

Emerging Markets Bond Fund

Information as at: 30 September 2025

KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$53,693,321
A USD class, USD	\$53,693,321
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	4.09 years
Yield to Worst	9.98%
Fixed Income	22.40%
Equity	72.24%
Cash	4.14%
Repo Instruments	-10.12%
Reverse Repo Instruments	6.89%

COMPOSITION OF THE FUND

Sectors	% of Total
Energy	30.32
Government	22.22
Consumer, Cyclical	18.39
Financial	4.80
Communications	11.70
Basic Materials	2.36
Consumer, Non-cyclical	2.68
Industrial	0.74
Funds	0.47
Technology	5.41

Country	% of Total
United States	54.68
United Kingdom	9.78
Germany	5.70
Nigeria	5.55
Russian Federation	3.44
Egypt	3.39
Ghana	2.34
Italy	1.84
China	1.35
Angola	1.24
Other	9.79

Currency Break-Down	% of Total
USD	67.50
EUR	15.23
GBP	15.40
RUB	1.88

MANAGEMENT TEAM

Portfolio Manager	MeritKapital Ltd
Investment Advisor	Persella Ioannides

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	0.37%	11.26%	59.76%
J.P. Morgan EMBI Global Total Return Index	1.60%	10.09%	28.62%

Share Class performance of 0.37% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for September 2025 is 0.39%

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

FUND COMMENTS

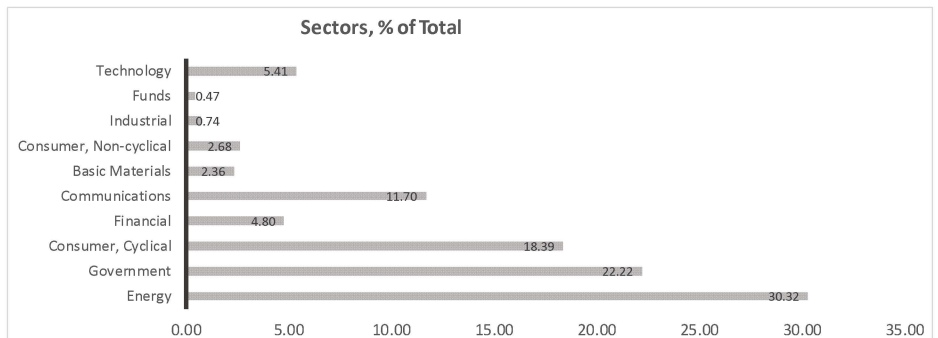
The fund rose 0.37% in September, taking year-to-date returns to 11.26%.

September saw the market trade up ahead of the first Fed cut of 2025, which the Fed duly delivered with an additional 50bps pencilled in for the year. The acceleration in the expected pace of easing versus the June dot plots (2 cuts expected overall then) provided further tailwinds into the end of the month.

Equities extended bullish momentum with the S&P (+3.53%) and Stoxx 600 (+1.46%) notching a string of records throughout the month. Nebius Group (NBIS US, +64.33%) headlined outperformers following a \$19.4 billion deal with Microsoft. Chinese tech holdings of Baidu Inc (BIDU US, +38.27%) and Alibaba (BABA US, +32.39%) were similarly bullish amid outsized AI capital expenditure. Energy broadly underperformed amid a volatile month for Brent (-1.62%) amid potential resumption in Venezuela supply; holdings of Chord Energy (CHRD US, -8.57%) were among underperformers. Positions in German conglomerates Lufthansa and Volkswagen were particularly heavy: Deutsche Lufthansa (LHA GY, -8.76%) slid on employee disputes while holdings of Volkswagen AG (VOW3 GY, -6.99%) were weighed down by production issues at subsidiary, Porsche.

Fixed Income similarly extended its uptrend supported by a general rally in rates where 10-year US treasuries closed 4.11%, 11bps dow for the month and having traded sub 4% in the build up to the FOMC. The compression trade retained momentum with holdings of Egypt (+5.77%) buoyed by progress in Gaza peace talks while Benin (+5.18%) saw bonds sought amid switches out of relatively 'noisier' WAEMU peers.

Heading into the year's final quarter, we are positioned on hold as we wait for the fading out of the rally and will be looking to potentially trim positions into the year; we do acknowledge that the path of least resistance appears higher given the downward move of the Fed's dot plots. We turn neutral on oil as the Middle East war premium appears to fade and recognise increasing odds of improved supply as OPEC+ remains bent on regaining market share. We also remain focused on US inflation data with a view to adjust duration positioning should further heating materialise.



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Top 10 Holdings

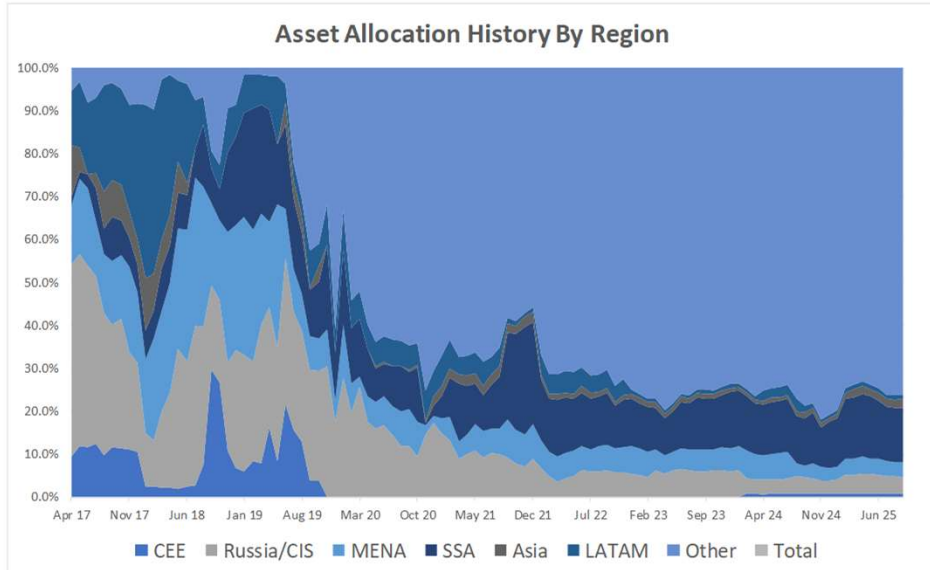
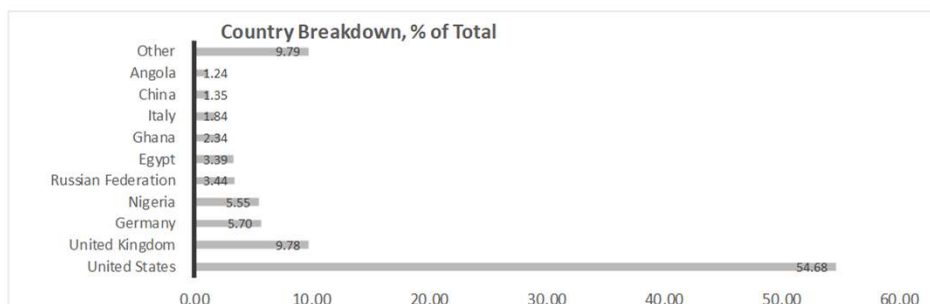
	% of Total
OXY US	8.40
SHELL NA	7.75
BP/ LN	7.15
IAG LN	5.91
AMZN US	4.65
B O 12/23/25	4.25
CHRD US	3.48
BPLN 6 1/8 PERP	2.96
NGERIA 9 5/8 06/09/31	2.89
LHA GY	1.94

Duration Breakdown

	% of Total
Cash	4.14
Repo Instruments	-10.12
Reverse Repo Instruments	6.89
Equity	66.74
0 - 1 years	9.54
1 - 3 years	2.92
3 - 5 years	6.90
5 - 7 years	7.03
7 - 10 years	4.63
10+ years	1.32

Rating Breakdown

	% of Total
Cash	4.14
Repo Instruments	-10.12
Reverse Repo Instruments	6.89
AAA	0.36
AA	7.84
A	20.38
BBB	20.31
BB	16.57
B	14.79
CCC	2.34
CC	0.00
C	0.00
D	0.00
NR	16.51



	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25
CEE	0.9%	0.8%	0.7%	0.7%	0.9%	0.9%	1.0%	0.9%	1.0%	0.9%	0.9%	0.9%
Russia/CIS	3.4%	3.1%	3.0%	3.2%	4.2%	4.3%	4.6%	4.4%	4.3%	4.0%	3.9%	3.8%
MENA	3.5%	3.2%	2.9%	3.1%	3.7%	3.6%	3.8%	3.7%	3.7%	3.5%	3.4%	3.4%
SSA	11.9%	9.2%	10.8%	11.4%	14.1%	14.4%	14.6%	14.4%	13.4%	12.8%	12.7%	12.7%
Asia	1.2%	1.0%	0.9%	1.0%	1.3%	1.8%	1.9%	1.8%	1.9%	1.8%	1.9%	2.1%
LATAM	1.0%	0.9%	0.8%	0.9%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Other	78.1%	81.9%	80.7%	79.8%	74.7%	73.9%	73.1%	73.7%	74.7%	76.1%	76.3%	76.1%
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 # 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.