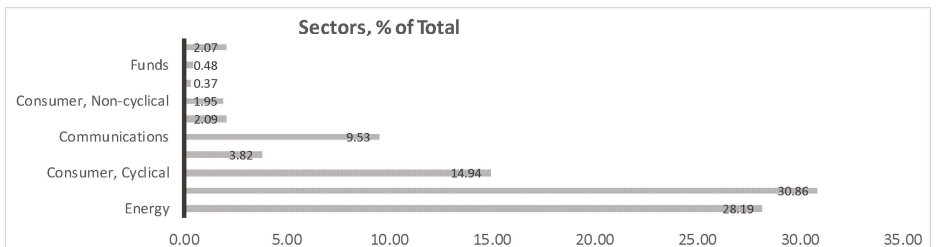
The fund rose by 2.17% in November, bringing its year-to-date returns to 8.69%.

The red sweep, which played out during the US elections, has been the main driver of market performance. Corresponding fiscal policy anticipations have boosted US equities and the Dollar but some emerging markets such as Mexico traded lower on future trade policy concerns.

In equities, the S&P ended the month with a 5.9% rally, while US small caps have been the one of the main beneficiaries of the elections results (Russell 2000 Index +10.63%) with the Fund's 8x8 Inc (EGHT US, +39.01%) ranking among the top performing stocks of the month. Elon Musk's assets surged due to his alliance with Trump, and Fund's Tesla (TSLA US, +25.66%) followed suit. The Fund's travel stocks kept on their rally, with International Consolidated Airlines (IAG LN, +18.61%), Carnival Corp (CCL US, +12.87) and Expedia (EXPE US, +11.25%) on the top of the list. European equity markets were under pressure, mostly due to prospective US international policy pressures and after doubtful earnings in the automotive and the consumer goods sectors.

On the Fixed Income (FI) front, bonds investors felt a slight relief after trading under considerable pressure during the pre-election period in the end of October, as the Fed voted for a 25bp cut to 4.50%-4.75% and also, more importantly, on Jerome Powell's comments on the Fed's independence from any political influence. Macro data showing ongoing disinflation (October Core CPI 0.28% vs 0.31% in September) and unemployment exhibiting 'back on track' data has also been helpful for FI (Nonfarm Payrolls came in at 227k after a change of 12k). Consequently, the yield on the benchmark 10-year U.S. Treasuries closed the month at 4.17%, which is 11bp down MoM. The Fund's fixed-income holdings traded mixed, with Ghana's sovereign bonds as top performers, with the new bonds, issued as per restructuring plan, closing the month 10% higher.

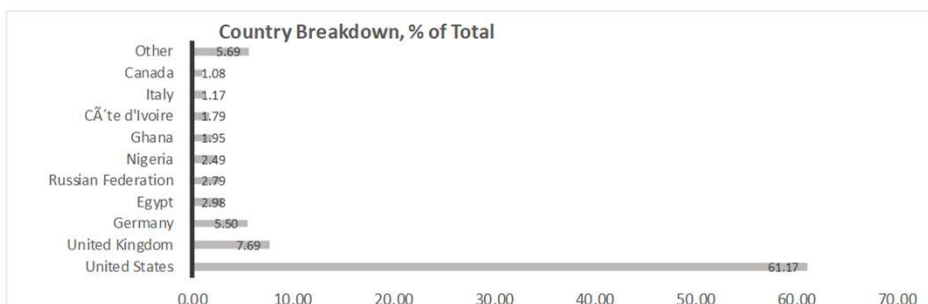
While we took profits on some of our EM positions as the post US election faded, we still hold the view that there remains room for further price appreciation hence will look to re-enter during sell offs. In particular, we note that there has been much new issuance in the Sub-Saharan Africa space which should provide support for existing bonds and for the underlying forthcoming primary market.



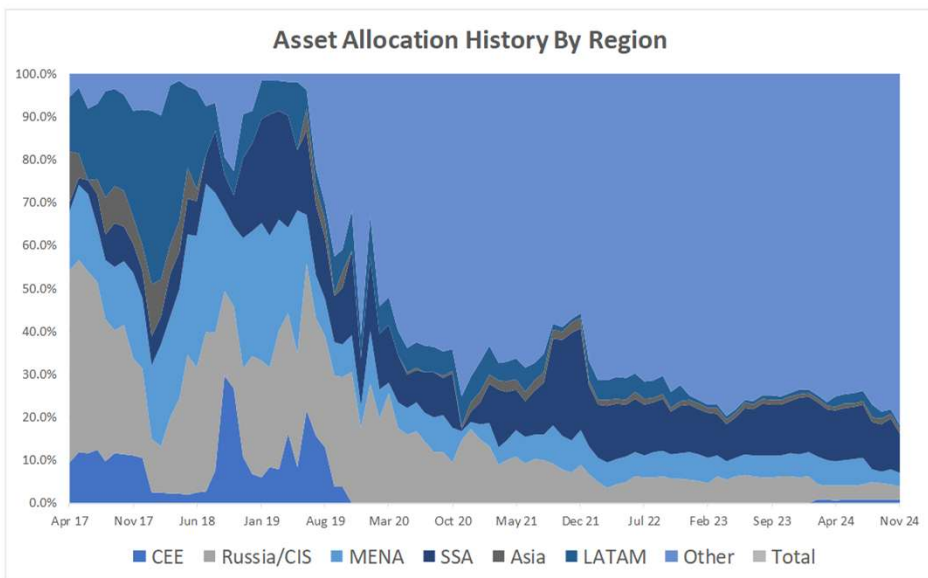
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Top 10 Holdings	% of Total
B 02/20/25	17.24
OXY US	8.41
SHELL NA	6.57
BP/ LN	5.70
CHRD US	4.17
AMZN US	3.93
IAG LN	3.53
BPLN 6 1/8 PERP	2.61
BUBILL 0 02/19/25	1.83
EZJ LN	1.78



Duration Breakdown	% of Total
Cash	11.89
Repo Instruments	-9.19
Reverse Repo Instruments	3.01
Equity	54.34
0 - 1 years	19.73
1 - 3 years	7.52
3 - 5 years	2.28
5 - 7 years	5.17
7 - 10 years	5.26
10+ years	0.00



Rating Breakdown	% of Total
Cash	11.89
Repo Instruments	-9.19
Reverse Repo Instruments	3.01
AAA	0.09
AA	5.43
A	15.96
BBB	14.64
BB	18.90
B	7.18
CCC	3.85
CC	0.00
C	0.00
D	0.00
NR	28.25

	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24
CEE	0.0%	0.0%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.9%	1.0%	0.9%	0.8%
Russia/CIS	5.9%	6.2%	3.6%	3.3%	3.4%	3.4%	3.5%	3.5%	3.9%	3.7%	3.4%	3.1%
MENA	5.6%	5.6%	6.4%	5.9%	5.8%	6.0%	6.1%	6.3%	3.2%	2.6%	3.5%	3.2%
SSA	13.0%	12.9%	12.6%	12.0%	11.8%	12.1%	12.1%	12.3%	11.1%	11.2%	11.9%	9.2%
Asia	1.0%	0.9%	0.9%	0.8%	0.9%	0.9%	0.9%	0.9%	1.0%	1.3%	1.2%	1.0%
LATAM	0.9%	0.9%	0.9%	0.8%	2.4%	2.4%	2.4%	2.5%	2.8%	1.5%	1.0%	0.9%
Other	73.6%	73.4%	74.8%	76.4%	75.1%	74.5%	74.3%	73.8%	77.2%	78.7%	78.1%	81.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

DISCLAIMER

Merit Fund AIFLNP V.C.I.C Limited (the "Fund"), is reserved for professional and well-informed investors as defined by the Alternative Investment Funds Law n.131(I) of 2014 (the "Law") who, on the basis of the Offering Memorandum (the "Offering Memorandum") and the subscription agreement, should make their own assessment of the conditions of their participation in the Fund. It is the responsibility of participating investors, to determine whether the fund described in the Offering Memorandum is suitable to their expectations of performance and risk. The Fund operates as an Alternative Investment Fund with Limited Number of Persons according to the Law, regulated by the Cyprus Securities and Exchange Commission, license # LPAIF05/2014, in the legal form of a variable capital investment company. Prospective investors are not to construe the contents of the Offering Memorandum or any communication relating to this offering as investment, legal or tax advice. Each investor should, however, consult his own legal counsel, accountant and other professional adviser as to legal, tax and related matters concerning an investment in the Fund. The Offering Memorandum, the Memorandum & Articles of Association as well as the latest monthly report are available from the registered office of the Manager and from the Fund's administrator. An investment in the Fund involves financial risk and prospective investors are advised to read the Offering Memorandum carefully in its entirety. With respect to any quotation of expected returns throughout this Report or the Offering Memorandum, it must be noted that these are generated from part research and cannot be guaranteed. The value of an investment in the Fund may fluctuate. Forward looking statements by nature comprise risks and uncertainty since they are related to events and circumstances that may or may not occur or materialise in the future. Due to various risks and uncertainties, actual events or results, the actual performance of the Fund may differ materially from those reflected or contemplated in such forward looking statements. There can be no assurance that the Fund's investment objectives will be achieved and investment results may be achieved over time. Investment in the Fund is not intended on a complete investment program for any investor. Prospective investors should carefully consider if an investment in shares in the Fund is suitable for them in light of their circumstances and their resources. No application has been made to list the shares of the Fund on any stock exchange. Important: shares in the fund are offered solely on the basis of the information and representations contained in the Offering Memorandum and the documents specified therein, which are available for inspection at the Fund's registered office and no other information or representation relating thereto is authorised.