

Emerging Markets Bond Fund

Information as at: 31 May 2025

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$48,429,230
A USD class, USD	\$48,429,230
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	4.66 years
Yield to Worst	11.44%
Fixed Income	19.97%
Equity	71.00%
Cash	4.22%
Repo Instruments	-11.11%
Reverse Repo Instruments	10.30%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	29.93
Government	20.40
Consumer, Cyclical	18.68
Financial	4.93
Communications	11.92
Basic Materials	2.46
Consumer, Non-cyclical	2.66
Industrial	0.85
Funds	0.56
Technology	4.20

Country	% of Total
United States	49.33
United Kingdom	10.91
Germany	6.04
Nigeria	5.76
Russian Federation	3.95
Egypt	3.54
Ghana	2.40
Côte d'Ivoire	2.03
Italy	1.86
Canada	1.22
Other	9.57

Currency Break-Down	% of Total
USD	55.33
EUR	26.64
GBP	15.84
RUB	2.20

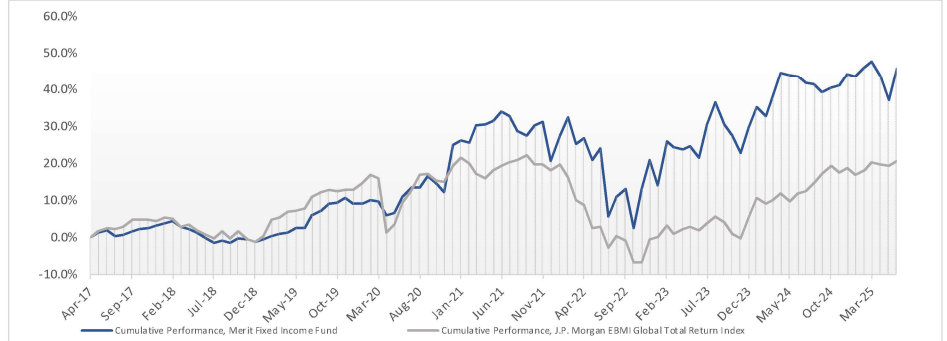
MANAGEMENT TEAM

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	6.52%	1.59%	45.88%
J.P. Morgan EMBI Global Total Return Index	0.85%	3.13%	20.49%

Share Class performance of 6.52% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for May 2025 is 6.55%

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

FUND COMMENTS

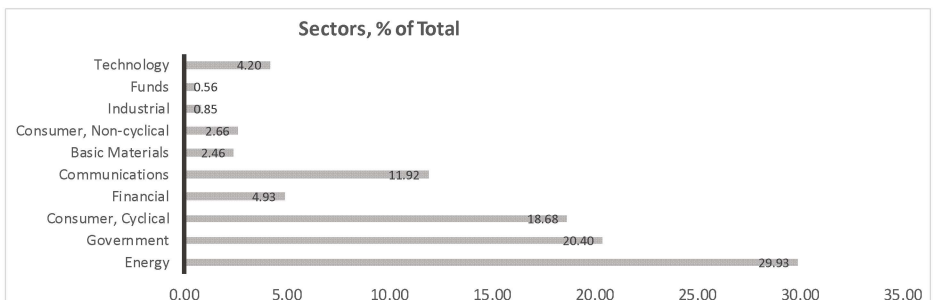
The fund rose 6.52% in May, taking year-to-date returns to 1.59%.

Improved macro sentiment on the back of softer inflation prints, relief from Trump backing down from excessive tariffs and resilient consumer data helped global equities recover from the local lows in April, while volatility in fixed income and commodity markets kept investor caution in play.

Equity performance was broadly supportive, with the US among leaders of the rise: S&P 500 ended month up 6.15% and Russel 2000 Index gained 5.20%. U.S. tech and energy names led the fund's outperformance, with notable contributions from Nebius Group (NBIS US, +61.68%), Encore Energy (EU US, +33.11%), and Nvidia (NVDA US, +24.06%). Amazon (AMZN US, +11.16%) also contributed to the Fund's performance, while International Consolidated Airlines (IAG LN, +26.62%) rallied on earning and tariffs softening on the UK.

In fixed income, markets ended the month comparatively subdued: 10Y Treasury yields gained 24bp amid fiscal tensions and Moody's downgrade, with markets worldwide largely weighed down. Frontier bonds firmed modestly however as the compression trade continued. Our Ghana 2026 notes and Senegal 2037 bonds returned 0.44% and 0.51% respectively, supported by positive developmen during IMF engagements. Nigeria and Angola sovereigns were flat as oil-related risks persisted

Looking ahead, market direction hinges on inflation and central bank tone as we approach the end of Q2. The fading impact of Q1 tariff and potential policy clarity could provide tailwinds, though the conclusion of the 90-day tariff reprieve in July could reintroduce volatility. The fund remains selectively positioned with a pro-cyclical bias, while closely monitoring geopolitical developments.



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Top 10 Holdings

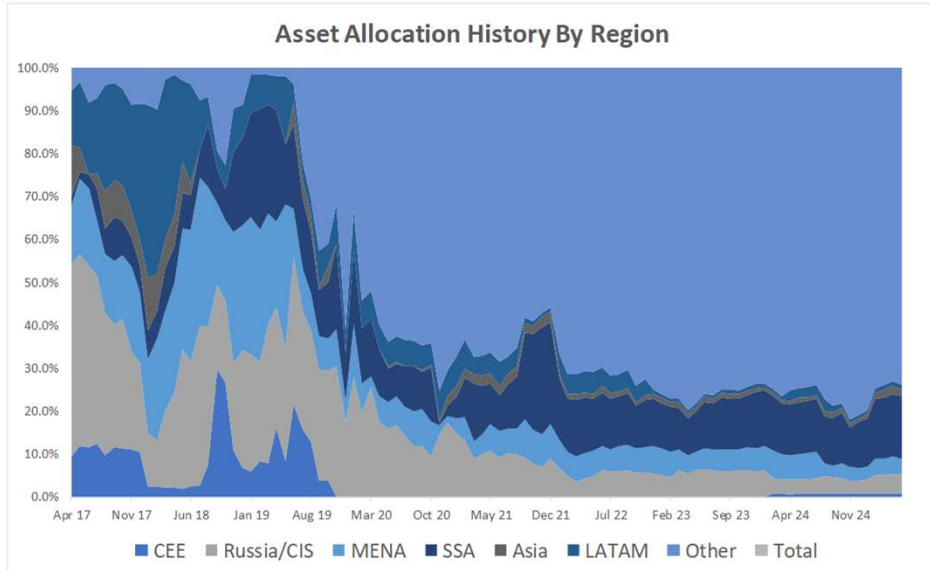
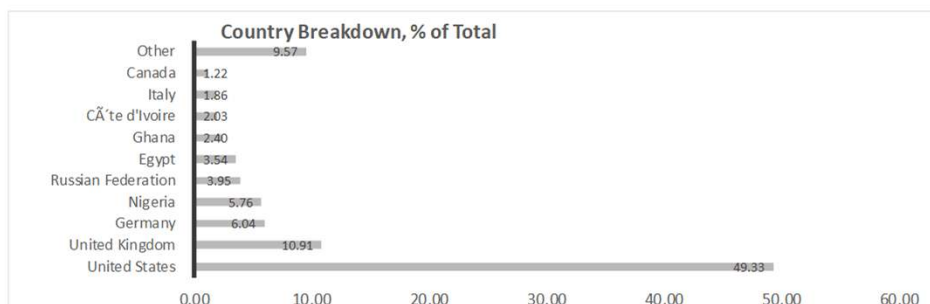
	% of Total
OXY US	8.04
SHELL NA	7.96
BP/ LN	6.71
IAG LN	5.55
AMZN US	4.81
CHRD US	3.49
BPLN 6 1/8 PERP	3.14
NGERIA 9 5/8 06/09/31	3.03
EZJ LN	2.33
TLGRAM 7 03/22/26	2.09

Duration Breakdown

	% of Total
Cash	4.22
Repo Instruments	-11.11
Reverse Repo Instruments	10.30
Equity	65.31
0 - 1 years	4.90
1 - 3 years	4.61
3 - 5 years	7.21
5 - 7 years	8.02
7 - 10 years	5.68
10+ years	0.86

Rating Breakdown

	% of Total
Cash	4.22
Repo Instruments	-11.11
Reverse Repo Instruments	10.30
AAA	0.35
AA	7.50
A	20.15
BBB	20.68
BB	17.46
B	15.22
CCC	2.40
CC	0.00
C	0.00
D	0.00
NR	12.83



	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25
CEE	0.7%	0.7%	0.9%	1.0%	0.9%	0.8%	0.7%	0.7%	0.9%	0.9%	1.0%	0.9%
Russia/CIS	3.5%	3.5%	3.9%	3.7%	3.4%	3.1%	3.0%	3.2%	4.2%	4.3%	4.6%	4.4%
MENA	6.1%	6.3%	3.2%	2.6%	3.5%	3.2%	2.9%	3.1%	3.7%	3.6%	3.8%	3.7%
SSA	12.1%	12.3%	11.1%	11.2%	11.9%	9.2%	10.8%	11.4%	14.1%	14.4%	14.6%	14.4%
Asia	0.3%	0.3%	1.0%	1.3%	1.2%	1.0%	0.9%	1.0%	1.3%	1.8%	1.9%	1.8%
LATAM	2.4%	2.5%	2.8%	1.5%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.1%	1.0%
Other	74.3%	73.8%	77.2%	78.7%	78.1%	81.9%	80.7%	79.8%	74.7%	73.9%	73.1%	73.7%
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.