

Emerging Markets Bond Fund

Information as at: 30 April 2021

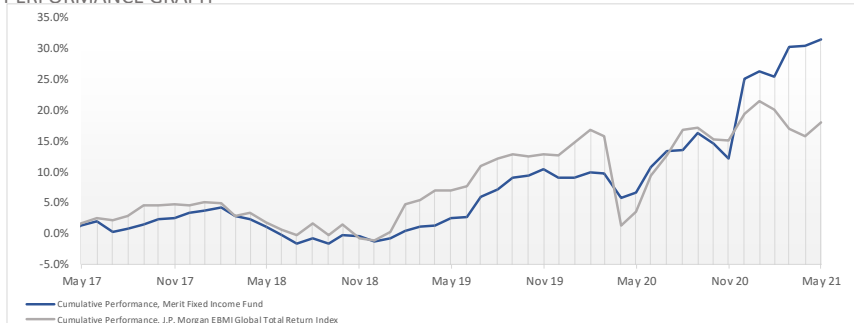
KEY FACTS

| | |
|-------------------------|--|
| Asset Class | Fixed Income |
| Category | Global Emerging Markets bond |
| Investment manager | MeritKapital |
| Total Fund Assets, USD | \$52,313,529 |
| A USD class, USD | \$52,313,529 |
| 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 | 0.83% | 4.17% | 31.56% |
| J.P. Morgan EMBI Global Total Return Index | 1.91% | -2.92% | 18.03% |

Share Class performance of 0.83% is calculated on a Net Asset Value (NAV) basis, net of fees.

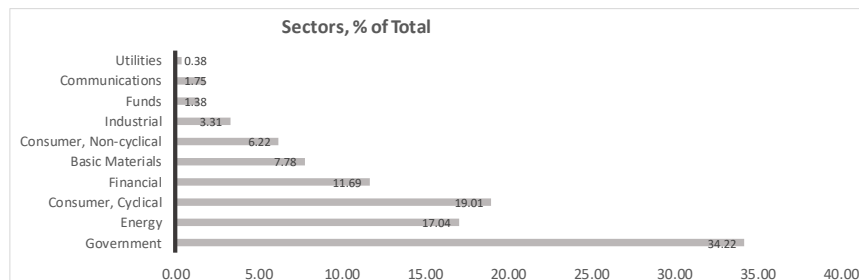
Total gross performance for April 2021 is 0.93%

*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 returned +0.83% for the month of April taking year to date returns to 4.17%. April saw some consolidation in the 10-year US treasury yield which declined from 1.7% to 1.6% month on month while it reached as low as 1.5% midmonth. As a result, we saw a tightening of spreads on mostly all dollar denominated debt on the fund. On the European rates front, as the market priced in the pickup in the vaccine distribution efforts and as the subsequent reopening of the underlying economies trend in line, the steeping of the core curves continued with 10-year DBRs widening to end the month at -0.29bps from intra month lows of -0.43bps. Periphery spreads widened at greater proportions due to the fact that higher beta instrument widening is always more amplified and also because there were taper fears amongst investors for the upcoming June ECB meeting that would leave peripheral bonds most vulnerable; the spread of 10-year BTPS widened to 105 from 95(bps) intra month.

On the equity front most equities ended higher although the results were mixed for the month. Reopening trade constituents such as airlines, aircraft carriers and other related stocks as well as oil majors had both losers and winners. This was mostly on the back of rising global COVID-19 cases reignited jitters on global growth and investors reined in bets that global travel would return sooner rather than later. The COVID-19 crisis in India put the sector under pressure as flight bans were a direct hit but also as neighboring Asia, where vaccination rates are falling behind, is also highly exposed and lengthens time to economic recovery. Moreover, as April was earnings' month and as results were mixed across the sector or as some CEOs expressed caution in their outlook upon a delayed recovery. Financials also mostly traded lower as the flattening of the core yield curve trends indirectly with the sector.



MINIMUM INVESTMENT

| | |
|-------------|----------|
| Share class | |
| A USD | \$50,000 |

FUND CHARACTERISTIC

| | |
|--------------------------|-------------|
| Credit Rating | BB- |
| Modified Duration | 10.11 years |
| Yield to Worst | 4.62% |
| Fixed Income | 50.32% |
| Equity | 52.46% |
| Cash | 6.11% |
| Repo Instruments | -26.73% |
| Reverse Repo Instruments | 17.84% |

COMPOSITION OF THE FUND

| Sectors | % of Total |
|------------------------|------------|
| Government | 34.22 |
| Energy | 17.04 |
| Consumer, Cyclical | 19.01 |
| Financial | 11.69 |
| Basic Materials | 7.78 |
| Consumer, Non-cyclical | 6.22 |
| Industrial | 3.31 |
| Funds | 1.38 |
| Communications | 1.75 |
| Utilities | 0.38 |

| Country | % of Total |
|--------------------|------------|
| United States | 29.21 |
| United Kingdom | 13.65 |
| Italy | 9.68 |
| Russian Federation | 9.33 |
| Nigeria | 4.80 |
| Ghana | 4.66 |
| Netherlands | 4.15 |
| Brazil | 4.09 |
| Spain | 3.97 |
| Egypt | 2.57 |
| Other | 16.69 |

| Currency Break-Down | % of Total |
|---------------------|------------|
| USD | 75.20 |
| EUR | 12.88 |
| GBP | 12.14 |
| RUB | -0.21 |

MANAGEMENT TEAM

| | |
|--------------------|--------------------|
| Portfolio Manager | MeritKapital Ltd |
| Investment Advisor | Persella Ioannides |

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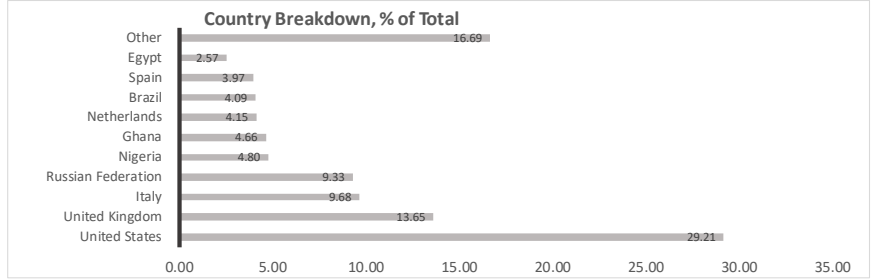
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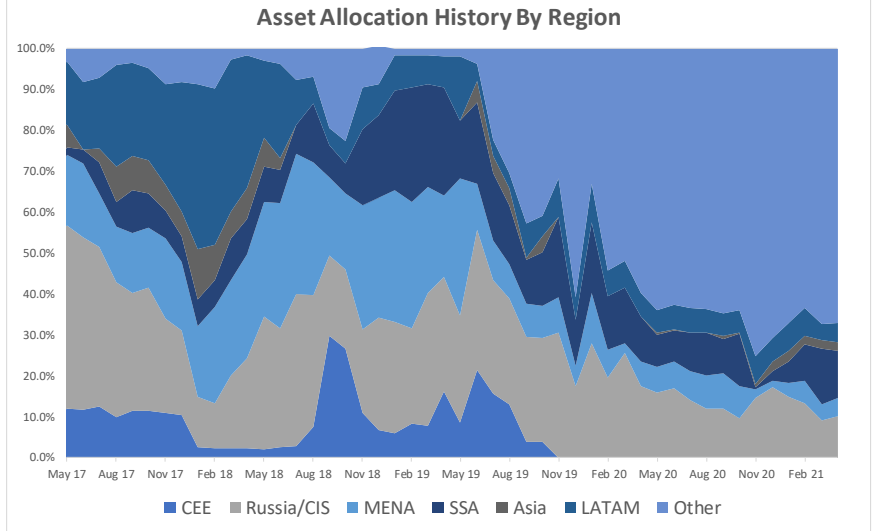
Top 10 Holdings

| | % of Total |
|----------------------|------------|
| BTPS 1.7 09/01/51 | 8.62 |
| RDSA NA | 4.15 |
| BP/ LN | 4.09 |
| SPGB 1.45 10/31/71 | 3.97 |
| T 2 3/8 05/15/29 | 3.53 |
| OXY US | 3.46 |
| EU 0 07/04/35 | 2.92 |
| UAL US | 2.86 |
| GHANA 8.627 06/16/49 | 2.81 |
| WLL US | 2.69 |



Duration Breakdown

| | % of Total |
|--------------------------|------------|
| Cash | 6.11 |
| Repo Instruments | -26.73 |
| Reverse Repo Instruments | 17.84 |
| Equity | 52.46 |
| 0 - 1 years | 1.99 |
| 1 - 3 years | 4.01 |
| 3 - 5 years | 9.54 |
| 5 - 7 years | 4.50 |
| 7 - 10 years | 14.64 |
| 10+ years | 15.66 |



Rating Breakdown

| | % of Total |
|--------------------------|------------|
| Cash | 6.11 |
| Repo Instruments | -26.73 |
| Reverse Repo Instruments | 17.84 |
| AAA | -0.53 |
| AA | 4.65 |
| A | 13.65 |
| BBB | 25.83 |
| BB | 17.90 |
| B | 23.71 |
| CCC | 2.28 |
| CC | 0.00 |
| C | 0.00 |
| D | 0.04 |
| NR | 15.25 |

| | May 20 | Jun 20 | Jul 20 | Aug 20 | Sep 20 | Oct 20 | Nov 20 | Dec 20 | Jan 21 | Feb 21 | Mar 21 | Apr 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 | 15.9% | 16.8% | 14.2% | 11.9% | 12.0% | 9.6% | 14.7% | 17.2% | 14.9% | 13.3% | 9.0% | 10.1% |
| MENA | 6.2% | 6.7% | 6.9% | 8.2% | 8.6% | 7.9% | 2.1% | 1.7% | 3.4% | 5.4% | 4.0% | 4.5% |
| SSA | 8.0% | 7.5% | 9.4% | 10.4% | 8.6% | 12.7% | 0.4% | 2.4% | 5.3% | 9.0% | 13.6% | 11.4% |
| Asia | 0.5% | 0.4% | 0.0% | 0.0% | 0.6% | 0.5% | 0.7% | 2.2% | 2.5% | 2.2% | 2.1% | 2.3% |
| LATAM | 5.5% | 6.0% | 6.1% | 5.9% | 5.6% | 5.3% | 7.0% | 5.9% | 7.0% | 6.8% | 4.1% | 4.6% |
| Other | 64.0% | 62.5% | 63.4% | 63.6% | 64.7% | 64.0% | 75.1% | 70.7% | 67.0% | 63.4% | 67.2% | 67.1% |
| 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 past 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'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.

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