

Emerging Markets Bond Fund

Information as at: 30 June 2025

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$50,476,210
A USD class, USD	\$50,476,210
Fund Inception Date	01/09/2016
Strategy Inception Date	01/04/2017
Performance Benchmark	J.P. Morgan EMBI Global Total Return Index CYF000000200
ISIN	Cyprus AIF-LNP
Fund Domicile	MERFXPT CY
Fund Type	USD
Bloomberg Ticker	0.75%
Base currency	15%
Management fee	3%
Performance fee	
Hurdle rate	
Liquidity	

MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	BB
Modified Duration	4.78 years
Yield to Worst	11.39%
Fixed Income	19.46%
Equity	70.67%
Cash	8.73%
Repo Instruments	-10.76%
Reverse Repo Instruments	7.33%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	29.87
Government	18.48
Consumer, Cyclical	18.39
Financial	4.89
Communications	12.07
Basic Materials	2.43
Consumer, Non-cyclical	2.68
Industrial	0.81
Funds	0.42
Technology	4.65

Country	% of Total
United States	49.65
United Kingdom	10.14
Germany	5.96
Nigeria	5.68
Russian Federation	3.79
Egypt	3.48
Ghana	2.38
Italy	1.90
Angola	1.21
Canada	1.13
Other	9.39

Currency Break-Down	% of Total
USD	66.97
EUR	15.83
GBP	15.10
RUB	2.11

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	3.61%	5.27%	51.15%
J.P. Morgan EMBI Global Total Return Index	2.28%	5.48%	23.24%

Share Class performance of 3.61% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for June 2025 is 3.62%

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

FUND COMMENTS

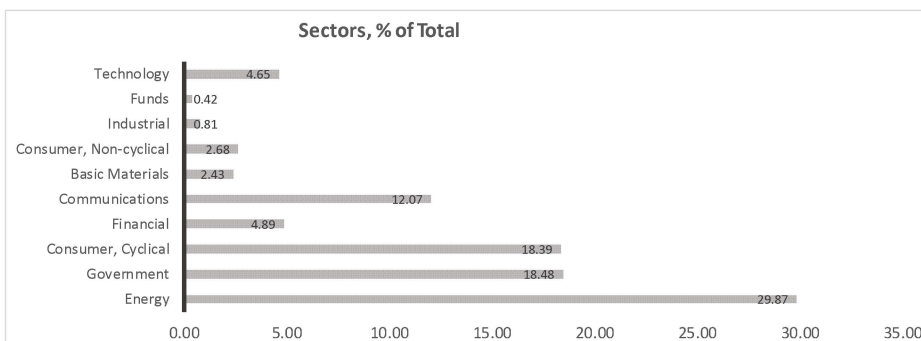
The fund rose 3.61% in June, taking year-to-date returns to 5.27%.

The continuation of strong US macros coupled with remarks on progress of trade deals with major US partners – including reaching an agreement with China to deescalate tensions – provided further tailwinds for the recovery in markets.

Equities had a broadly positive month, with US exceptionalism the main theme; the S&P rose 4.96% to close at a record high. US tech and energy outperformed on the back of resilient earnings and a previous correction in valuations: Nebius Group (NBIS US, +50.56%) and Encore Energy (EU US, +42.29%) extended their outperformance for yet another month and were joined by Advanced Micro Devices (AMD US, +28.15%) which outperformed among semiconductor holdings. Tesla (TSLA US, -8.31%) underperformed amid concerns over falling demand coupled with fears of a backlash over Musk's criticism of Trump's "Big Beautiful Bill". European stocks were generally weaker as sentiment remained negative with the Stoxx 600 down 1.33% for the month: holdings of European stocks such as EasyJet (EZJ LN, -6.13%) and Volkswagen (VOW3 GY, -2.86%) were among underperformers.

Fixed Income had a similarly positive month supported by lower USD rates – 10-year treasury yield closed 17bps lower. Oilers particularly had a strong month as Brent traded as much as 23% up from May's close at the height of Iran-Israel tensions; holdings of Angola and Nigeria traded 6.76% and 5.19% respectively with related corporate issuer Seplat Energy's 2030 notes up 5.24%. Holdings of Romania also posted a solid 6.06% gain while Ivory Coast holdings rose a comparatively muted 1.49% amid elevated political tensions ahead of October elections.

We maintain caution heading into Q3 and will be looking to implement targeted structural adjustments to the portfolio ahead of what likely to be a volatile start to the quarter. The expiry of the 90-day tariff reprieve (*now extended to 1st August with higher tariffs announced for some trading partners*) coupled with generally rich valuations post June's strong performance should present risks. While we will look to trim holdings on select high-valuation exposures, we remain cautiously constructive on oil despite continued supply increases by OPEC as member countries have been slow to ramp production to set quotas.



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Top 10 Holdings

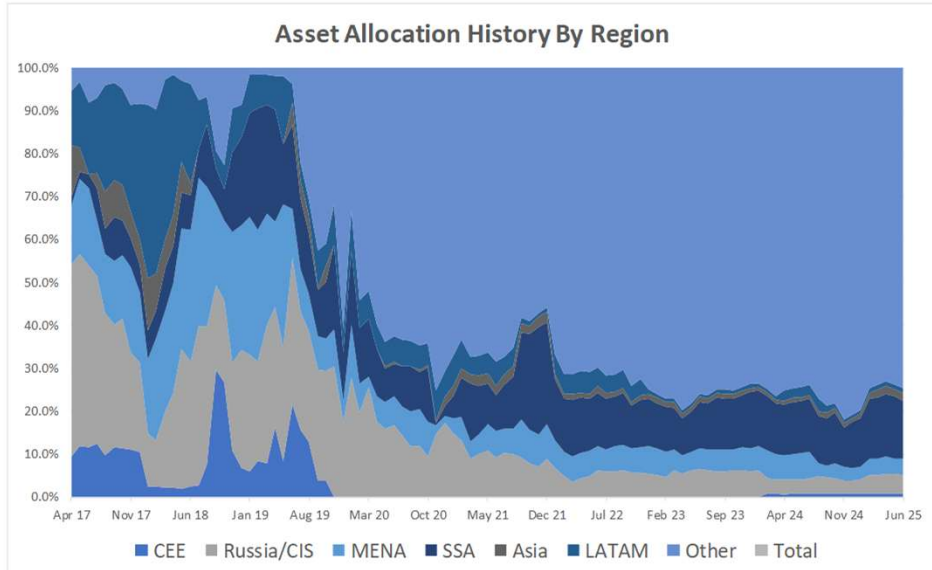
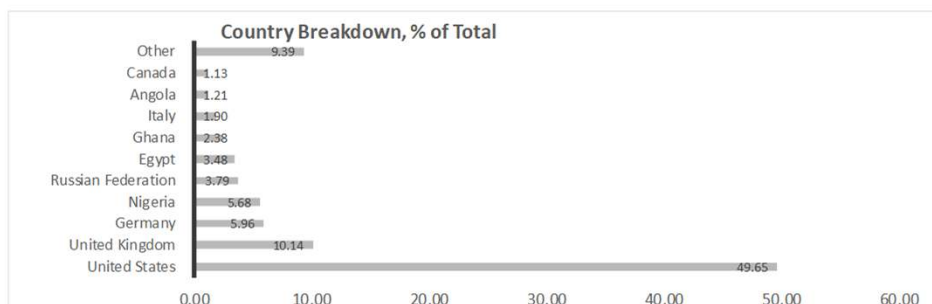
	% of Total
SHELL NA	8.10
OXY US	7.95
BP/ LN	6.66
IAG LN	5.66
AMZN US	4.94
CHRD US	3.60
BPLN 6 1/8 PERP	2.98
NGERIA 9 5/8 06/09/31	2.92
EZJ LN	2.10
LHA GY	2.06

Duration Breakdown

	% of Total
Cash	8.73
Repo Instruments	-10.76
Reverse Repo Instruments	7.33
Equity	65.71
0 - 1 years	5.26
1 - 3 years	3.45
3 - 5 years	7.02
5 - 7 years	7.19
7 - 10 years	4.64
10+ years	1.44

Rating Breakdown

	% of Total
Cash	8.73
Repo Instruments	-10.76
Reverse Repo Instruments	7.33
AAA	0.37
AA	7.86
A	20.38
BBB	20.34
BB	16.27
B	15.03
CCC	2.38
CC	0.00
C	0.00
D	0.00
NR	12.06



	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25
CEE	0.7%	0.9%	1.0%	0.9%	0.8%	0.7%	0.7%	0.9%	0.9%	1.0%	0.9%	1.0%
Russia/CIS	3.5%	3.9%	3.7%	3.4%	3.1%	3.0%	3.2%	4.2%	4.3%	4.6%	4.4%	4.3%
MENA	6.3%	3.2%	2.6%	3.5%	3.2%	2.9%	3.1%	3.7%	3.6%	3.8%	3.7%	3.7%
SSA	12.3%	11.1%	11.2%	11.9%	9.2%	10.8%	11.4%	14.1%	14.4%	14.6%	14.4%	13.4%
Asia	0.9%	1.0%	1.3%	1.2%	1.0%	0.9%	1.0%	1.3%	1.8%	1.9%	1.8%	1.9%
LATAM	2.5%	2.8%	1.5%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.1%	1.0%	1.0%
Other	73.8%	77.2%	78.7%	78.1%	81.9%	80.7%	79.8%	74.7%	73.9%	73.1%	73.7%	74.7%
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 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.