

Emerging Markets Bond Fund

Information as at: 31 January 2025

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$58,200,771
A USD class, USD	\$58,200,771
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	4.13 years
Yield to Worst	10.66%
Fixed Income	17.50%
Equity	75.02%
Cash	3.48%
Repo Instruments	-9.03%
Reverse Repo Instruments	9.02%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	21.28
Government	33.93
Consumer, Cyclical	14.36
Financial	3.84
Communications	9.96
Basic Materials	2.10
Consumer, Non-cyclical	8.00
Industrial	0.40
Funds	0.44
Technology	2.21

Country	% of Total
United States	59.47
United Kingdom	8.43
Germany	5.63
Nigeria	4.98
Egypt	2.97
Russian Federation	2.92
Ghana	1.92
Côte d'Ivoire	1.68
Italy	1.24
Angola	1.05
Other	6.25

Currency Break-Down	% of Total
USD	62.89
EUR	22.89
GBP	12.76
RUB	1.46

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	1.68%	1.68%	46.01%
J.P. Morgan EMBI Global Total Return Index	1.23%	1.23%	18.27%

Share Class performance of 1.68% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for January 2025 is 1.68%

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

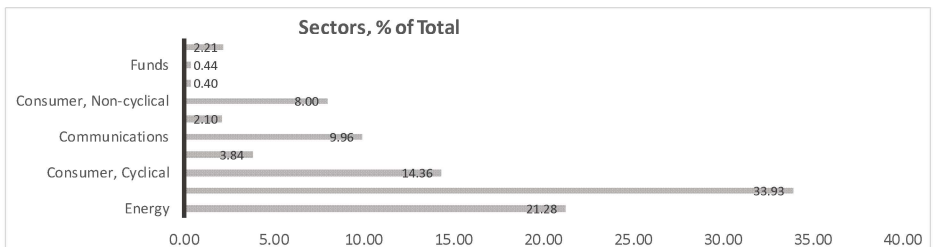
FUND COMMENTS

The fund kicked off the year with a 1.68% gain even as concerns over Trump admin tariffs largely weighed on outlook. While these late turned out to not be as immediate and all-encompassing as initially feared, a stronger dollar into mid January – DXY notching highest since November 2022 – ultimately held back risk sentiment.

Equities had a mixed showing with the general bearishness particularly weighing down US stocks which saw the S&P register a comparatively modest 2.70% gain for the month after some recovery into month-end. Cross-Atlantic peers fared better as the weaker currencies added to the appeal; the FTSE 100 and Stoxx 600 traded 6.13% and 6.29% up respectively. European stocks such as Bayer (BAYN GY, +12.09%) and International Consolidated Airlines (IAG LN, +11.04%) outperformed although Starbucks' (SBUX US, +18.01%) recovery from December's correction had the stock outperform overall. US tech was particularly heavy as the unveiling of China-based Deepseek chatbot had the market reassessing valuations of AI-linked US companies: holdings of Nvidia (NVDA US, -10.59%) and Dell (DELL US, -9.77%) as such underperformed for the fund.

Fixed income was also weighed by an uptick in rates in January with US10Y yield trading as high as 4.80% before easing into month-end. Our holdings had a flat to firm showing with such bonds as EGYPT and GHANA up 3.75% and 3.89% respectively extending their momentum from December.

We retain our constructive view on EM fixed income given spreads over rates have widened since our last report and should thus provide good entry points. We however are no longer as constructive on rates either side of the Atlantic post the downwards trends of these since January as well as taking into cognisance potential pressures on the fiscus.

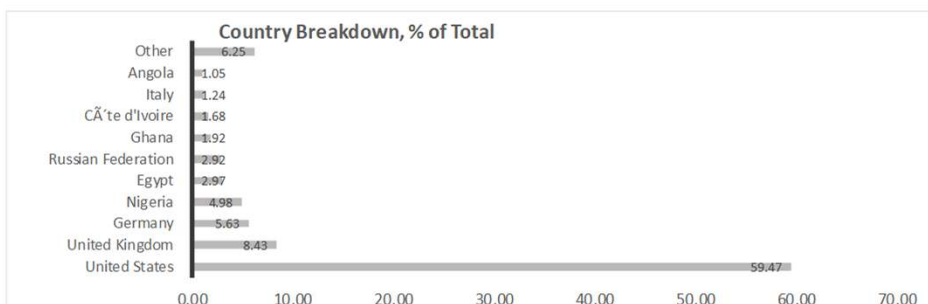


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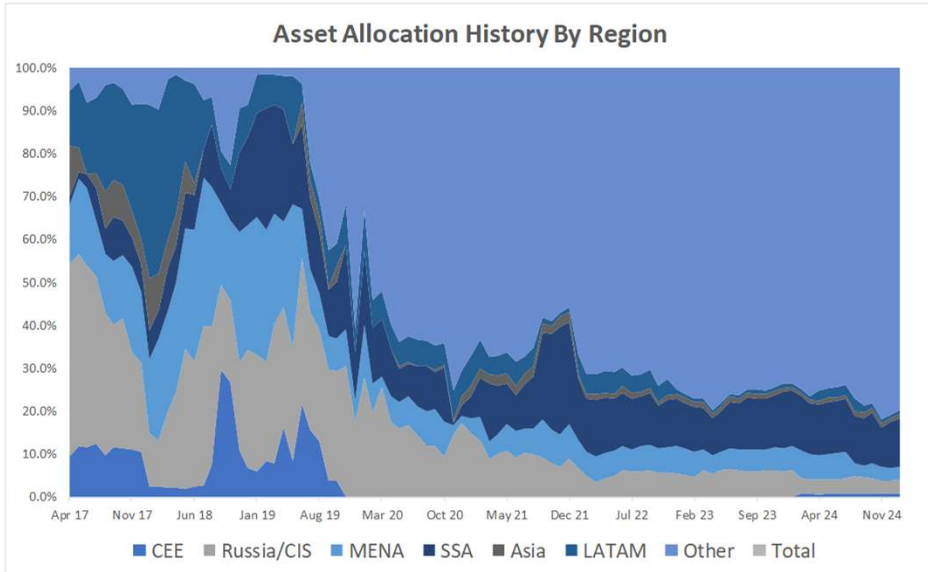
Top 10 Holdings

	% of Total
B 02/20/25	17.14
OXY US	7.65
SHELL NA	6.68
BP/ LN	6.05
AMZN US	4.44
IAG LN	4.41
CHRD US	3.63
BPLN 6 1/8 PERP	2.58
NGERIA 9 5/8 06/09/31	2.46
BUBILL 0 02/19/25	1.78



Duration Breakdown

	% of Total
Cash	3.48
Repo Instruments	-9.03
Reverse Repo Instruments	9.02
Equity	70.60
0 - 1 years	4.06
1 - 3 years	5.97
3 - 5 years	4.82
5 - 7 years	5.13
7 - 10 years	5.95
10+ years	0.00



Rating Breakdown

	% of Total
Cash	3.48
Repo Instruments	-9.03
Reverse Repo Instruments	9.02
AAA	0.08
AA	6.08
A	16.53
BBB	15.62
BB	16.07
B	7.03
CCC	6.30
CC	0.00
C	0.00
D	0.00
NR	28.82

	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25
CEE	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.9%	1.0%	0.9%	0.8%	0.7%	0.7%
Russia/CIS	3.6%	3.3%	3.4%	3.4%	3.5%	3.5%	3.9%	3.7%	3.4%	3.1%	3.0%	3.2%
MENA	6.4%	5.9%	5.8%	6.0%	6.1%	6.3%	3.2%	2.6%	3.5%	3.2%	2.9%	3.1%
SSA	12.6%	12.0%	11.8%	12.1%	12.1%	12.3%	11.1%	11.2%	11.9%	12.2%	10.8%	11.4%
Asia	0.9%	0.8%	0.9%	0.9%	0.9%	0.9%	1.0%	1.3%	1.2%	1.0%	0.8%	1.0%
LATAM	0.9%	0.8%	2.4%	2.4%	2.4%	2.5%	2.8%	1.5%	1.0%	0.9%	0.8%	0.9%
Other	74.8%	76.4%	75.1%	74.5%	74.3%	73.8%	77.2%	78.7%	78.1%	81.9%	80.7%	79.8%
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 AIFLP 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.

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