

Emerging Markets Bond Fund

Information as at: 30 November 2023

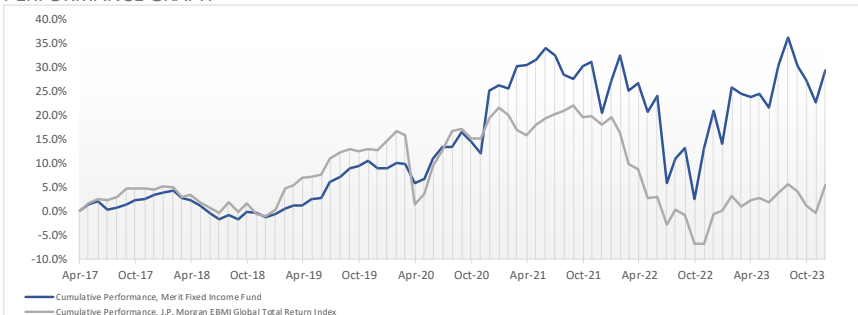
KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$52,807,798
A USD class, USD	\$52,807,798
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	5.58%	13.50%	29.50%
J.P. Morgan EMBI Global Total Return Index	5.79%	5.39%	5.44%

Share Class performance of 5.58% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for November 2023 is 5.66%

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

FUND COMMENTS

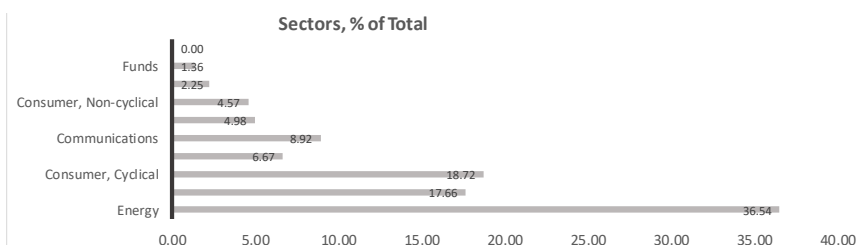
The fund increased by 5.58% percent for the month of November taking year to date returns to 13.50%.

In November, the financial markets provided investors with a much-needed reprieve, showcasing a recovery rally across both Fixed Income (FI) and equities, following a three-month period of decline. This resurgence was primarily fuelled by new macroeconomic data, which bolstered the consensus that the central banks' cycle of monetary policy tightening might be drawing to a close. In the United States, the United Kingdom, and Europe, the Consumer Price Index (CPI) for October slowed more than expectations, while a slight increase in jobless claims signalled a deceleration in economic activity, reinforcing the optimism for rate cuts.

Within the equities sector, the S&P Index recorded one of its most remarkable monthly performances in recent history, with an increase of 9.1% MoM. The fund's holdings of Expedia Group (EXPE, +42.9%), Carnival Corp (CCL, +31.4%) and Paramount global (PARAA, +27.4%) contributed to the growth having recorded the best performances among S&P constituents. Expedia and Paramount experienced a surge in stock prices following their commendable quarterly financial results, while Carnival benefited from a significant uplift in service demand. The Chinese market also witnessed a revival, buoyed by positive macroeconomic indicators, propelling Baidu (BIDU) and Tencent (TCEHY) stocks up by 13% and 12.5%, respectively. The downturn in oil prices acted as the main driver for global disinflation, simultaneously exerting downward pressure on the shares of oil companies, such as Occidental Petroleum (OXY, -4.3%), BP (BPLN, -3%) and Shell (SHELL, -1.1%).

The fixed income market also ended the month in the green zone, with both developed and emerging markets seeing gains. The 10-year Treasury yield receded from its 15-year high by 60 basis points to the area of 4.35%. Sovereign bonds issued by SSA countries echoed this downward yield trajectory, resulting in a 4-5% price appreciation (for 5-10Y duration). Egypt sovereign bonds prices rallied over 10% as a result of the positive sentiment over the likely re-election of the current president and potential larger reforms to support the country's debt repayment, as well as reaffirmation of IMF support.

As anticipated in our previous Fund reports, the peak of rate increases and the markets' anticipation of this has spurred this month's recovery seen in markets. Looking forward, we believe that the prevailing positive sentiment will persist in fostering the global economic expansion. Nevertheless, we still maintain our Fund's predominant energy holdings as a hedge to a sentiments' change and to the ongoing geopolitical risks.



MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	BB
Modified Duration	3.84 years
Yield to Worst	20.12%
Fixed Income	26.64%
Equity	75.02%
Cash	6.91%
Repo Instruments	-10.09%
Reverse Repo Instruments	1.52%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	36.54
Government	17.66
Consumer, Cyclical	18.72
Financial	6.67
Communications	8.92
Basic Materials	4.98
Consumer, Non-cyclical	4.57
Industrial	2.25
Funds	1.96
Technology	0.00

Country	% of Total
United States	39.94
United Kingdom	16.50
Nigeria	9.39
Netherlands	8.94
Russian Federation	6.10
Egypt	5.55
Germany	5.09
France	2.79
Ghana	1.61
Ireland	1.24
Other	4.50

Currency Break-Down	% of Total
USD	63.96
EUR	17.83
GBP	16.25
RUB	1.96

MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Advisor	Persella Ioannides

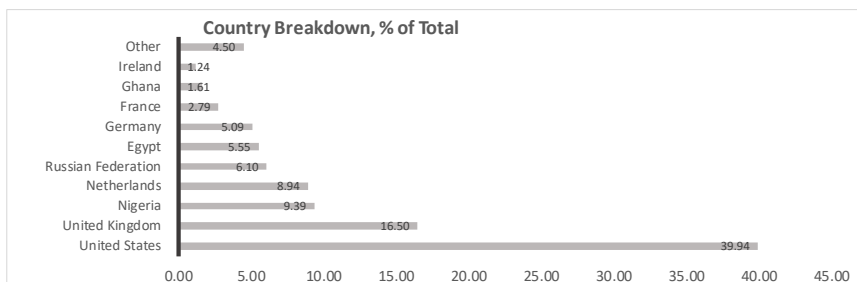
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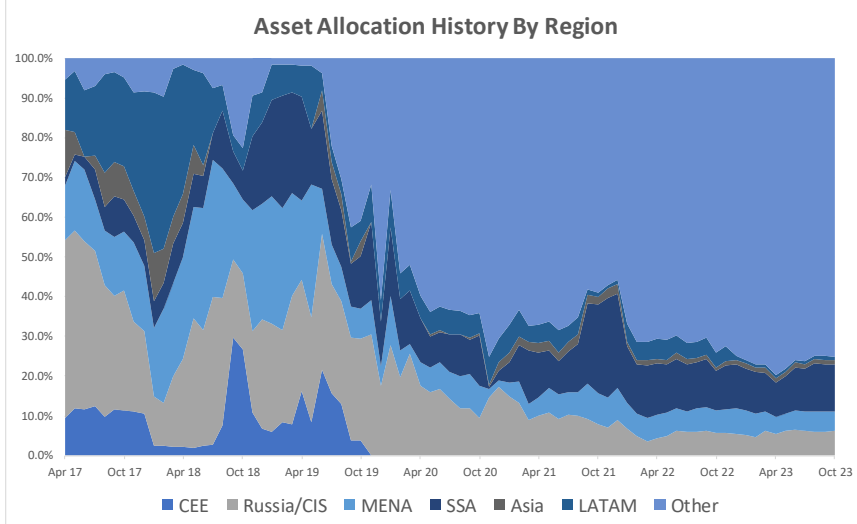
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Top 10 Holdings	% of Total
OXY US	11.68
SHELL NA	8.94
BP/ LN	7.70
CHRD US	6.79
NGERIA 7 3/8 09/28/33	4.60
EGYPT 5.8 09/30/27	3.45
RUALRU 5.3 05/03/23	2.84
AMZN US	2.77
IAG LN	2.58
UAL US	2.44



Duration Breakdown	% of Total
Cash	6.91
Repo Instruments	-10.09
Reverse Repo Instruments	1.52
Equity	75.02
0 - 1 years	2.96
1 - 3 years	6.81
3 - 5 years	6.44
5 - 7 years	8.66
7 - 10 years	1.77
10+ years	0.00



Rating Breakdown	% of Total
Cash	6.91
Repo Instruments	-10.09
Reverse Repo Instruments	1.52
AAA	0.00
AA	3.44
A	22.91
BBB	15.86
BB	26.81
B	4.90
CCC	14.35
CC	1.61
C	0.00
D	0.00
NR	11.78

	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23
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	5.3%	5.2%	4.6%	6.1%	5.5%	6.2%	6.4%	6.3%	6.0%	6.0%	6.2%	6.1%
MENA	6.4%	6.1%	5.8%	5.0%	4.1%	4.4%	4.9%	4.9%	5.0%	5.1%	5.0%	5.5%
SSA	11.1%	10.5%	10.6%	9.7%	8.9%	9.5%	10.8%	10.7%	12.1%	11.9%	11.8%	12.1%
Asia	1.3%	1.3%	1.2%	1.3%	1.1%	1.0%	1.2%	1.2%	1.2%	1.1%	1.0%	1.1%
LATAM	0.9%	0.9%	0.8%	0.8%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%
Other	75.0%	76.0%	76.9%	77.1%	79.7%	78.2%	75.9%	76.2%	74.8%	75.0%	75.1%	74.3%
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 AIFLNP 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.