



MeritFixed

Fixed Income Fund with Emerging Market Strategy



ΕΠΙΤΡΟΠΗ
ΚΕΦΑΛΑΙΑΓΟΡΑΣ
ΚΥΠΡΟΥ

CYPRUS SECURITIES AND EXCHANGE COMMISSION

#LPAIF05/2014



MeritFixed

FIXED INCOME FUND WITH EM STRATEGY



Alternative Investment Fund (AIF) with Limited
Number of Persons

Licensed by the CySEC



Investment Strategy
Launched April 2017



Professional Investors
Only



Minority Female Owned and
Managed



Local Expertise RUSSIA & CIS, ME
NA, SSA, LATAM



International Team



MeritFixed

MINORITY



- The Fund is part of an investment group that includes a custody, asset management and intermediation business that is **woman-owned, founded, and managed**;
- The front desk team has a female to male **ratio of 2:1**;
- The Meritkapital team is comprised of individuals across **10 nationalities within the EM** space. This gives the fund a significant advantage;
- The investment group was able to grow a unique, globally benchmarked product offering in a small capital markets industry:
 - The relationships of the group include some of the **biggest buy side funds** in Russia and some of the **top 10 globally ranked funds** by AUM;
 - Our strong and diverse regional relationships in the emerging markets where we invest form the niche of our business across all business lines;
- We are a minority-run business that drives innovative achievements:
 - **Underwrote the first, locally denominated Kazakh bond** that was also settle-able in international exchanges (the issuer was a subsidiary of the sovereign wealth fund of Kazakhstan);
 - During the banking capital controls of Cyprus in the 2013 local financial crisis, the firm was the first player to bring liquidity back to the market by **buying out frozen deposits for an exchange of deposits abroad**.

SPECIFICS

Fund Type:	Open-end fund
Asset Class:	Fixed Income, Equities
Morningstar Categories:	Global Emerging Markets, New Issues, Distressed Debt
Inception:	01/09/2016
Investment Strategy:	See
Fund Base Currency:	USD
Share Class Currency:	USD
Benchmark:	JP Morgan Emerging Markets Bond Index
Liquidity:	Monthly
Domicile:	Cyprus
ISIN:	CYF000000200
Bloomberg Ticker:	MERFXPT CY
Settlement platform:	CLEARSTREAM



MeritFixed

STRATEGY

Significant premiums on new security on the existing curve result in oversubscribed books and high demand, causing significant (up to 1-2%) price appreciation

New Issuance Speculation Strategy

Fund has built local intelligence networks of investing professionals with diverse backgrounds

Local Expertise

A mis-pricing in credit due to special situations compels investors to buy

Event Driven Opportunities

Careful selection of underlying names conducted by using relative value and financial statement analysis tools.

Solid issuers

Proportionate weighting across the fund is kept in check with regional focus in the EM subset, across underlying industries, and now with investment in equities and European government bonds

Diversification



PERFORMANCE

Total Fund Assets	\$42.963,178
Yield Since Inception	0.03%
Modified Duration	7.54 years
Yield to Worst	8.19%
Credit Rating	BB+
Cash	-0.84%
Repo Instruments	-3.76%

PERFORMANCE SINCE INCEPTION

Year		MFIF	Index*
2017	2Q	0.29%	2.21%
	3Q	2.02%	2.38%
	4Q	1.45%	0.54%
	Year (9 month)	3.80%	5.21%
2018	1Q	-1.40%	-1.78%
	2Q	-3.86%	-3.51%
	3Q	1.41%	1.87%
	4Q	-0.45%	-1.19%
	Year	-4.29%	-4.61%
2019	1Q	1.96%	6.59%
	2Q	4.65%	3.76%
	3Q	3.26%	1.34%
	4Q	-0.37%	2.09%
2020	1Q	-3.00%	-11.76%

2017

- Emerging markets rallied
- Hunger for yield
- Weakening dollar
- Recovering commodity prices

2018

- US Fed quantitative tightening →
- UST 10 year above 3%
- EM spreads widening
- Geo-political tensions:
 - US relations with China, Turkey,
 - Russia sanctions
- Argentina bailout, elections in Brazil, Mexico
- Huge Emerging Market ETF outflows
- Conservative strategy to reduce
 - modified duration and exposure
 - to high beta credit

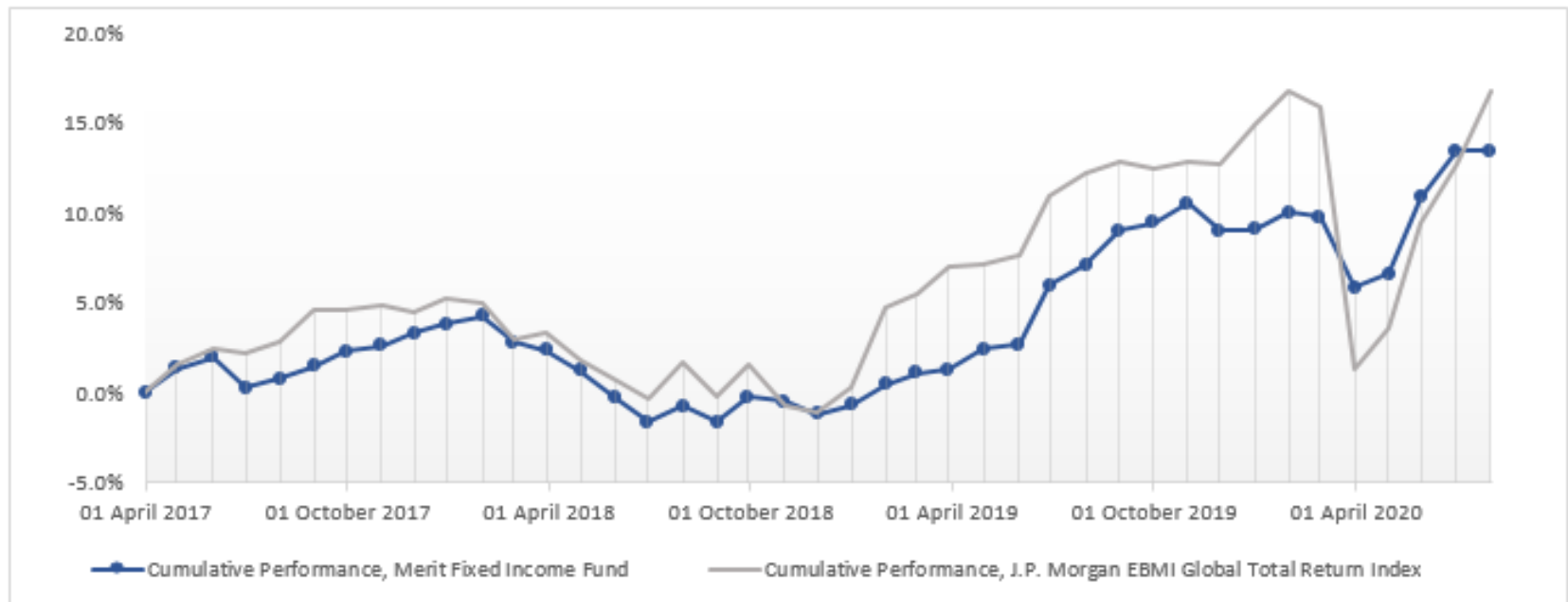
2019

- Fed pausing the interest rate hike
- Improvement in geopolitics
- Return of Emerging Market
 - ETF inflows
- Improved market sentiment post tough end to 2018

2020

- Global Pandemic
- 10% of fund diversified into the strong equity market and European government bonds

PERFORMANCE SINCE INCEPTION

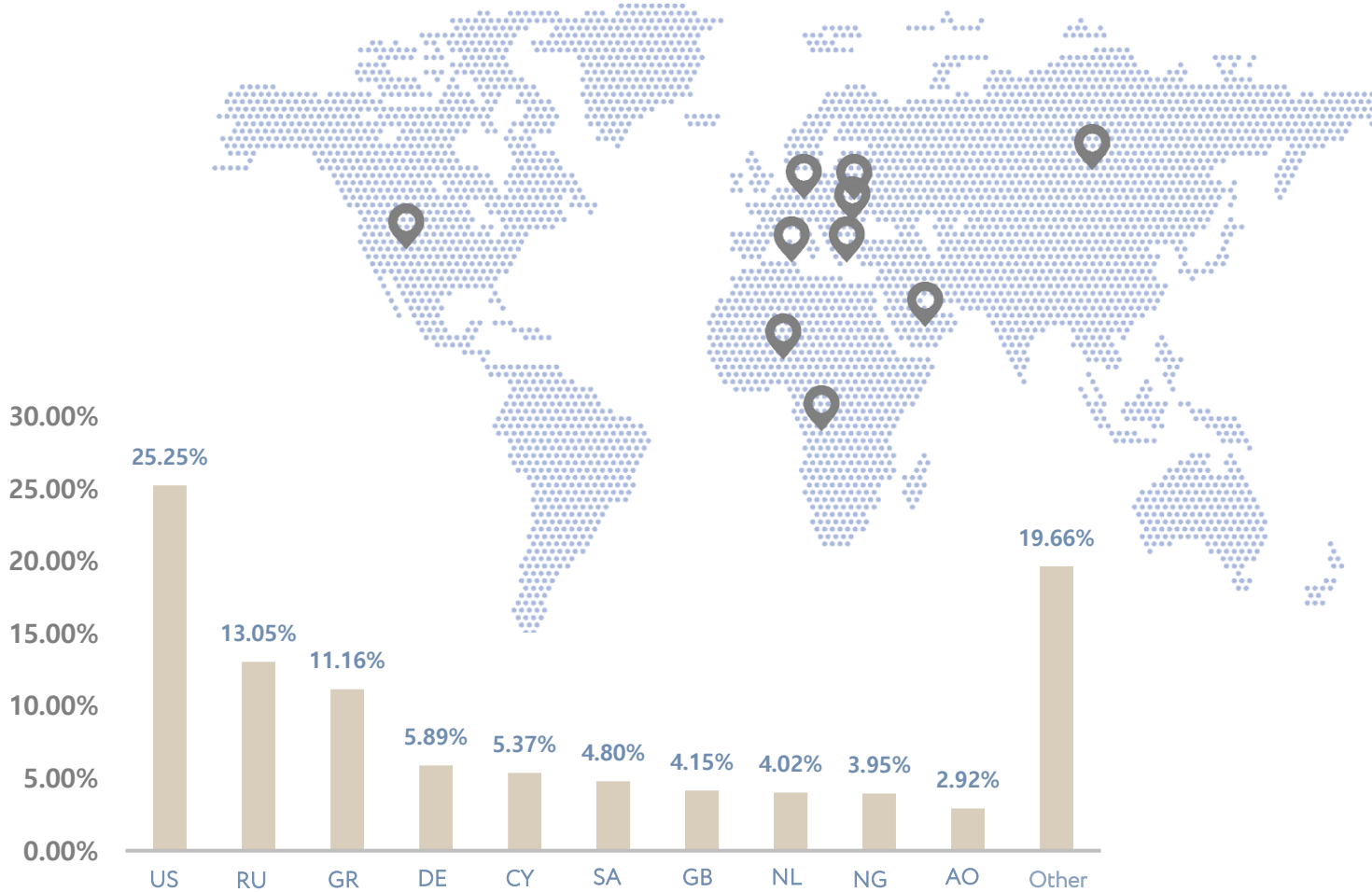


*The Fund remained dormant between Sep 2016 and Mar 2017. The Performance is presented from the date the investment strategy was implemented.

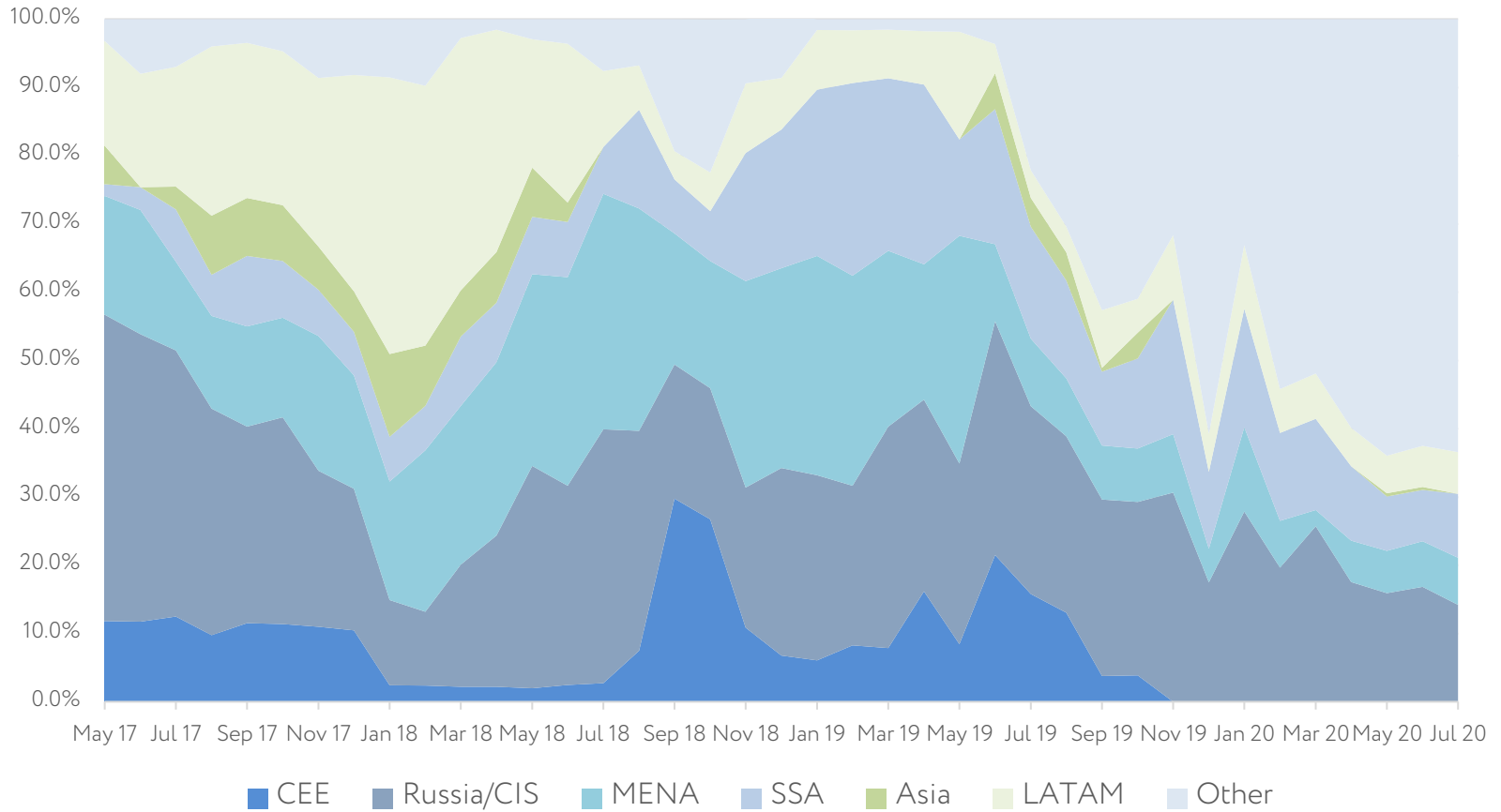
Fund performance displayed net of fees



COUNTRY BREAKDOWN



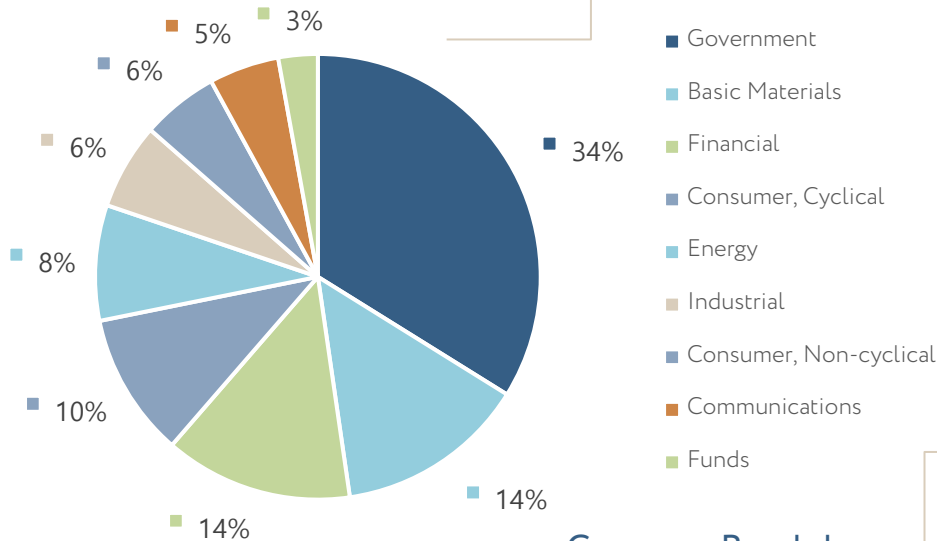
ASSET ALLOCATION HISTORY BY REGION



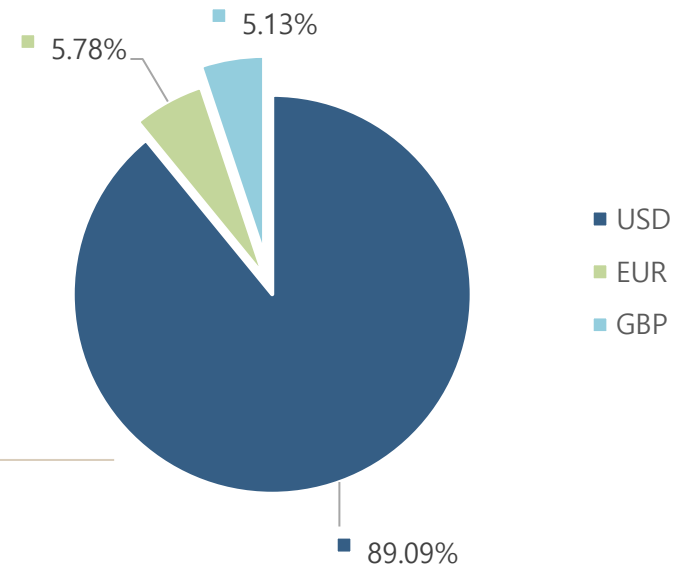


FUND INFORMATION

Sector Breakdown

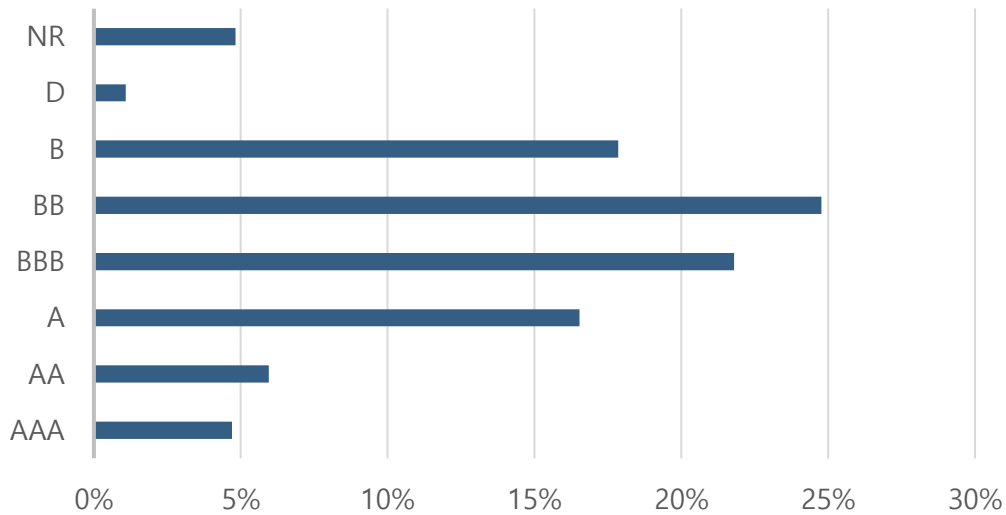


Currency Breakdown



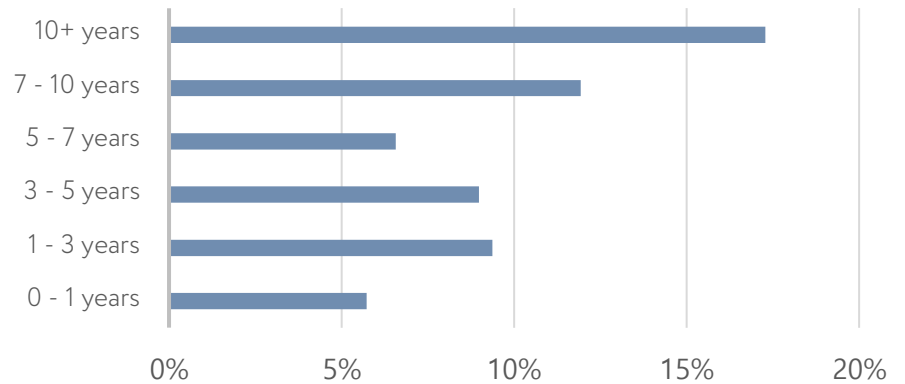


FUND INFORMATION



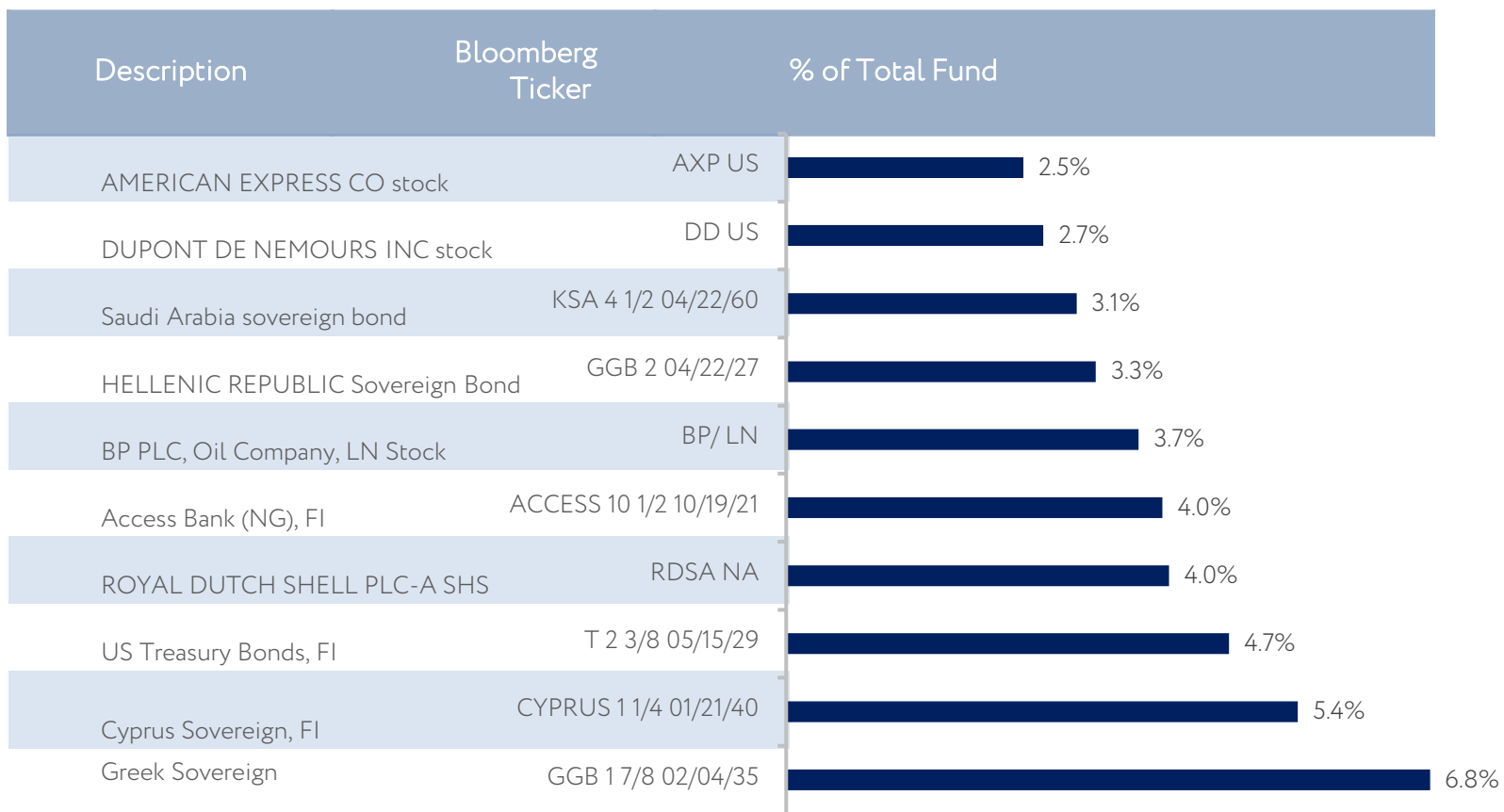
Rating Breakdown

Duration Breakdown





TOP 10 HOLDINGS





FEE STRUCTURE

Performance Fee*	15% per annum
Hurdle	3% per annum
Management Fee	0.75% per annum
Admin Fee	US\$ 30,000 flat
Director Fee	US\$ 2,500 flat

***Performance Fee:** On each Valuation Day in a Performance Period, a Performance Fee is accrued for the account of the Manager in an amount equal to 15% of the increase in the Net Asset Value per Share determined as at such Valuation Day (before deduction of any accrued Performance Fees for such period) in excess of an annual Hurdle Rate of 3% compounded annually.

The Manager is entitled to an annual payment of Performance Fees, calculated as of the end of Performance period or at other times upon the redemption of Shares or dissolution of the Fund. Performance Fees paid to the Manager are calculated on the basis of unaudited data, are not refundable to the Fund, but may be subject to audit adjustments.



TEAM MEMBERS



PORTFOLIO MANAGER

PERSELLA IOANNIDES has an MBA and an MS in Financial Engineering from Columbia University and a BS in Mathematics and Statistics from Bristol University. She spent three years as a risk manager for Morgan Stanley's institutional equity derivatives desk in New York. In 2007, Persella set up Meritkapital, an FCA and CySEC licensed investment firm with an initial focus on asset management and investment advice. Since, she has progressively grown the firm's product offerings to include proprietary trading, brokerage, custody and the underwriting business and has worked towards building the firm's global presence. Persella has developed the firm's niche in the Eurobond fixed income space, particularly in emerging markets including Russia and the CIS. Her strong relationships with large buy side funds are testament to the positioning of Meritkapital in its field of expertise.



TEAM MEMBERS



INVESTOR RELATIONS

TATIANA KOZLOVA joined MeritKapital in 2013. Prior, she spent two years as a salesperson for Anixter, a Fortune 500 company focused on telecom & security. Tatiana has been instrumental in building the firm's sales desk, particularly in Russia and the CIS. In 2015, she led MeritKapital's involvement as co-underwriter on a Kazakh Eurobond issue of a subsidiary of "KazTransGas."; the deal was well publicized as it was the first issue to be denominated in Kazakh tenge and be settle-able in Euroclear. Tatiana has an undergraduate degree in Financial Management from Belgorod University of Cooperation, Economics and Law in Russia and holds the CySEC MOF exams, where she ranked in the top 10th percentile.



AML COMPLIANCE OFFICER

TARIRO TAKA holds a Bachelor of Laws Honours degree (LLBS) from the University of Zimbabwe. In 2016 she was registered as a legal practitioner, conveyancer and notary public by the High of Zimbabwe. Before joining Meritkapital, she spent two years as an underwriter at Alliance, a company which focuses on insurance and financial services. Since joining Meritkapital Ltd Tariro has proven to be diligent, responsible and outstanding in both practical and theoretical application of the law. She has taken the lead in implementing compliance projects including the Anti-money Laundering policies and procedures. She was appointed to be the Compliance Officer for Meritkapital Limited since passing the CySEC Advanced examinations.



TEAM MEMBERS



DIRECTOR

HANNES BOECK began his career at Cleary, Gottlieb, Steen & Hamilton, New York, where he worked on the structuring of products and global activities of financial institutions and the tax and accounting treatment of derivatives. In '96 he joined Credit Suisse, London where he rose up the ranks to reach MD level and to lead the global Product Development unit which structured and marketed tax, regulatory and accounting motivated transactions covering all asset classes and clients. In 2004, he left Credit Suisse to co-set up and lead Kupperstein, Vienna, an advisory business on balance sheet restructurings of financial institutions and other sizeable entities. Hannes holds graduate degrees in Economics and Computer Science and also in Law from the University of Vienna. He also holds an LLM in Taxation from NYU School of Law, New York which he attended as a Fulbright scholar.



DIRECTOR

EVANGELIA GEORGIU is an Associate Director of DI Ross. During her 15 years in the accounting profession she has amassed a great deal of exposure to all aspects of complex accounting matters as well as an up-to-date knowledge of the IFRS and their application. Evangelia specializes in dealing with large international conglomerates and primarily deals with complex consolidation and merger engagement matters that require conversion of local GAAP into IFRS, multi-currency reporting and translations, the purchase and sale of Treasury Shares and changes to Group structures. She joined our group in 2006 having been in the audit and accounting profession since 2001. She is a Fellow Chartered Certified Accountant.

REGULATORY HIGHLIGHTS



European Securities and
Markets Authority

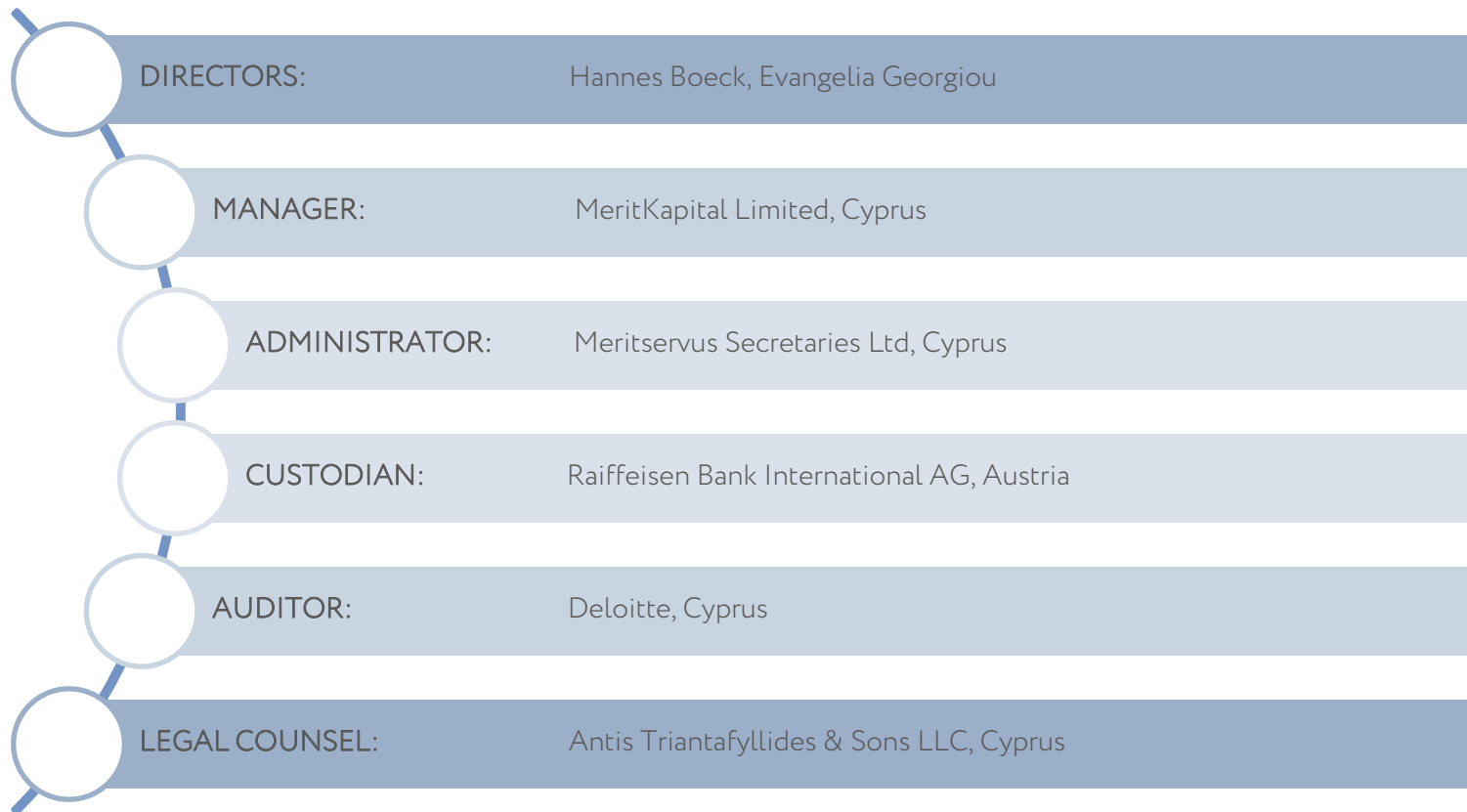
- Merit Fixed Income Fund is registered as an open-ended Alternative Investments Fund with a limited number of persons;
- The legal basis for regulating the Fund is the Alternative Investment Funds Law 124(I)/2018;
- Falling under the EU regulation and supervision of the Cyprus Securities and Exchange Commission (CySEC)
- Marketed only to Professional or Well-Informed investors;
- Fully in line with latest EU Directives on asset management, transparency and investor protection.

Tax Incentives for Foreign Investors

- No withholdings tax on dividends
- No taxation on redemption on units
- No deemed distribution restrictions or taxes



KEY ROLES





DISCLAIMER

- Merit Fixed Income Fund 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 Presentation 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 materialize 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 authorized.



MeritFixed

CONTACT US

| MeritFixed Income Fund



Eftapaton Court,
256 Makarios Avenue
Mail: P.O.Box 53180
Limassol CY-3301 Cyprus



investors@meritfixed.com



+357 2585 7700



www.meritfixed.com | [#meritfixed](https://twitter.com/meritfixed)