

Emerging Markets Bond Fund

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	EMKAP LTD
Total Fund Assets, USD	\$54,606,745
A USD class, USD	\$54,606,745
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

MINIMUM INVESTMENT

Share class	
A USD	\$50,000

FUND CHARACTERISTIC

Credit Rating	BB-
Modified Duration	3.38 years
Yield to Worst	10.49%
Fixed Income	27.12%
Equity	72.32%
Cash	3.96%
Repo Instruments	-9.96%
Reverse Repo Instruments	1.47%

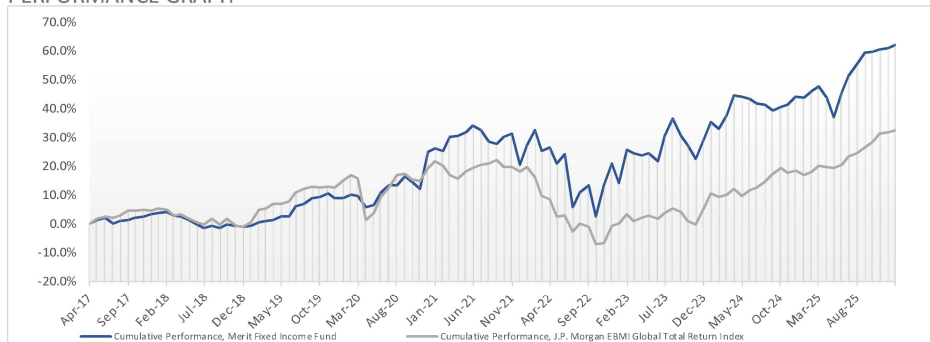
COMPOSITION OF THE FUND

Sectors	% of Total
Energy	28.91
Government	28.33
Consumer, Cyclical	19.62
Financial	4.71
Communications	11.35
Basic Materials	2.30
Consumer, Non-cyclical	2.89
Industrial	0.76
Funds	0.45
Technology	5.20
Country	% of Total
United States	58.55
United Kingdom	10.40
Germany	6.31
Nigeria	5.65
Egypt	3.49
Russian Federation	3.45
Ghana	2.43
Italy	2.16
China	1.21
Angola	1.20
Other	9.67
Currency Break-Down	% of Total
USD	65.31
EUR	16.68
GBP	16.06
RUB	1.95

INVESTMENT OBJECTIVE

EMKAP 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
EMKAP Fixed Income Fund - A Shares USD	0.81%	13.02%	62.28%
J.P. Morgan EMBI Global Total Return Index	0.52%	13.45%	32.55%

Share Class performance of 0.81% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for December 2025 is 0.86%

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

FUND COMMENTS

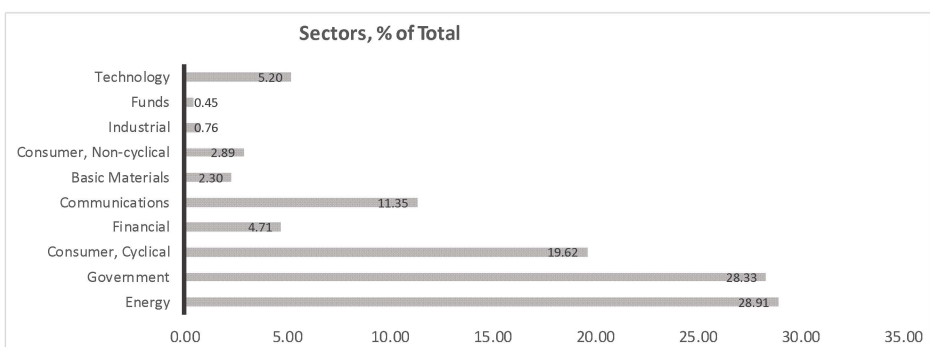
The fund rose 0.81% in December, taking year-to-date returns to 13.02%.

We ended the year on a subdued note with sentiment comparatively muted as the market parsed a string of delayed US economic data heading into the final FOMC. While the Fed delivered a third straight 25bps cut, 2026 dot plots forecast a single cut amid a divergence among policymakers that saw a third projecting an unchanged rate. The backdrop of an impending Trump nomination of the next Fed chair also added to the uncertainty on policy.

Equities had a mixed showing with the S&P closing 0.05% lower (even as several records were notched during the month) amid an extended tech pullback while in Europe the Stoxx 600 extended outperformance with a 2.73% uptick for the month. Fund performance mirrored the same with Bayer AG (BAYN GY, +23.34%) holdings outperforming and joined by travel stocks Southwest Airlines (LUV US, +18.73%) and Airbnb Inc (ABNB US, +16.01%) amid a post-shutdown lift. Tech headlined underperformance with the benchmark NASDAQ down 0.73% for the month. Holdings of Netflix Inc (NFLX US, -12.85%) and Nebius Group (NBUS US, -11.77%) underperformed amid a tech stocks continued repricing and the former's ongoing bidding war on Warner Bros Discovery assets weighing sentiment.

Fixed income holdings largely posted gains, driven by a shift toward near-certainty around a December policy rate cut at the start of the month. Rates, however, ticked higher with the 10-year US treasury up 15bps to close 4.16% and largely struggled to break sub 4.10% during the month. Egypt (+6.07%) was a notable outperformer with November laggards Kenya (+5.74%) and Ivory Coast (+4.29%) also picking up; Kenya benefited from settling down of bonds from its October issuance, while in Ivory Coast we observed a fading of the election risk premium following the incumbent's victory at the polls.

At the start of 2026, we continue to hold the view that U.S. growth exceptionalism will persist, with tariff-related disruptions unlikely to exert a material drag on activity. Recent inflation readings indicate a continued deceleration, and when combined with emerging signs of labor market softening, this supports our expectation of more than one policy rate cut in 2026, broadly in line with the market's current pricing of two cuts. We maintain a neutral stance on energy markets: while geopolitical developments may drive episodic rebounds in oil prices, the prevailing market sentiment remains structurally bearish.



MANAGEMENT TEAM

Portfolio Manager	EMKAP Ltd
Investment Advisor	Persella Ioannides

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EMKAP Fund

EMKAP FUND AIFLNP V.C.I.C. LTD, Reg Number: 331493

(formerly MERIT FUND AIFLNP V.C.I.C. LIMITED)

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CySEC License Number: LPAIF05/2014

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Information as at: 31 December 2025

Emerging Markets Bond Fund

Top 10 Holdings

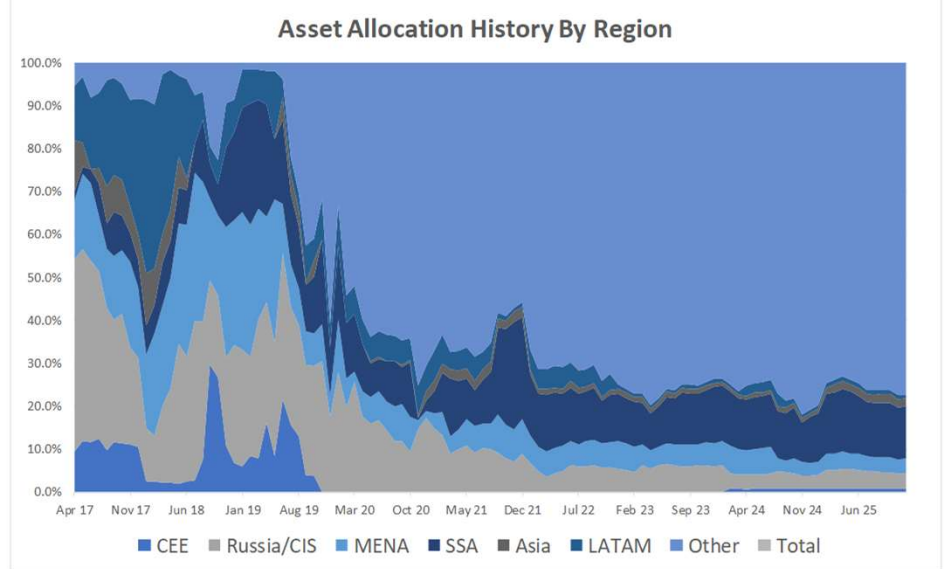
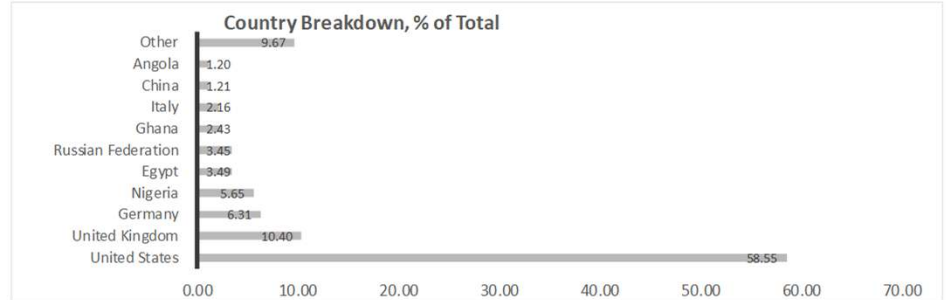
	% of Total
SHELL NA	7.87
OXY US	7.19
BP/ LN	7.16
IAG LN	6.25
B 02/19/26	5.51
AMZN US	4.80
B 03/24/26	4.54
CHRD US	3.19
NGERIA 9 5/8 06/09/31	2.93
BPLN 6 1/8 PERP	2.84

Duration Breakdown

	% of Total
Cash	3.96
Repo Instruments	-9.96
Reverse Repo Instruments	1.47
Equity	66.27
0 - 1 years	15.35
1 - 3 years	3.00
3 - 5 years	6.76
5 - 7 years	10.12
7 - 10 years	1.75
10+ years	1.28

Rating Breakdown

	% of Total
Cash	3.96
Repo Instruments	-9.96
Reverse Repo Instruments	1.47
AAA	0.33
AA	8.47
A	19.85
BBB	21.70
BB	14.90
B	14.55
CCC	2.81
CC	0.00
C	0.00
D	0.00
NR	21.93



	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
CEE	0.7%	0.9%	0.9%	1.0%	0.9%	1.0%	0.9%	0.9%	0.9%	0.9%	0.8%	0.9%
Russia/CIS	3.2%	4.2%	4.3%	4.6%	4.4%	4.3%	4.0%	3.9%	3.8%	3.8%	3.5%	3.6%
MENA	3.1%	3.7%	3.6%	3.8%	3.7%	3.7%	3.5%	3.4%	3.4%	3.5%	3.3%	3.3%
SSA	11.4%	14.1%	14.4%	14.6%	14.4%	13.4%	12.8%	12.7%	12.7%	12.7%	12.1%	12.1%
Asia	1.0%	1.3%	1.8%	1.9%	1.8%	1.9%	1.8%	1.9%	2.1%	2.1%	1.9%	1.9%
LATAM	0.9%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%
Other	79.8%	74.7%	73.9%	73.1%	73.7%	74.7%	76.1%	76.3%	76.1%	76.1%	77.4%	77.2%
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

EMKAP 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 # LPAIF05/2014, 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 or 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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