

Emerging Markets Bond Fund

Information as at: 31 March 2025

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$50,484,678
A USD class, USD	\$50,484,678
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	BB
Modified Duration	4.77 years
Yield to Worst	11.37%
Fixed Income	18.87%
Equity	66.31%
Cash	6.12%
Repo Instruments	-10.52%
Reverse Repo Instruments	12.85%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	33.07
Government	19.03
Consumer, Cyclical	15.05
Financial	4.64
Communications	10.45
Basic Materials	2.38
Consumer, Non-cyclical	2.37
Industrial	0.73
Funds	0.45
Technology	3.38

Country	% of Total
United States	49.70
United Kingdom	8.51
Germany	5.44
Nigeria	5.37
Russian Federation	3.66
Egypt	3.34
Ghana	2.17
Côte d'Ivoire	1.94
Italy	1.36
Angola	1.21
Other	8.84

Currency Break-Down	% of Total
USD	55.96
EUR	27.76
GBP	14.31
RUB	1.98

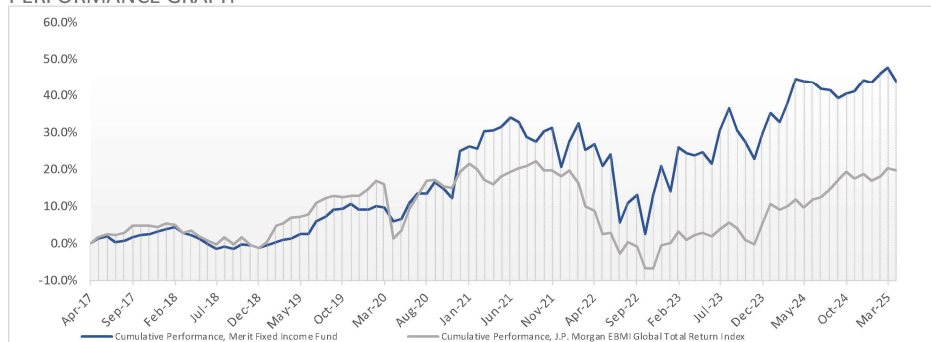
MANAGEMENT TEAM

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	-2.61%	0.13%	43.78%
J.P. Morgan EMBI Global Total Return Index	-0.54%	2.35%	19.58%

Share Class performance of -2.61% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for March 2025 is -2.60%

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

FUND COMMENTS

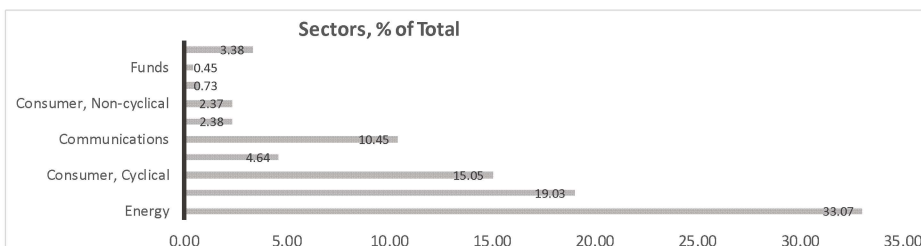
The Fund decreased by 2.61% in March, bringing its year-to-date returns to 0.13%.

In March 2025, global markets awaited the US trade tariffs, announced on 2nd April on a number of countries. Since then, uncertainty surrounding the US's trade policy particularly with China increased, where the latter tariffs jumped from 20% to 145% on certain goods. This policy shift led to significant disruptions in supply chains and recession and inflationary fears, especially amidst retaliatory tariffs especially from China, which imposed retaliatory tariffs of 125% on U.S. goods. In Europe, economic indicators presented a mixed picture. Whilst industrial production in the Eurozone rose by 1.1% month-on-month in February, surpassing expectations and suggesting a potential rebound from a prolonged downturn inflation remained subdued, with the annual rate easing to 2.2% in March, down from 2.3% in February, indicating ongoing disinflationary trends.

Equity markets experienced notable declines. The S&P 500 fell by 5.75%, reflecting investor concerns over escalating trade disputes. In Europe, the DAX decreased by 1.72%, a small rebound from expectations about EU spending increase and the FTSE 100 dropped by 2.58%. The MSCI Europe Index also saw a decline of 4.36%. Technology stocks were particularly affected by the tariffs; for instance, the Fund's Amazon.com Inc. (AMZN) position closed down 10.59% from the previous month. Conversely, UK-based oil company Shell experienced a 9.6% increase in its share price, driven by strong earnings reports, with that being top-performer of the Fund.

In the fixed income sphere, Federal Reserve Chair Jerome Powell's late-March speech emphasized a cautious approach to monetary policy, leading to just a modest rise in yields, with the 10-year U.S. Treasury yield closing the month flat at 4.22%. In the European Union, the ECB cut its key interest rates by 25 basis points in March, bringing the deposit rate down to 2.50%. This decision was influenced by slowing inflation and subdued economic activity. In Germany, the 10-year Bund yield decreased by approximately 10 basis points during the month to 2.73% from highs reached in the first days of March, reflecting investor expectations of continued monetar easing. Sub-Saharan African (SSA) Eurobonds experienced a notable decline, influenced by escalating U.S. tariffs and trade tensions that dampened investor sentiment. The average decline across most names was approximately 2.5 to 4pts from its previous month end, exacerbated by a drop in oil prices with the average crude oil prices at \$72.73/bbl, well below the \$75 per barrel projected in many national budgets. Oilers – NIGERIA and ANGOL – heavily reliant on oil exports, led the underperformance with both names declining by 3.95pts and 3.75pts respectively. IVYCSST also underperformed amid the concurrent launch of 2036 USD notes and tender offer on 2028 and 2036 EUR notes. The new 2036 notes, a fund holding, issued at a 8.45% yield sold off on the general risk off sentiment, and closed at 3.75pts from reoffer for the month.

Looking ahead, the continuation of US tariffs and a more confrontational trade stance toward China suggest further pressure on global equities, particularly in export-sensitive sectors. While former President Trump has called for more aggressive monetary easing, recent inflation readings may limit the Fed's monetary policy maneuvering room. In Europe, the risk of stagflation looms as slowing growth collides with persistently sticky core inflation. In this environment, we remain cautious and continue to monitor key economic



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Top 10 Holdings

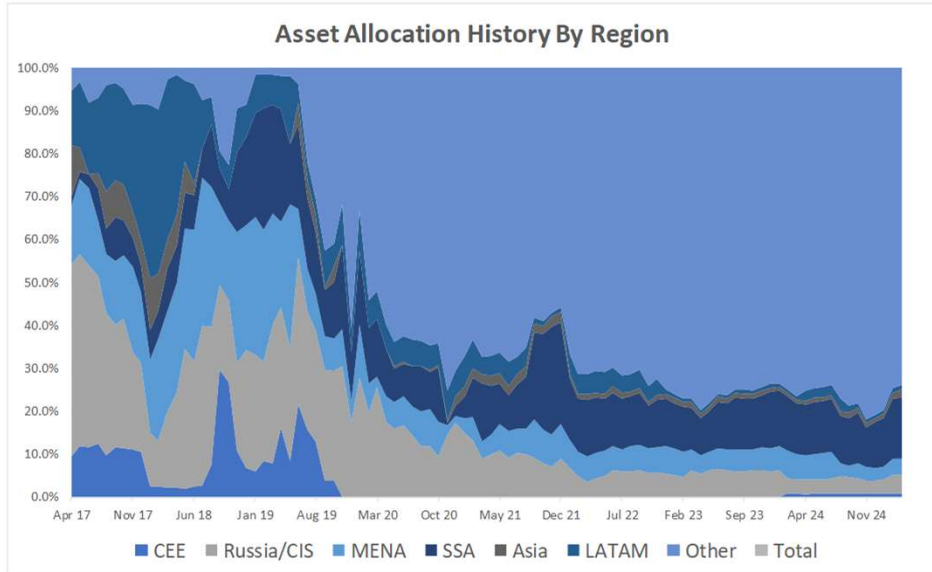
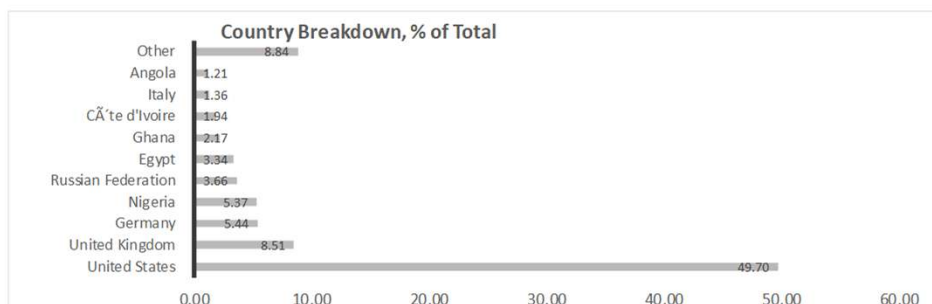
	% of Total
OXY US	9.34
SHELL NA	8.45
BP/ LN	7.50
AMZN US	4.28
CHRD US	4.19
IAG LN	4.09
BPLN 6 1/8 PERP	2.99
NGERIA 9 5/8 06/09/31	2.82
TLGRAM 7 03/22/26	1.97
EGYPT 3 7/8 02/16/26	1.83

Duration Breakdown

	% of Total
Cash	6.12
Repo Instruments	-10.52
Reverse Repo Instruments	12.85
Equity	62.15
0 - 1 years	4.62
1 - 3 years	4.27
3 - 5 years	6.08
5 - 7 years	7.32
7 - 10 years	6.34
10+ years	0.76

Rating Breakdown

	% of Total
Cash	6.12
Repo Instruments	-10.52
Reverse Repo Instruments	12.85
AAA	0.28
AA	6.31
A	20.93
BBB	16.75
BB	19.04
B	9.42
CCC	7.15
CC	0.00
C	0.00
D	0.00
NR	11.68



	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25
CEE	0.7%	0.7%	0.7%	0.7%	0.9%	1.0%	0.9%	0.8%	0.7%	0.7%	0.9%	0.9%
Russia/CIS	3.4%	3.4%	3.5%	3.5%	3.9%	3.7%	3.4%	3.1%	3.0%	3.2%	4.2%	4.3%
MENA	5.8%	6.0%	6.1%	6.3%	3.2%	2.6%	3.5%	3.2%	2.9%	3.1%	3.7%	3.6%
SSA	11.8%	12.1%	12.1%	12.3%	11.1%	11.2%	11.9%	9.2%	10.8%	11.4%	14.1%	14.4%
Asia	0.9%	0.9%	0.9%	0.9%	1.0%	1.3%	1.2%	1.0%	0.9%	1.0%	1.3%	1.8%
LATAM	2.4%	2.4%	2.4%	2.5%	2.8%	1.5%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%
Other	75.1%	74.5%	74.3%	73.8%	77.2%	78.7%	78.1%	81.9%	80.7%	79.8%	74.7%	73.9%
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 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 past 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.