

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	\$45,539,010
A USD class, USD	\$45,539,010
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	4.68 years
Yield to Worst	11.90%
Fixed Income	20.63%
Equity	70.17%
Cash	4.42%
Repo Instruments	-11.83%
Reverse Repo Instruments	10.95%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	31.14
Government	20.84
Consumer, Cyclical	17.22
Financial	5.07
Communications	11.65
Basic Materials	2.67
Consumer, Non-cyclical	2.67
Industrial	0.85
Funds	0.52
Technology	3.82

Country	% of Total
United States	49.39
United Kingdom	9.90
Germany	6.27
Nigeria	5.82
Russian Federation	4.11
Egypt	3.70
Ghana	2.34
Côte d'Ivoire	2.09
Italy	1.77
Angola	1.22
Other	9.85

Currency Break-Down	% of Total
USD	55.09
EUR	27.78
GBP	14.89
RUB	2.25

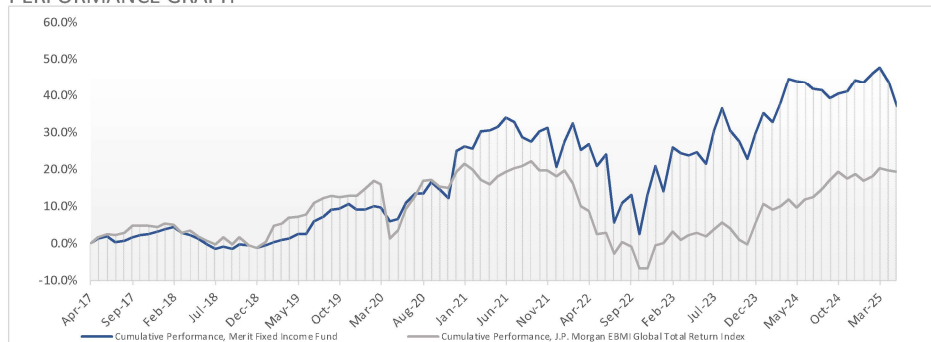
MANAGEMENT TEAM

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*



Share Class performance displayed in USD, Benchmark performance displayed in USD

PERFORMANCE*	MTD	YTD	SI
MeritKapital Fixed Income Fund - A Shares USD	-4.75%	-4.63%	36.95%
J.P. Morgan EMBI Global Total Return Index	-0.08%	2.26%	19.48%

Share Class performance of -4.75% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for March 2025 is -4.64%

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

FUND COMMENTS

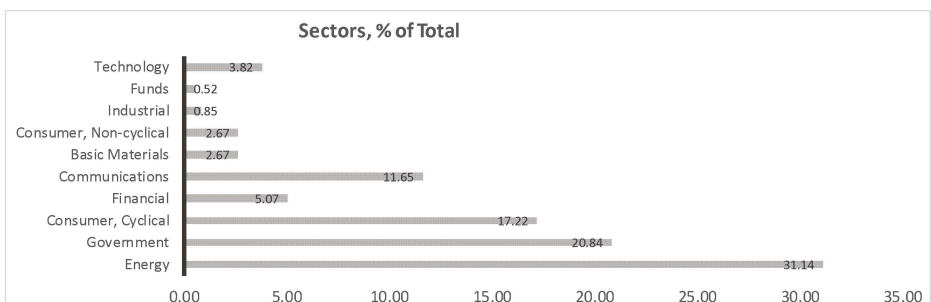
The fund declined 4.75% in April, taking year-to-date returns to -4.63%.

Bearish sentiment post the announcement of the much-touted tariffs weighed on financial markets with odds of a US recession reaching as high as 66%. The subsequent 90-day tariff reprieves brought some calm while later releases on price levels, employment and retail activity showed limited pass-through effects of the tariffs.

Equity holdings were a mixed bag, mirroring the performance of the wider market. The S&P, closed the month 'just' 0.76% lower having contracted as much as 11.2% early April. Fund holdings had contrasting performances: US tech led the outperformance with holdings of Netflix (NFLX US +21.36%) and Palantir (PLTR US +14.68%) notable winners while consume discretionary – Starbucks (SBUX US -18.69%) – and Chinese stocks – Alibaba (BABA US -9.68%) – were a drag on overall performance. Oil prices dropped by 15.5% to 2021 lows, and the Fund's large position in oil companies like Occidental Petroleum (OXY US, -19.8%) and Chord Energy (CHRD US, -19.9%) affected drastically the total performance of the Fund.

Fixed income traded lower as US treasuries whipsawed; rates rallied at the start before slipping and just about recovered into month-end to close 5bps down. The volatility weighed on performance with holdings of ANGOL and NGERIA shedding some 6.5pts and 9.5pts respectively. GHANA holdings held up however, with our exposure to short 2026 notes returning 0.67% while SENEGL 2037 notes returned 0.78% post constructive meetings at the IMF/WB spring week.

We continue to monitor markets going forward with the view that the trajectory of least resistance for markets is upwards heading into summer. The end of the initial 90-day tariff pause (early July) poses the risk of a re-emergence of volatility and may thus look to trim beforehand.



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Top 10 Holdings

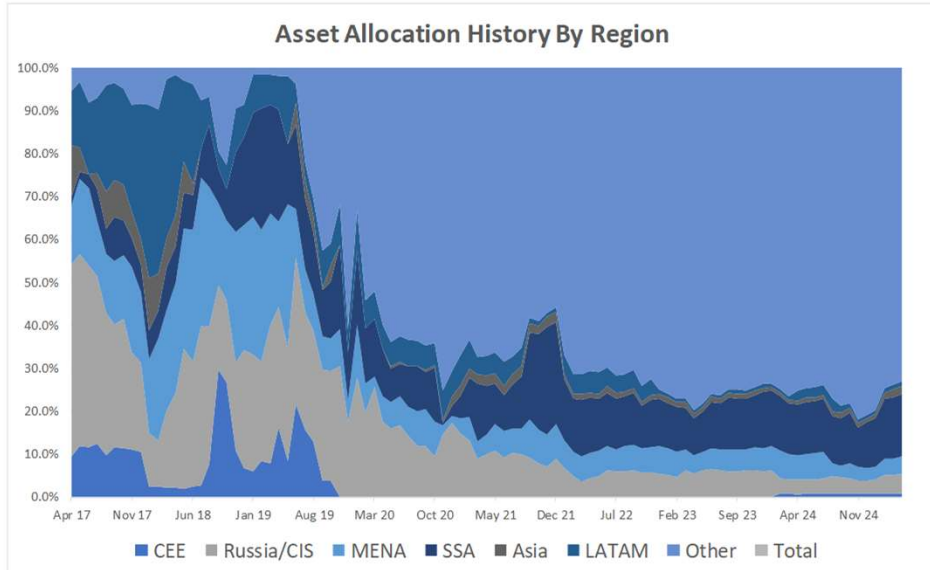
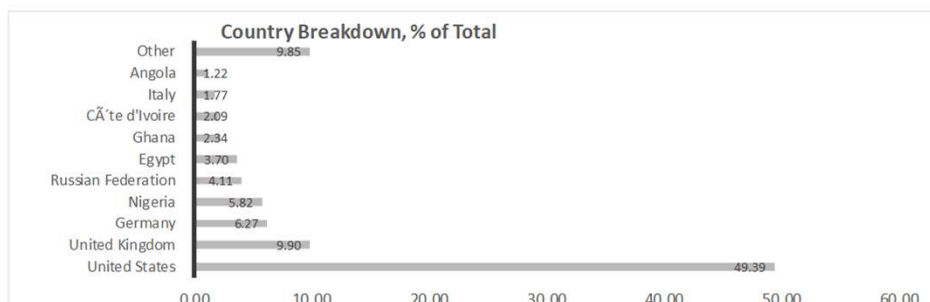
	% of Total
SHELL NA	8.37
OXY US	8.26
BP/ LN	6.89
IAG LN	4.66
AMZN US	4.60
CHRD US	3.72
BPLN 6 1/8 PERP	3.29
NGERIA 9 5/8 06/09/31	3.01
TLGRAM 7 03/22/26	2.20
EZJ LN	2.11

Duration Breakdown

	% of Total
Cash	4.42
Repo Instruments	-11.83
Reverse Repo Instruments	10.95
Equity	64.21
0 - 1 years	5.16
1 - 3 years	4.73
3 - 5 years	8.31
5 - 7 years	7.19
7 - 10 years	5.92
10+ years	0.93

Rating Breakdown

	% of Total
Cash	4.42
Repo Instruments	-11.83
Reverse Repo Instruments	10.95
AAA	0.32
AA	7.04
A	20.95
BBB	19.46
BB	17.91
B	15.65
CCC	2.34
CC	0.00
C	0.00
D	0.00
NR	12.79



	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25
CEE	0.7%	0.7%	0.7%	0.9%	1.0%	0.9%	0.8%	0.7%	0.7%	0.9%	0.9%	1.0%
Russia/CIS	3.4%	3.5%	3.5%	3.9%	3.7%	3.4%	3.1%	3.0%	3.2%	4.2%	4.3%	4.6%
MENA	6.0%	6.1%	6.3%	3.2%	2.6%	3.5%	3.2%	2.9%	3.1%	3.7%	3.6%	3.8%
SSA	12.1%	12.1%	12.3%	11.1%	11.2%	11.9%	9.2%	10.8%	11.4%	14.1%	14.4%	14.6%
Asia	0.9%	0.9%	0.9%	1.0%	1.3%	1.2%	1.0%	0.9%	1.0%	1.3%	1.8%	1.9%
LATAM	2.4%	2.4%	2.5%	2.8%	1.5%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.1%
Other	74.5%	74.3%	73.8%	77.2%	78.7%	78.1%	81.9%	80.7%	79.8%	74.7%	73.9%	73.1%
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.