

# Emerging Markets Bond Fund

Information as at: 31 October 2025

## KEY FACTS

Asset Class	Fixed Income
Category	Global Emerging Markets bond
Investment manager	MeritKapital
Total Fund Assets, USD	\$54,051,203
A USD class, USD	\$54,051,203
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	4.03 years
Yield to Worst	10.31%
Fixed Income	22.35%
Equity	72.05%
Cash	4.19%
Repo Instruments	-10.01%
Reverse Repo Instruments	6.84%

## COMPOSITION OF THE FUND

Sectors	% of Total
Energy	29.30
Government	22.34
Consumer, Cyclical	18.52
Financial	4.70
Communications	11.93
Basic Materials	2.29
Consumer, Non-cyclical	2.55
Industrial	0.74
Funds	0.54
Technology	6.07

Country	% of Total
United States	54.01
United Kingdom	10.12
Germany	5.65
Nigeria	5.57
Egypt	3.45
Russian Federation	3.44
Ghana	2.35
Italy	1.91
China	1.26
Netherlands	1.26
Other	9.95

Currency Break-Down	% of Total
USD	66.70
EUR	15.61
GBP	15.78
RUB	1.92

## 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	0.57%	11.89%	60.66%
J.P. Morgan EMBI Global Total Return Index	2.22%	12.53%	31.48%

Share Class performance of 0.57% is calculated on a Net Asset Value (NAV) basis, net of fees.

Total gross performance for October 2025 is 0.58%

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

## FUND COMMENTS

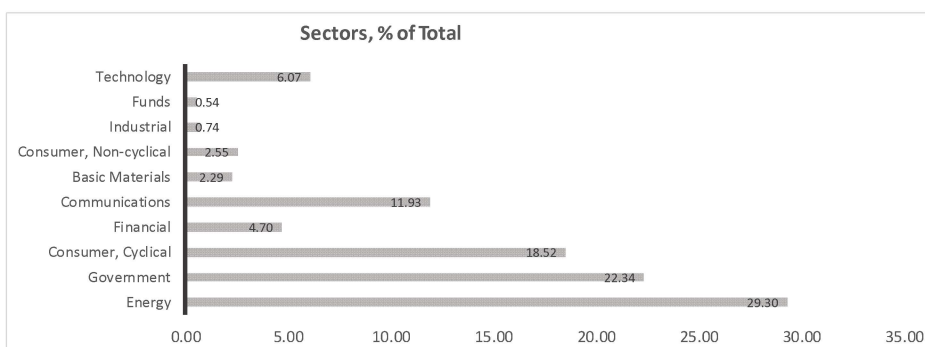
The fund rose 0.57% in October, taking year-to-date returns to 11.89%.

The market extended the bullish momentum in October with market expectations of continued Fed easing into the year end largely driving sentiment. Concerns over the US government shutdown however, tempered the momentum into the month end.

Equities extended bull run with the S&P (+2.27%) and Stoxx 600 (+2.46%) notching yet another series of record highs throughout the month. Tech outperformance remained the ongoing theme with holdings of Advanced Micro Devices (AMD US, +58.30%) topping returns following a \$10 billion chip deal with OpenAI. Snowflake Inc (SNOW US, +21.87%) and Nebius Group (NBIS US, +16.52%) were other notable performers during the month, underlining tech's continued dominance of returns. Energy remained a drag on the fund with Brent's (-2.91%) continued slide exemplifying the broad headwinds facing the industry; holdings of Occidental Petroleum (OXY US -12.50%) were among underperformers. US travel stocks also experienced a down month amid the government shutdown with holding of such stocks as MGM Resorts (MGM US, -7.59%) and Southwest Airlines (LUV US, -5.05%) ending the month lower.

Fixed Income traded firmer as rates remained supportive: 10-year US treasuries closed 4.08%, 7bps down for the month and with intermittent periods of sub-4% trading throughout the month. Egypt (+3.43%) was again a notable outperformer among bond holdings with new \$1.5 billion sukuk issuance readily absorbed by the market. Senegal (-1.14%) whipsawed over the month amid negative developments in their extended talks with the IMF over a new programme.

The US government shutdown and rebounding concerns over stretched valuations have seen the market pull back at the beginning of November, however, with evident corrections going through especially in the tech sector. We remain on the sidelines for the overvalued names and view this correction as opportunity for tactical switches into fundamentally sound but lagging names thus far. We retain our neutral stance on energy as OPEC+ signals a pause in production hikes. We also look forward to the resumption of data releases on the US economy as both parties are expected to find common ground to end the longest shutdown on record.



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## Top 10 Holdings

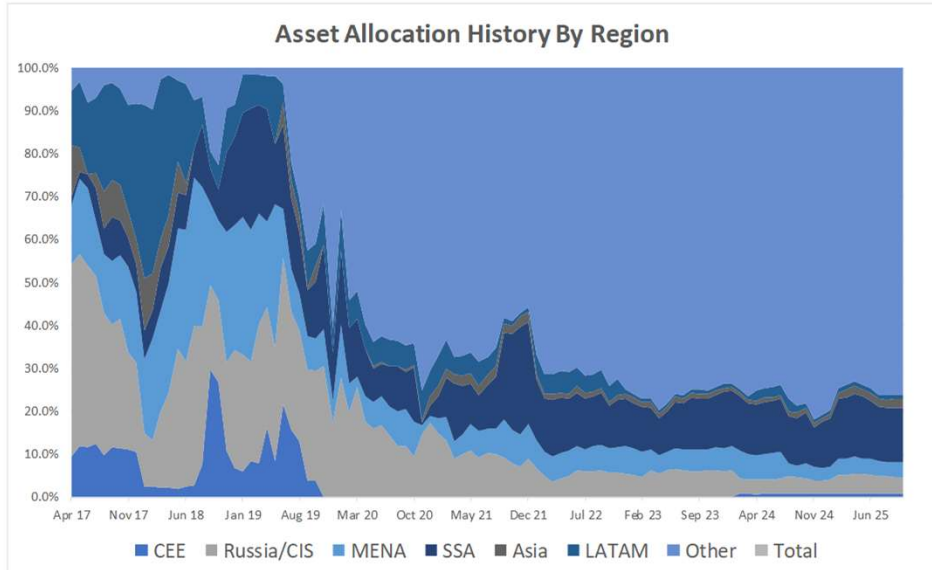
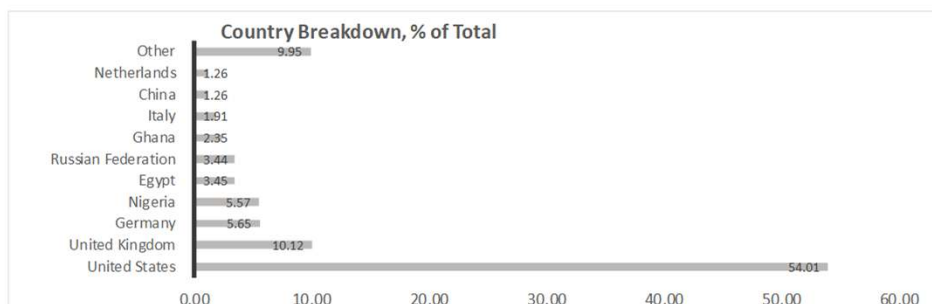
	% of Total
SHELL NA	8.07
OXY US	7.28
BP/ LN	7.19
IAG LN	6.20
AMZN US	5.13
B O 12/23/25	4.23
CHRD US	3.15
BPLN 6 1/8 PERP	2.96
NGERIA 9 5/8 06/09/31	2.92
NVDA	2.03

## Duration Breakdown

	% of Total
Cash	4.19
Repo Instruments	-10.01
Reverse Repo Instruments	6.84
Equity	66.54
0 - 1 years	9.54
1 - 3 years	2.91
3 - 5 years	7.83
5 - 7 years	9.11
7 - 10 years	1.72
10+ years	1.31

## Rating Breakdown

	% of Total
Cash	4.19
Repo Instruments	-10.01
Reverse Repo Instruments	6.84
AAA	0.36
AA	8.48
A	20.83
BBB	20.63
BB	14.96
B	14.30
CCC	2.79
CC	0.00
C	0.00
D	0.00
NR	16.63



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

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