

Emerging Markets Bond Fund

Information as at: 31 July 2023

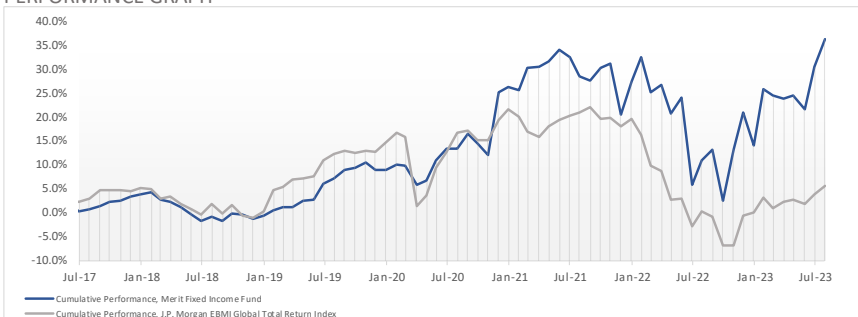
KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$55,462,794
A USD class, USD	\$55,462,794
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 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	4.56%	19.56%	36.41%
J.P. Morgan EMBI Global Total Return Index	1.61%	5.48%	5.53%

Share Class performance of 4.56% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for July 2023 is 4.64%

*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 increased by 4.56% percent for the month of July taking year to date returns to 19.56%.

Global markets continued rallying with sentiment remaining positive during the month, buoyed by solid economic data showing resilient GDP growth and cooling inflation in developed markets. The momentum spurred both equity and fixed income with such holdings as Lyft Inc (LYFT US, +32.5%), Beyond Meat Inc (BYND US, +32.5%) and Vornado Realty Trust (VNO US, +23.9%) outperforming, recovering from past drops. Travel stocks also continued their uptrend – Airbnb (ABNB US, +18.75%) and MGM Resorts (MGM US, +15.6%) – while banking holdings Citi and Barclays gained 3.5% and 2.5%, respectively. A recovery in oil during the month also spurred the fund's major holdings – Occidental Petroleum (OXY US, + 7.6%) and BP (BP LN, +7%) – making them top contributors to the fund's absolute NAV gains.

Expectations of a moderation in rate hikes by major central banks supported fixed income returns in developed markets, supporting already buoyant returns in emerging markets over summer so far. An improving financial conditions backdrop particularly spurred distressed fund assets with EGYPT and GHANA notching the best returns; short EGYPT bonds gained 7-8 percent points MoM and Ghana long-term (19y+) bonds increasing 4-5 percent points.

We expect positive sentiment to continue as anticipated economic downturns may not be deep while continuing geopolitical tensions should support commodity prices (especially oil), in turn providing tailwinds for such holdings as oil companies. Moreover, we expect that seasonal growth in travel companies will continue over the next couple of months, sustaining summer gains. Finally, we remain concerned over potential geopolitical worldwide risks and stagflation risk in Europe, so remain open to portfolio diversification by countries, risks and industries as circumstances may require.

MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	BB-
Modified Duration	4.15 years
Yield to Worst	14.37%
Fixed Income	26.56%
Equity	76.33%
Cash	1.09%
Repo Instruments	-8.60%
Reverse Repo Instruments	1.44%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	1.97
Government	18.33
Consumer, Cyclical	34.98
Financial	13.71
Communications	11.06
Basic Materials	5.70
Consumer, Non-cyclical	14.01
Industrial	1.17
Funds	0.43
Technology	1.52

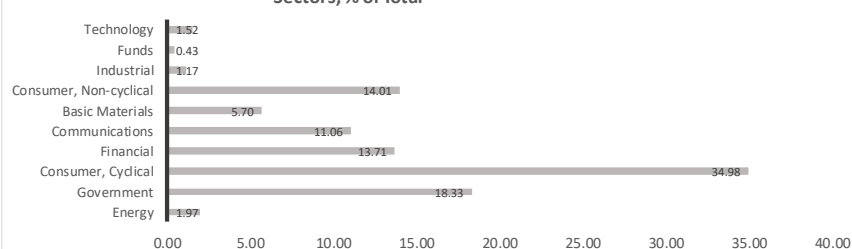
Country	% of Total
United States	39.88
United Kingdom	16.53
Nigeria	9.71
Netherlands	7.98
Russian Federation	6.05
Germany	6.03
Egypt	5.40
	3.18
France	2.73
Ghana	1.61
Other	6.96

Currency Break-Down	% of Total
USD	64.23
EUR	17.53
GBP	16.35
RUB	1.89

MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Adviser	Persella Ioannides

Sectors, % of Total



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Top 10 Holdings

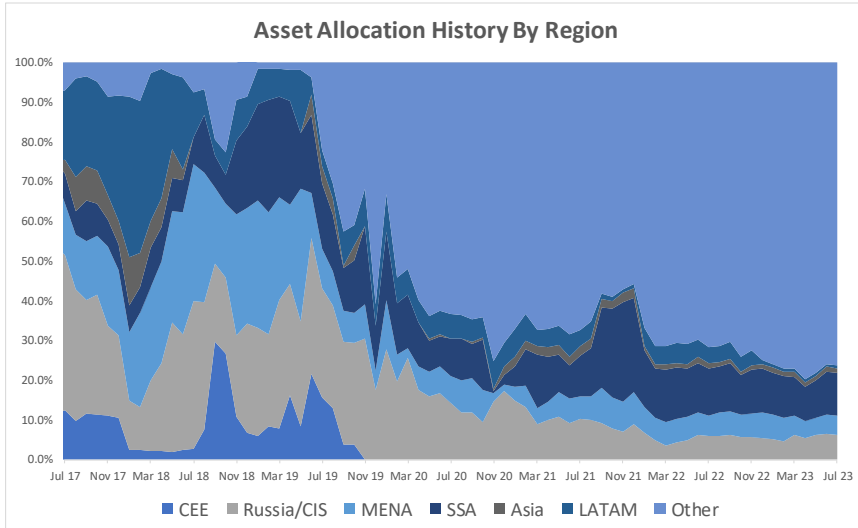
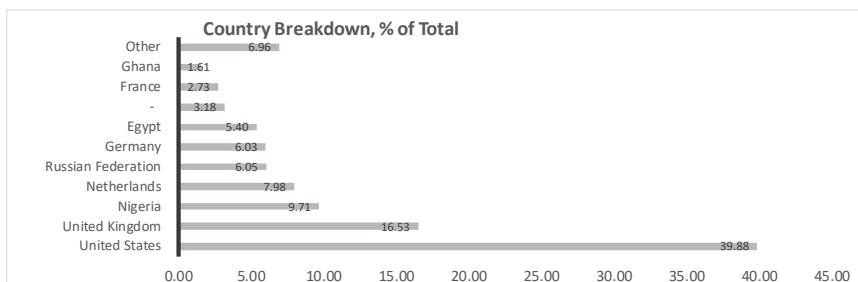
	% of Total
OXY US	11.87
SHELL NA	7.98
BP/ LN	7.51
CHRD US	6.25
NGERIA 7 3/8 09/28/33	4.63
EGYPT 5.8 09/30/27	3.40
UAL US	3.20
IAG LN	2.79
RUALRU 5.3 05/03/23	2.77
AMZN US	2.41

Duration Breakdown

	% of Total
Cash	1.09
Repo Instruments	-8.60
Reverse Repo Instruments	1.44
Equity	76.33
0 - 1 years	2.81
1 - 3 years	6.91
3 - 5 years	6.22
5 - 7 years	8.14
7 - 10 years	2.49
10+ years	0.00

Rating Breakdown

	% of Total
Cash	1.09
Repo Instruments	-8.60
Reverse Repo Instruments	1.44
AAA	0.00
AA	3.07
A	22.02
BBB	10.46
BB	31.64
B	13.33
CCC	8.34
CC	1.61
C	0.00
D	0.15
NR	12.26



	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23
CEE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia/CIS	6.0%	6.4%	5.8%	5.6%	5.3%	5.2%	4.6%	6.1%	5.5%	6.2%
MENA	6.0%	5.8%	5.6%	6.0%	6.4%	6.1%	5.8%	5.0%	4.1%	4.4%
SSA	11.4%	12.2%	10.0%	10.9%	11.1%	10.5%	10.6%	9.7%	8.9%	9.5%
Asia	1.2%	1.1%	0.8%	1.1%	1.3%	1.3%	1.2%	1.3%	1.1%	1.0%
LATAM	4.1%	4.2%	3.8%	4.0%	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%
Other	71.3%	70.3%	74.0%	72.3%	75.0%	76.0%	76.9%	77.1%	79.7%	78.2%
Total	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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