

Emerging Markets Bond Fund

Information as at: 29 August 2025

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$53,512,143
A USD class, USD	\$53,512,143
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	4.13 years
Yield to Worst	10.27%
Fixed Income	21.60%
Equity	72.31%
Cash	4.84%
Repo Instruments	-10.14%
Reverse Repo Instruments	6.91%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	31.13
Government	21.54
Consumer, Cyclical	18.74
Financial	4.76
Communications	11.45
Basic Materials	2.41
Consumer, Non-cyclical	2.58
Industrial	0.78
Funds	0.41
Technology	4.59

Country	% of Total
United States	54.31
United Kingdom	9.89
Germany	6.04
Nigeria	5.57
Russian Federation	3.53
Egypt	3.33
Ghana	2.29
Italy	1.87
Angola	1.20
China	1.12
Other	9.24

Currency Break-Down	% of Total
USD	66.64
EUR	15.85
GBP	15.57
RUB	1.94

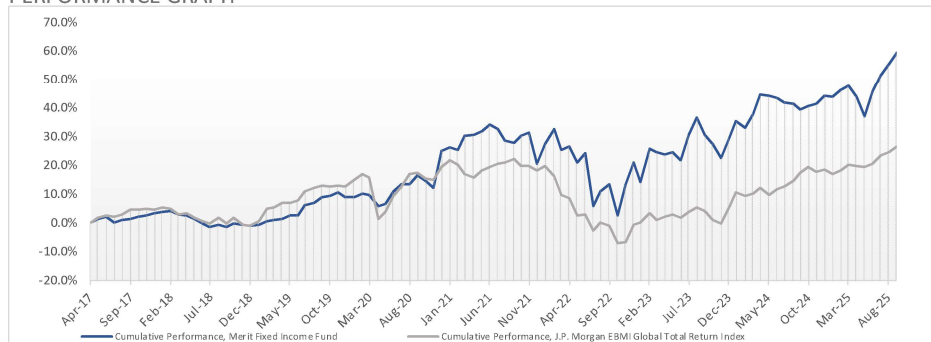
MANAGEMENT TEAM

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	2.48%	10.84%	59.16%
J.P. Morgan EMBI Global Total Return Index	1.53%	8.36%	26.60%

Share Class performance of 2.48% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for August 2025 is 2.50%

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

FUND COMMENTS

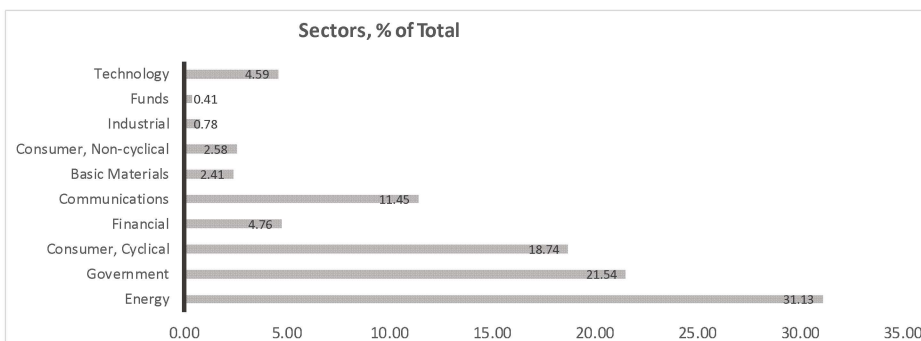
The fund rose 2.48% in August, taking year-to-date returns to 10.84%.

The summer bull run extended in August with the market increasingly pricing in a quarter-point cut during the September FOMC post weak employment data releases. Remarks by Fed Chair Powell at Jackson Hole showing openness to "adjusting our policy stance" reinforced expectations of a dovish tilt.

Equities, in turn, traded up with the S&P (+1.90%) also buoyed by resilient earnings (+10.6% YoY) even as companies largely absorbed tariff costs. The fund's tech holdings – Nebius Group (NBIS US, +25.52%), Apple (AAPL US, +11.94%) – were among outperformers while travel stocks extended their recovery with Wynn Resorts (WYNN US, +164.45%) and MGM Resorts (MGM US, +8.89%) similarly bullish. European travel peers were likewise up with Deutsche Lufthansa (LHA GY, +7.41%) a notable performer even as the wider stock basket, Stoxx 600 (+0.74%), was comparatively muted. Holdings of Advanced Micro Devices (AMD US, +7.76%) and on the European side, Accor (ACFP, -3.60%) bucked the broader trend in tech and travel as notable underperformers for the month.

Fixed Income similarly traded higher albeit on a relatively muted note amid range-bound trading on rates and the dollar in August; the 10-year US treasury closed 15bps down at 4.22% while DXY was softer at 97.771 from end-July's 99.968. Compression remained the broad theme and August saw holdings of Kenya (+3.54%) and Egypt (+3.35%) outperforming among credit.

Looking ahead, we maintain the cautiously constructive tone on oil with the spate of production hikes yet to impact prices considerably. We also see narrow path to full dovish tilt by the Fed even as we anticipate a quarter-point cut during the September FOMC: we hold the view that the balance of risks remains tilted towards higher inflation amid an unfavourable base and increasing pressure on businesses to pass through higher tariff costs. While the historical late summer doldrums have not yet played out as was our concern, we maintain the same caution heading into the September Fed meeting with our focus on any forward guidance.



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Top 10 Holdings

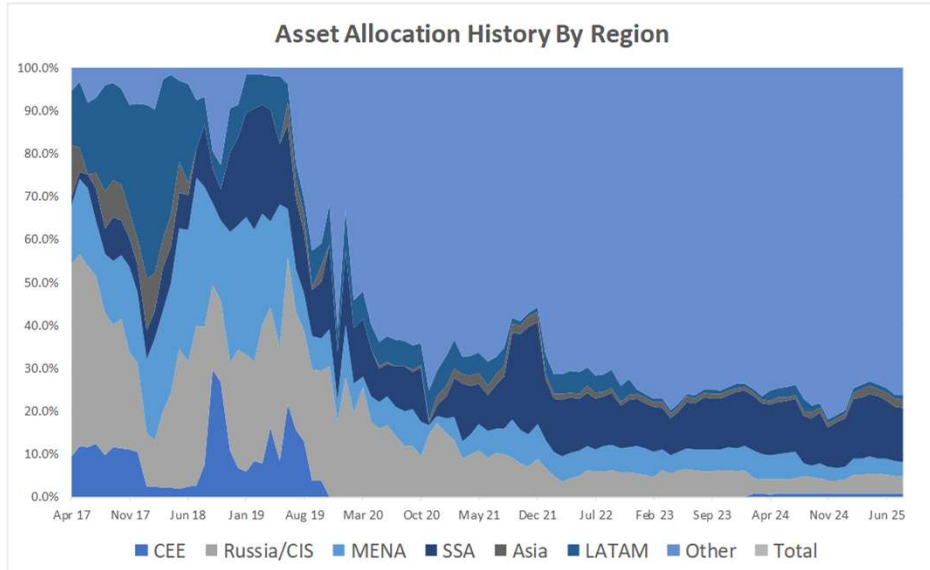
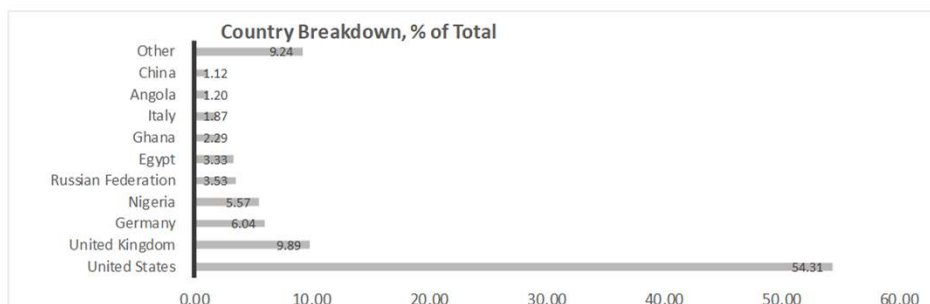
	% of Total
OXY US	8.50
SHELL NA	8.00
BP/ LN	7.28
IAG LN	5.87
AMZN US	4.86
CHRD US	3.86
B 09/02/25	3.74
BPLN 6 1/8 PERP	2.90
NGERIA 9 5/8 06/09/31	2.88
LHA GY	2.14

Duration Breakdown

	% of Total
Cash	4.84
Repo Instruments	-10.14
Reverse Repo Instruments	6.91
Equity	66.70
0 - 1 years	9.10
1 - 3 years	2.90
3 - 5 years	6.87
5 - 7 years	6.99
7 - 10 years	4.50
10+ years	1.32

Rating Breakdown

	% of Total
Cash	4.84
Repo Instruments	-10.14
Reverse Repo Instruments	6.91
AAA	0.35
AA	7.87
A	20.73
BBB	20.17
BB	16.95
B	14.84
CCC	2.29
CC	0.00
C	0.00
D	0.00
NR	15.17



	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25
CEE	1.0%	0.9%	0.8%	0.7%	0.7%	0.9%	0.9%	1.0%	0.9%	1.0%	0.9%	0.9%
Russia/CIS	3.7%	3.4%	3.1%	3.0%	3.2%	4.2%	4.3%	4.6%	4.4%	4.3%	4.0%	3.9%
MENA	2.6%	3.5%	3.2%	2.9%	3.1%	3.7%	3.6%	3.8%	3.7%	3.7%	3.5%	3.4%
SSA	11.2%	11.9%	9.2%	10.8%	11.4%	14.1%	14.4%	14.6%	14.4%	13.4%	12.8%	12.7%
Asia	1.3%	1.2%	1.0%	0.9%	1.0%	1.3%	1.8%	1.9%	1.8%	1.9%	1.8%	1.9%
LATAM	1.5%	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%
Other	78.7%	78.1%	81.9%	80.7%	79.8%	74.7%	73.9%	73.1%	73.7%	74.7%	76.1%	76.3%
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.