

Emerging Markets Bond Fund

Information as at: 29 October 2021

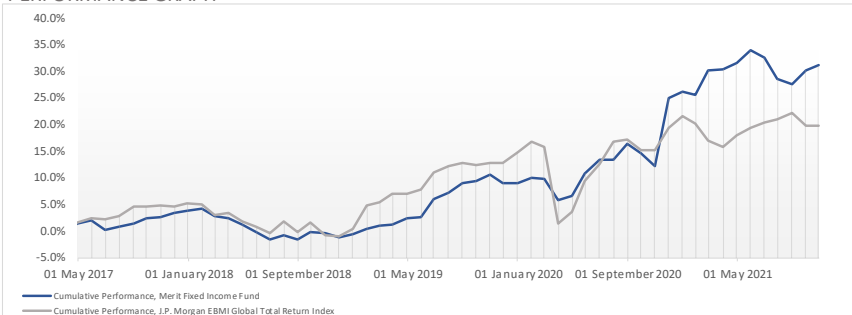
KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$52,151,012
A USD class, USD	\$52,151,012
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 Fixed Income Fund 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	0.73%	3.85%	31.16%
J.P. Morgan EMBI Global Total Return Index	0.06%	-1.47%	19.80%

Share Class performance of 0.73% is calculated on a Net Asset Value (NAV) basis, net of fees.

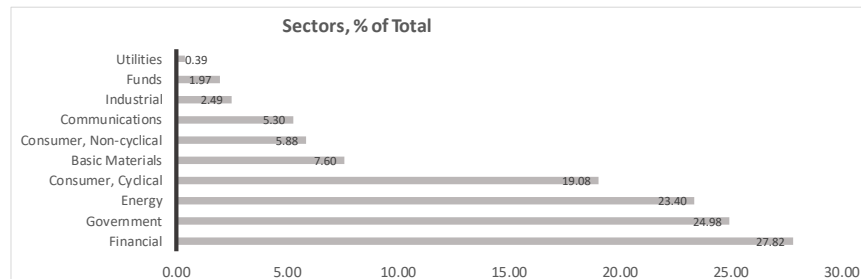
Total gross performance for October 2021 is 0.93%

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FUND COMMENTS

The fund returned 0.71% for the month of October taking year to date returns to 3.83%. The equity markets performed well with the Dow, which the fund's constituents are mostly tied to, recording a stellar 5.8% month on month return; its best since March. Most (80%) companies in the S&P 500 beat earnings expectations amidst strong consumer demand albeit the global supply concerns. Oil posted a monthly gain of 11% as consumption strength prevailed and as stockpiles continued to drain. The ongoing shortage of natural gas and the pickup in commuting and air travel were also factors that led to the price strength. Oil majors such as Exxon Mobil, Royal Dutch Shell and British Petroleum, which the fund holds, indicated they will plough windfall profits into share buybacks. "Reopening" holdings' performance was mixed with travel stocks largely lower as they await the November reopening of the transatlantic route and as higher oil prices could pressure underlying profit margins. Financials closed stronger on a more optimistic global economic outlook.

Bonds were mostly weaker in the fund amidst a very volatile October during which the Bank of England was set to start a precedent for rate hikes in an effort to curb inflation pressures. Traders began to price in back-to-back interest rises for the November and December meetings with further rises for the upcoming year. The benchmark 10-year treasury yields moved as much as 20bps intra month followed by the 10-year bonds which marked similar moves, before dosing the month lower. As such, spreads of holdings of the fund widened more due to the volatility spike than absolute benchmark yield levels.



MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	B+
Modified Duration	2.41 years
Yield to Worst	7.10%
Fixed Income	55.06%
Equity	63.84%
Cash	3.97%
Repo Instruments	-46.91%
Reverse Repo Instruments	24.04%

COMPOSITION OF THE FUND

Sectors	% of Total
Financial	27.82
Government	24.98
Energy	23.40
Consumer, Cyclical	19.08
Basic Materials	7.60
Consumer, Non-cyclical	5.88
Communications	5.30
Industrial	2.49
Funds	1.97
Utilities	0.39

Country	% of Total
United States	37.17
Nigeria	20.63
United Kingdom	18.35
Russian Federation	9.13
Egypt	7.22
Cyprus	6.13
Netherlands	5.17
Spain	4.09
Angola	2.27
Ghana	2.02
Other	6.71

Currency Break-Down	% of Total
USD	71.02
EUR	10.24
GBP	15.07
RUB	3.67

MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Advisor	Persella Ioannides

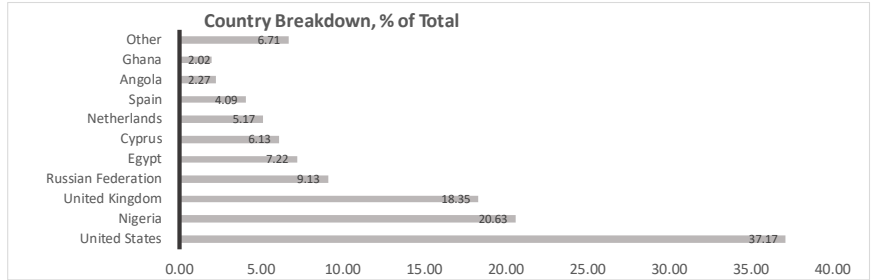
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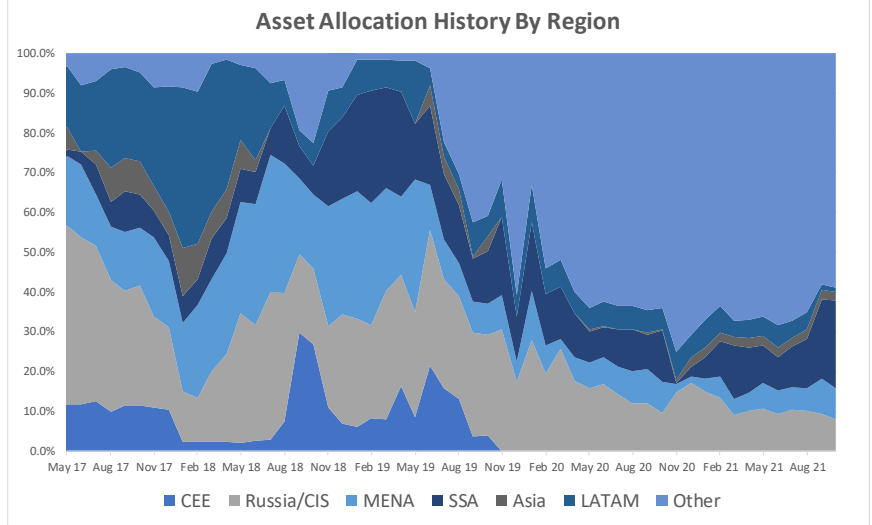
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Top 10 Holdings	% of Total
BOCYCY 2 1/2 06/24/27	6.13
OXY US	5.97
NGERIA 7 3/8 09/28/33	5.73
RDSA NA	5.17
BP/ LN	4.81
EGYPT 5.8 09/30/27	4.69
WLL US	4.49
ACCESS 9 1/8 PERP	4.20
SPGB 1.45 10/31/71	4.09
T 2 3/8 05/15/29	3.60



Duration Breakdown	% of Total
Cash	3.97
Repo Instruments	-46.91
Reverse Repo Instruments	24.04
Equity	63.84
0 - 1 years	1.02
1 - 3 years	6.03
3 - 5 years	29.60
5 - 7 years	7.23
7 - 10 years	15.67
10+ years	-4.50



Rating Breakdown	% of Total
Cash	3.97
Repo Instruments	-46.91
Reverse Repo Instruments	24.04
AAA	-9.35
AA	5.44
A	22.33
BBB	15.98
BB	18.94
B	44.30
CCC	1.95
CC	0.00
C	0.00
D	0.05
NR	19.25

	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21
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	14.7%	17.2%	14.9%	13.3%	9.0%	10.1%	10.7%	9.2%	10.4%	10.1%	9.2%	8.0%
MENA	2.1%	1.7%	3.4%	5.4%	4.0%	4.5%	6.3%	6.1%	5.6%	5.8%	8.9%	7.7%
SSA	0.4%	2.4%	5.3%	9.0%	13.6%	11.4%	9.5%	8.4%	10.2%	12.2%	20.1%	22.3%
Asia	0.7%	2.2%	2.5%	2.2%	2.1%	2.3%	2.5%	2.3%	2.4%	2.5%	2.3%	2.0%
LATAM	7.0%	5.9%	7.0%	6.8%	4.1%	4.6%	4.8%	5.6%	4.1%	4.3%	1.4%	1.2%
Other	75.1%	70.7%	67.0%	63.4%	67.2%	67.1%	66.2%	68.4%	67.4%	65.1%	58.1%	58.9%
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 Fixed Income Fund 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.