

Emerging Markets Bond Fund

Information as at: 30 April 2024

KEY FACTS

Asset Class
Category
Investment manager
Total Fund Assets, USD
A USD class, USD
Fund Inception Date
Strategy Inception Date

Fixed Income
Global Emerging Markets
bond
MeritKapital
\$58,638,869
\$58,638,869
9/1/2016
4/1/2017

Performance Benchmark

J.P. Morgan EMBI Global
Total Return Index
CYF000000200

ISIN
Fund Domicile
Fund Type
Bloomberg Ticker
Base currency
Management fee
Performance fee
Hurdle rate
Liquidity

Cyprus
AIF-LNP
MERFXPT CY
USD
0.75%
15%
3%

MINIMUM INVESTMENT

Share class
A USD

\$50,000

FUND CHARACTERISTIC

Credit Rating
Modified Duration
Yield to Worst
Fixed Income
Equity
Cash
Repo Instruments
Reverse Repo Instruments

BB
4.35 years
9.95%
25.16%
75.52%
3.90%
-9.04%
1.37%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	36.15
Government	21.34
Consumer, Cyclical	19.31
Financial	6.91
Communications	9.19
Basic Materials	2.07
Consumer, Non-cyclical	5.31
Industrial	2.19
Funds	1.32
Technology	0.00

Country	% of Total
United States	57.93
United Kingdom	10.48
Nigeria	6.81
Egypt	6.02
Germany	4.36
Russian Federation	3.35
France	2.95
Brazil	2.34
Côte d'Ivoire	1.67
Ghana	1.64
Other	6.23

Currency Break-Down	% of Total
USD	63.94
EUR	18.06
GBP	16.32
RUB	1.67

MANAGEMENT TEAM

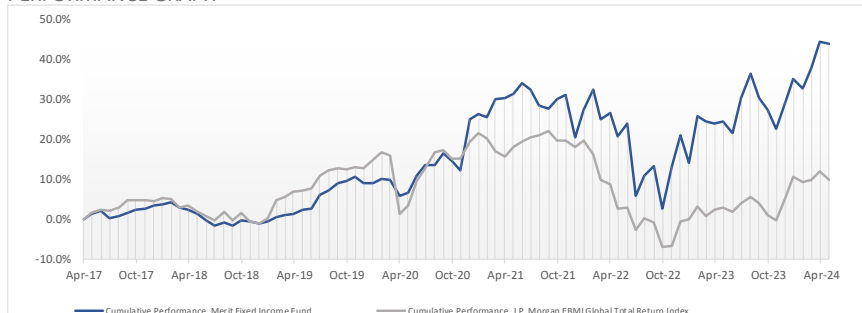
Portfolio Manager
Investment Advisor

MeritKapital Ltd
Persella Ioannides

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	-0.29%	6.49%	44.05%
J.P. Morgan EMBI Global Total Return Index	-2.01%	-0.64%	9.80%

Share Class performance of -0.29% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for April 2024 is -0.28%

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

FUND COMMENTS

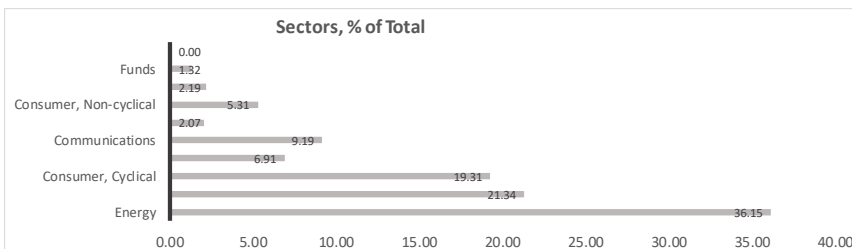
The Fund retreated 0.29% for April, taking the year to date returns 6.49%.

In April, global markets faced challenges amid surprising macroeconomic data, particularly from the US, affecting both equities and bonds. The U.S. CPI for March rose 0.4% month-on-month (MOM) which pushed the annual inflation reading to an unexpected 3.5%. However, U.S. GDP growth for Q1 fell short of projections, posting a mere 1.6% annualized increase. This composite of data pushed rate cuts further down in the year whilst it stoked stagflation concerns. Commodities closed the month positively, which led to an outperformance of emerging markets versus developed markets.

In equities, the S&P 500 declined 4.1% MOM on the resulting macroeconomic data, with growth stocks underperforming. European stocks also closed April on a weaker note (MSCI Europe ex-UK: -1.5%), despite marginally more robust GDP figures in the Eurozone and especially Germany. The UK equity market was buoyed by the energy and financial stocks as investors looked for a safe haven away from tech. Banking stocks such as HSBC (HSBA LN, +16.41%) and Barclays (BARC LN, +12.63%), along with energy stocks such as Royal Dutch Shell (SHELL NA, +8.04%) and BP (BP/LN, +4.12%), contributed significantly to the Fund's performance.

In bonds, the 10-year Treasury note yield closed at a yearly high of 4.68%. The new consensus anticipates 150bps of rate cuts till the end of 2024. European bond spreads also widened on US stagflation fears but more moderately. Nonetheless, as European inflation data is in check whilst GDP growth is stable, the timing of respective rate cuts is carved out more predictably. Market consensus projects the ECB to cut rates twice this summer with three cuts in total for the year whilst it projects the BoE to cut twice for the year with the first cut in September. The commodities rally boosted the Sub-Saharan Africa bonds, with Nigerian government bonds up 1-2pts MOM.

Looking ahead, the US Fed rate cut route remains unpredictable. Although the ECB and the BOE remain dovish it is the rhetoric of the US Fed that affects market valuations globally and, to an extent, alters monetary policy elsewhere. This heightens market volatility but also complicates other central banks' policy direction with differing regional economic data.



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Top 10 Holdings

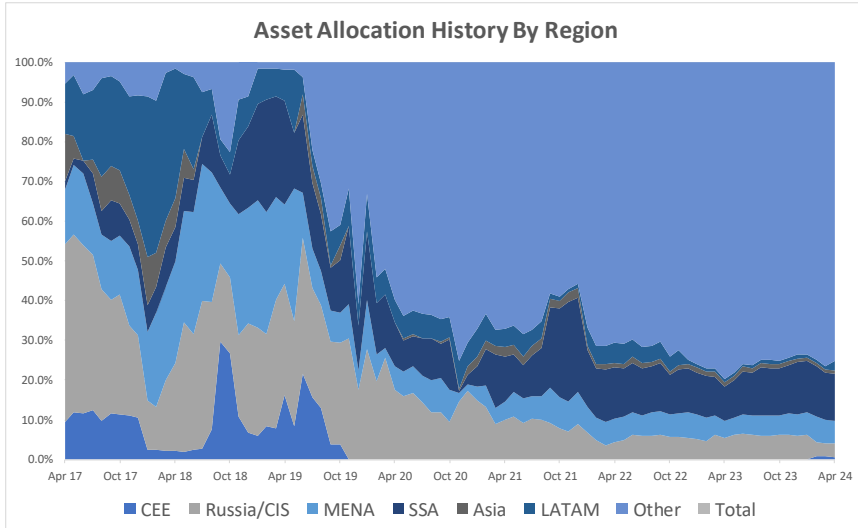
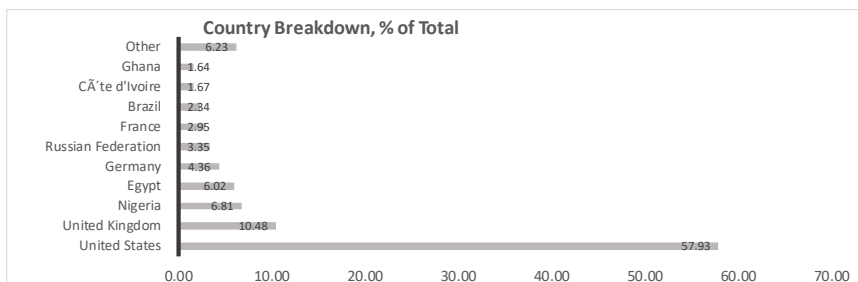
	% of Total
OXY US	11.76
SHELL NA	8.84
BP/ LN	7.46
CHRD US	6.67
NGERIA 7 3/8 09/28/33	4.29
EGYPT 5.8 09/30/27	3.83
AMZN US	2.98
UAL US	2.87
IAG LN	2.63
B 05/30/24	2.21

Duration Breakdown

	% of Total
Cash	3.90
Repo Instruments	-9.04
Reverse Repo Instruments	1.37
Equity	75.03
0 - 1 years	2.31
1 - 3 years	8.93
3 - 5 years	3.29
5 - 7 years	9.30
7 - 10 years	2.31
10+ years	0.97

Rating Breakdown

	% of Total
Cash	3.90
Repo Instruments	-9.04
Reverse Repo Instruments	1.37
AAA	0.00
AA	3.68
A	22.54
BBB	15.84
BB	32.57
B	3.89
CCC	12.27
CC	0.00
C	0.00
D	0.00
NR	11.36



	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24
CEE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.7%	0.7%
Russia/CIS	6.2%	6.4%	6.3%	6.0%	6.0%	6.2%	6.1%	5.9%	6.2%	3.6%	3.3%	3.4%
MENA	4.4%	4.9%	4.9%	5.0%	5.1%	5.0%	5.5%	5.6%	5.6%	6.4%	5.9%	5.9%
SSA	9.5%	10.8%	10.7%	12.1%	11.9%	11.8%	12.1%	13.0%	12.9%	12.6%	12.0%	12.0%
Asia	1.0%	1.2%	1.2%	1.2%	1.1%	1.0%	1.1%	1.0%	0.9%	0.9%	0.8%	0.9%
LATAM	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	2.4%
Other	78.2%	75.9%	76.2%	74.8%	75.0%	75.1%	74.3%	73.6%	73.4%	74.8%	76.4%	74.7%
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; 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.

Contact

EFTAPATON COURT, 2nd Floor
 256 Makarios Ave., Limassol , Cyprus
 P.O Box 53180, CY-3301, Limassol, Cyprus
 Tel: +357 25 857 900

info@meritfixed.com
www.meritkapital.com

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