

Emerging Markets Bond Fund

Information as at: 29 February 2024

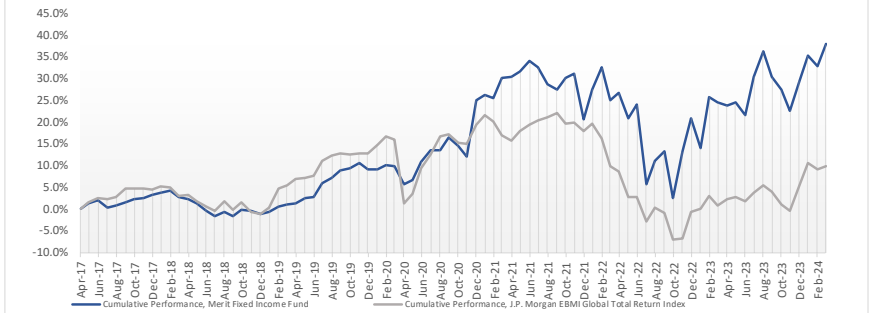
KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$54,282,981
A USD class, USD	\$54,282,981
Fund Inception Date	9/1/2016
Strategy Inception Date	4/1/2017
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 AIFNP 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	3.89%	1.98%	37.94%
J.P. Morgan EMBI Global Total Return Index	0.69%	-0.50%	9.95%

Share Class performance of 3.89% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for February 2024 is 3.98%

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FUND COMMENTS

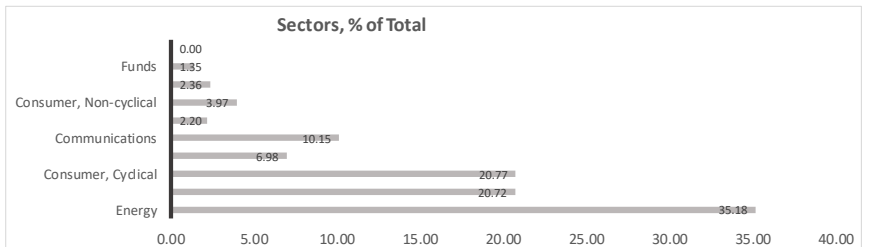
The Fund gained 3.89% percent for the month of February, taking the year to date returns to 1.98%.

The global market demonstrated mixed performance across different asset classes, extending the January trend. Strong macroeconomic data and solid corporate earnings results on the US front had contrasting effects on equities and fixed income; the former outperformed on continued economic strength while the latter largely pulled back on the resultant yield pick up on benchmarks.

In the equity markets, a significant portion of S&P 500 companies had reported, with approximately 75% surpassing consensus forecasts. Fund holdings such as AMZN US rose 14.4% during the month on the back of outperformance of net sales - \$169.96 billion vs \$166.21 billion - whilst LYFT US rose 27.1% on the back of an 11% beat in projected adjusted earnings over estimates. Data on US PMI and job growth suggest that business activity continues to expand, which is beneficial for the equity markets overall. Growth stocks, led by the 'Magnificent Seven,' outperformed in the overall S&P performance. Uber Technologies (UBER US, +21.8%) and Dupont (DD US, +12.5%) joined LYFT US and AMZN US as the fund's top performers for the month. Oil companies were also largely positive after a challenging January, with Occidental Petroleum (OXY US, +5.3%); OXY US was one of the key contributors to the fund's unit value increase.

Strong US job data (353k, above estimates) and higher-than-expected inflation for January (3.1% YoY) quelled market expectations on rate cuts (both in frequency and timing) and led to a 34-basis-point increase in 10Y UST yields to 4.25% and a 25-basis-point rise 10Y bund yields to 2.41% as of month end. The fixed income portion of the fund's portfolio, however, still performed well, majorly on the back of a 15-point (on average) rally in Egyptian sovereign bonds following a new debt line from the IMF and various investment agreements with the UAE. Nigerian sovereign bonds also saw gains of 2-3 points (on average), driven by ongoing currency devaluation and budgetary reforms momentum.

Looking forward, we remain confident that the performance of the markets should remain strong given the expected rate cut path of the US Fed; the latest data only shifted market expectations by one 25bp cut less in 2024 (from 4 cuts to 3). Our optimistic forecast for the Chinese market remains, as China continues to rally after the announcement of various supportive measures by its government. We will look to add an ETF on the Chinese broad market (GXC US) and maintain a hold on our existing investments in the Chinese tech sector. We also remain positive on the fund's energy investments, as ongoing geopolitical risks should continue to be supportive of the energy sector.



MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	BB
Modified Duration	4.42 years
Yield to Worst	24.96%
Fixed Income	24.59%
Equity	77.09%
Cash	4.63%
Repo Instruments	-9.79%
Reverse Repo Instruments	1.47%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	35.18
Government	20.72
Consumer, Cyclical	20.77
Financial	6.98
Communications	10.15
Basic Materials	2.20
Consumer, Non-cyclical	3.97
Industrial	2.36
Funds	1.35
Technology	0.00

Country

Country	% of Total
United States	41.05
United Kingdom	17.67
Netherlands	8.52
Nigeria	7.55
Egypt	6.61
Germany	4.91
Russian Federation	3.64
France	3.16
C�te d'Ivoire	1.81
Ghana	1.57
Other	7.40

Currency Break-Down

Currency	% of Total
USD	63.84
EUR	18.37
GBP	15.89
RUB	1.90

MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Adviser	Persella Ioannides

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Top 10 Holdings

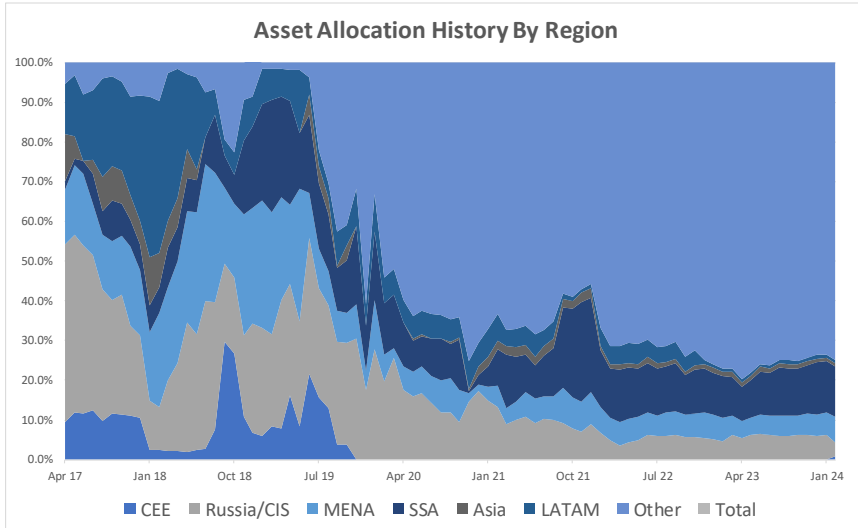
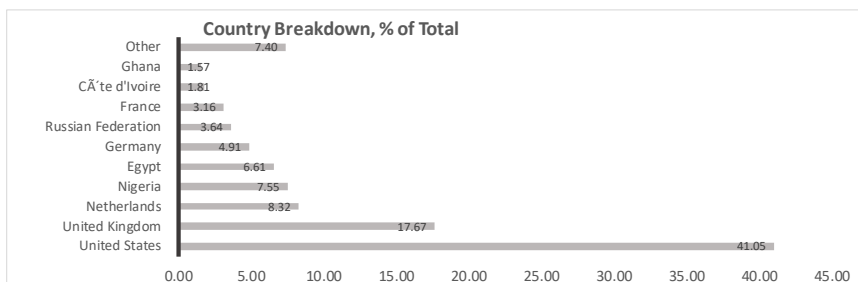
	% of Total
OXY US	11.64
SHELL NA	8.32
BP/ LN	7.19
CHRD US	6.62
NGERIA 7 3/8 09/28/33	4.82
EGYPT 5.8 09/30/27	4.23
AMZN US	3.26
UAL US	2.74
IAG LN	2.41
EGYPT 3 7/8 02/16/26	2.38

Duration Breakdown

	% of Total
Cash	4.63
Repo Instruments	-9.79
Reverse Repo Instruments	1.47
Equity	76.36
0 - 1 years	0.64
1 - 3 years	7.26
3 - 5 years	5.54
5 - 7 years	8.66
7 - 10 years	3.40
10+ years	1.00

Rating Breakdown

	% of Total
Cash	4.63
Repo Instruments	-9.79
Reverse Repo Instruments	1.47
AAA	0.00
AA	3.92
A	21.90
BBB	17.17
BB	31.46
B	4.23
CCC	13.56
CC	0.00
C	0.00
D	0.00
NR	11.44



	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24
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	4.6%	6.1%	5.5%	6.2%	6.4%	6.3%	6.0%	6.0%	6.2%	6.1%	5.9%	6.2%
MENA	5.8%	5.0%	4.1%	4.4%	4.9%	4.9%	5.0%	5.1%	5.0%	5.5%	5.6%	5.6%
SSA	10.6%	9.7%	8.9%	9.5%	10.8%	10.7%	12.1%	11.9%	11.8%	12.1%	13.0%	12.9%
Asia	1.2%	1.3%	1.1%	1.0%	1.2%	1.2%	1.2%	1.1%	1.0%	1.1%	1.0%	0.9%
LATAM	0.8%	0.8%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
Other	76.9%	77.1%	79.7%	78.2%	75.9%	76.2%	74.8%	75.0%	75.1%	74.3%	73.6%	73.4%
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 # 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'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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