

Emerging Markets Bond Fund

Information as at: 30 September 2022

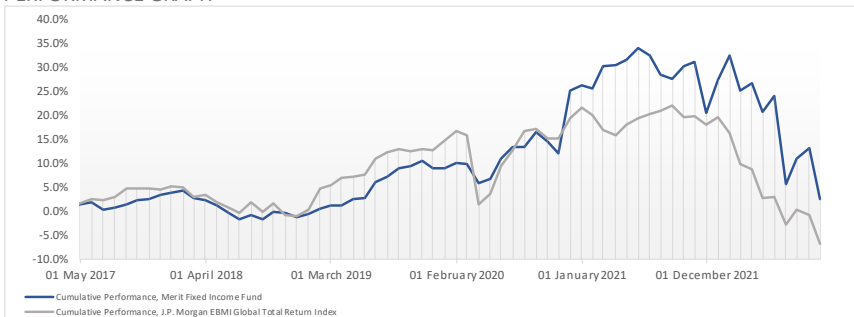
KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$44,745,054
A USD class, USD	\$44,745,054
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

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	-9.40%	-19.56%	2.56%
J.P. Morgan EMBI Global Total Return Index	-1.17%	-22.24%	-6.88%

Share Class performance of -9.40% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for September 2022 is -9.27%

*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 9.40% percent for the month of September taking the year to date returns to -19.56%.

Concerns of a global recession and further monetary tightening continued to pressure equities and bonds as the Fed's preferred measure of inflation showed it was worse last month than expected.

Additionally, the negative sentiment from the UK political scene and its controversial plan to cut taxes had filtered through global financial markets and particularly impacted global currencies with the USD strengthening further in effect.

Europe's energy infrastructure was again in focus due to a suspected sabotage of Russian gas pipelines whilst in the commodity markets Brent Crude futures traded below USD 88/ barrel mostly on the back of the recession fears. Core yields continued to rise globally with the UST 10 almost reaching the 4% hurdle closing the month at 3.8%.

Most of the positions in the fund were in the red with few names in the positive territory.

MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

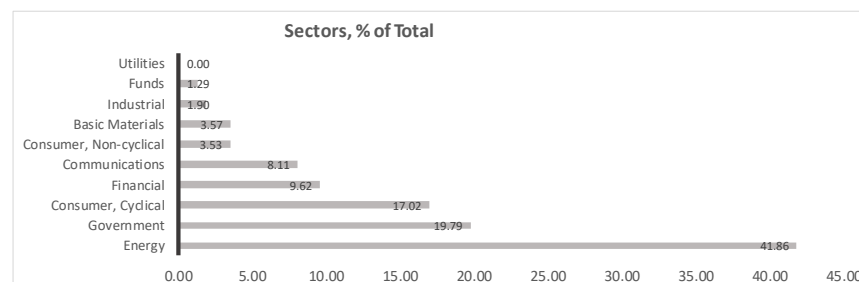
Credit Rating	BB-
Modified Duration	4.36 years
Yield to Worst	25.59%
Fixed Income	35.18%
Equity	71.51%
Cash	6.61%
Repo Instruments	-30.10%
Reverse Repo Instruments	16.80%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	41.86
Government	19.79
Consumer, Cyclical	17.02
Financial	9.62
Communications	8.11
Consumer, Non-cyclical	3.53
Basic Materials	3.57
Industrial	1.90
Funds	1.29
Utilities	0.00

Country	% of Total
United States	39.93
United Kingdom	15.34
Nigeria	9.76
Netherlands	8.01
Russian Federation	6.68
Egypt	6.21
Germany	5.31
Brazil	4.45
Cyprus	2.83
France	1.95
Other	6.22

Currency Break-Down	% of Total
USD	62.12
EUR	20.72
GBP	13.52
RUB	3.63



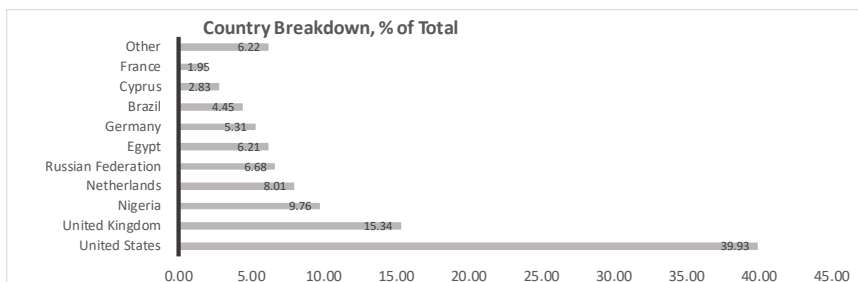
MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Advisor	Persella Ioannides

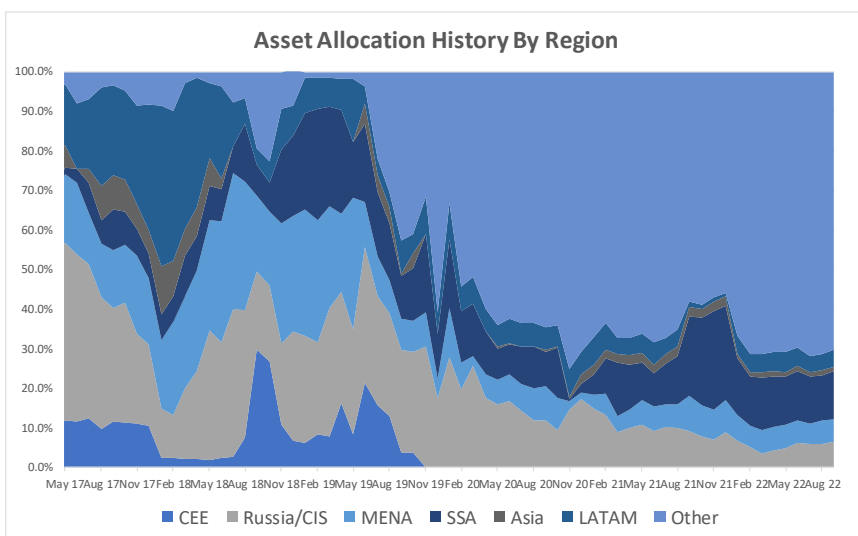
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Top 10 Holdings	% of Total
OXY US	14.32
SHELL NA	8.01
BP/ LN	7.17
CHRD US	6.76
NGERIA 7 3/8 09/28/33	4.05
EGYPT 5.8 09/30/27	3.93
ACUPET 7 1/2 01/13/32	3.67
BOCYCY 2 1/2 06/24/27	2.83
UAL US	2.38
EGYPT 3 7/8 02/16/26	2.28



Duration Breakdown	% of Total
Cash	6.61
Repo Instruments	-30.10
Reverse Repo Instruments	16.80
Equity	71.51
0 - 1 years	2.19
1 - 3 years	6.86
3 - 5 years	15.86
5 - 7 years	6.90
7 - 10 years	3.37
10+ years	0.00



Rating Breakdown	% of Total
Cash	6.61
Repo Instruments	-30.10
Reverse Repo Instruments	16.80
AAA	0.00
AA	2.09
A	21.27
BBB	10.07
BB	26.26
B	32.16
CCC	1.92
CC	0.00
C	0.00
D	0.11
NR	12.81

	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22
CEE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia/CIS	8.0%	7.0%	8.9%	6.9%	5.0%	3.6%	4.3%	4.8%	6.2%	5.8%	6.0%	6.4%
MENA	7.7%	7.8%	8.0%	6.5%	5.5%	6.0%	5.9%	5.9%	5.8%	5.4%	6.0%	5.8%
SSA	22.3%	24.9%	23.9%	14.2%	12.4%	13.2%	12.9%	12.2%	12.4%	11.7%	11.4%	12.2%
Asia	2.0%	2.4%	2.4%	1.2%	1.2%	1.1%	1.2%	1.2%	1.4%	1.2%	1.2%	1.1%
LATAM	1.2%	0.9%	0.9%	4.5%	4.4%	4.8%	5.0%	4.9%	4.4%	4.1%	4.1%	4.2%
Other	58.9%	57.1%	55.8%	66.8%	71.4%	71.3%	70.7%	70.9%	69.8%	71.7%	71.3%	70.3%
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 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 # LPAlF05/2014, 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 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; 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.