

September 2024 – Share Class B (USD)



Morningstar
Category % Rank
5 Year
1 Best=1 Worst=100

5 year rating out of 732 Global High Yield Bond funds as of 31 August 2024.

THE FUND:

The Pentagon High Conviction Bond Fund is a subfund of Merrion Capital Investment Funds Plc., an open-ended investment company with variable capital incorporated in Ireland with registered number 427248 established as an umbrella fund with segregated liability between sub-funds.

OBJECTIVE:

The Pentagon High Conviction Bond Fund's objective is to target attractive risk adjusted returns through a combination of income and capital appreciation by investing in a concentrated portfolio of higher yielding global corporate bonds.

INVESTMENT APPROACH:

The Pentagon High Conviction Bond Fund looks to gain a meaningful exposure to 'higher alpha' global credit opportunities through an investment approach that focuses on value investing, bottom-up credit selection and delivering absolute investment returns.

INVESTMENT MANAGER

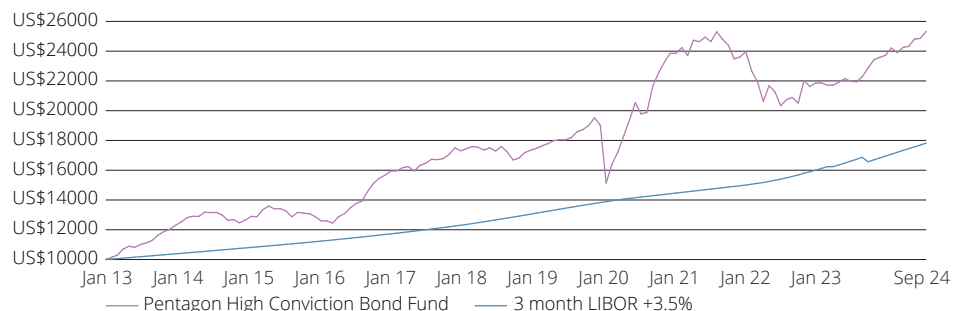
ICM Investment Management Limited is the sub-investment manager to the Pentagon High Conviction Bond Fund. www.icmim.limited

FUND INFORMATION

Total Net Assets	€12.68m
NAV per Share (Class USD)	\$143.98
NAV at Launch (1 May 2018)	\$100.00
Underlying Running Yield	6.00%
Effective Duration	3.65
Number of Positions	31
Domiciled	Ireland
Share Classes	Euro/USD
Minimum Subscription	€10,000
Sub Investment Manager	ICM Investment Management Ltd
Liquidity	Daily
Total Expense Ratio	1.42%
Investment Advisor	ICM Limited
Custodian	Northern Trust
Fund Administrator	Northern Trust
Investment Management Company	Merrion Capital Investment Funds PLC

PERFORMANCE

GROWTH OF US\$10,000 SINCE INCEPTION

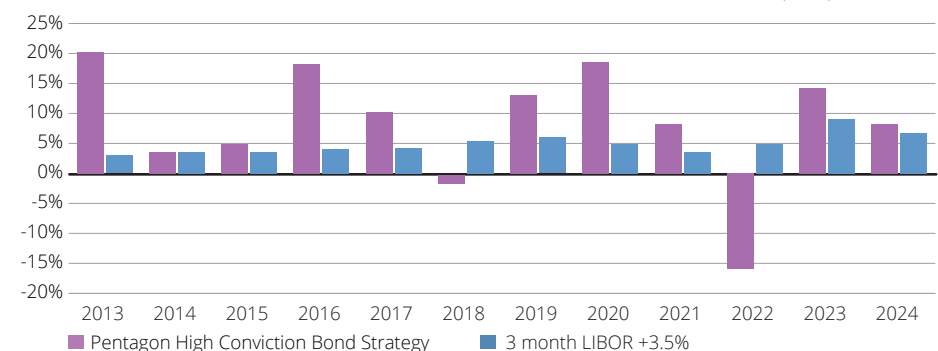


STRATEGY PERFORMANCE (USD)

	1 month	3 month	1-year	3-years	5-years	Annualised Return since Inception
Absolute Return	1.9%	4.1%	15.5%	0.9%	6.8%	8.3%
	YTD*	2023	2022	2021	2020	2019
Absolute Return	8.2%	14.2%	-16.0%	8.2%	18.6%	13.1%

* Calendar year to date

PENTAGON HIGH CONVICTION BOND STRATEGY – ANNUAL PERFORMANCE (USD)



FUND DETAILS

SHARE CLASSES & MONTH-END NAV

Share Class	ISIN	Bloomberg	Month End NAV
Share Class A (EUR)	IE00BF1F4X98	BBG00KG5NFM3	€127.35
Share Class B (USD)	IE00BF1F4Y06	BBG00KG5NFS7	\$143.98
Share Class E (GBP)	IE00BHR48L00	BBG00NDP1YN8	£97.69
Share Class G (USD)	IE000HLGDJJ3	BBG0141HCP84	\$108.37
Share Class P (USD)	IE000P52VV31	BBG015HY7961	\$101.22

TEAM

• Gavin Blessing, Portfolio Manager • Conor Spencer, Portfolio Manager

The value of investments and the income therefrom may fall or rise. Past performance is not indicative of future performance. For the full Performance disclosure statement, please see the final page of this document.

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FUND LETTER SEPTEMBER 2024

In September, the Pentagon High Conviction Bond Fund (the "Fund") increased by 1.9%, versus 1.9% for the Bloomberg Global High Yield Index. The Bloomberg Global High Yield Index is a multi-currency flagship measure of the global high-yield debt market. The index represents the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices.

Year-to-date, the Fund has returned 8.2%, compared to 9.6% for the Bloomberg Global High Yield Index.

Since its inception, the Fund has returned over 153.4% in total, or 8.3% annually, which is way in excess of the 65.4% return of the Bloomberg Global High Yield Index.

According to Morningstar, the Pentagon High Conviction Bond Fund has remained five-star rated and in the top percentile of Global High-Yield Bond Funds out of 732 funds over the past five years.

Fund Positioning

Last month, we outlined how the fund had fully closed its underweight to credit spread duration. In September, the Fund took a fully risk-on position, bringing credit spread duration up to 3.8 versus 3.0 for the U.S. High Yield Index and 3.5 for the Global High Yield Index.

Additionally, the fund now has 15.0% invested in technology converts. These are generally trading reasonably close to the par value of the bonds, giving the Fund a free option if the equity of the underlying companies does well but protecting the Fund's capital should the equity disappoint.

The Fund has 17.7% invested in Additional Tier 1 ("AT1") bank capital and a further 8.8% invested in Restricted Tier 1 ("RT1") insurance capital. Global financial regulators mandated this type of capital in response to the Global Financial Crisis ("GFC"). It is designed to protect taxpayers in future financial crises by requiring that banks issue more bail-in-able capital that can be used to shore up banks' balance sheets before the need to tap up taxpayers.

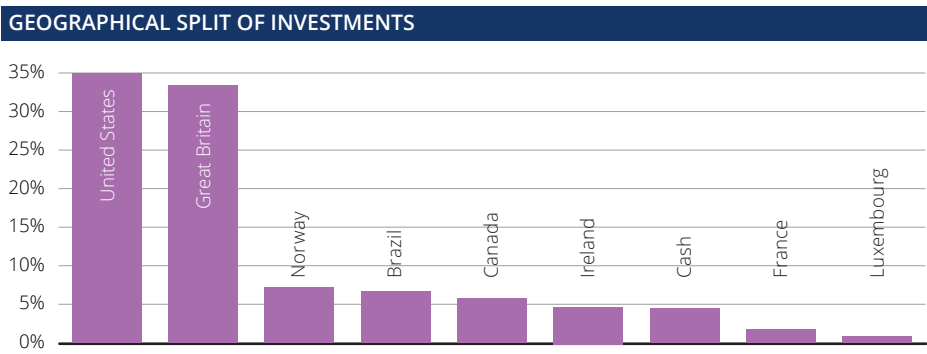
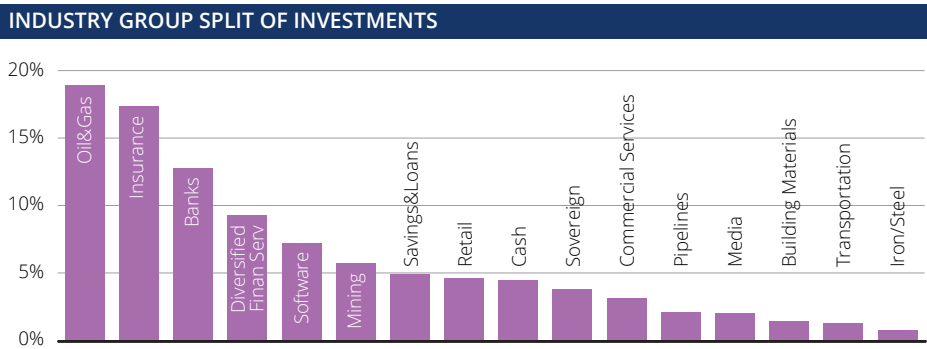
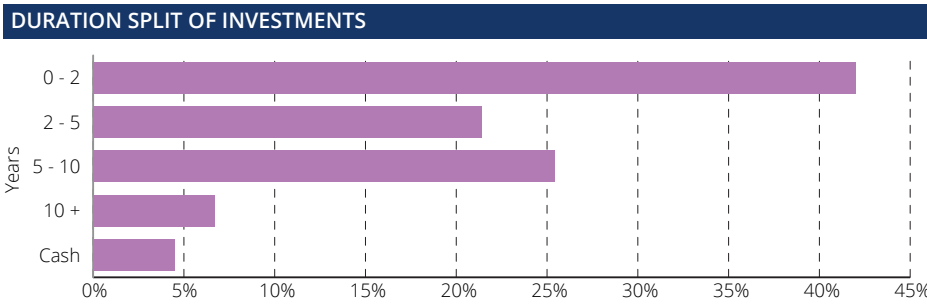
In our view, AT1's and RT1's tend to trade with a significant yield premium, over and above what is justified by their position in the capital structure. This means we have been frequent investors in this type of capital. Our bullish economic view also adds to our conviction that now is a tremendous time to invest in this area.

The Fund also has 8.6% invested in insurance companies, which is not in RT1 capital. We think these companies will likely call these bonds based on the bonds losing their capital efficacy in the coming years.

The Fund has significant exposure to cyclical sectors, with 21.0% in energy bonds and 4.6% in retail bonds, in the expectation of improving economic conditions.

As of 3 October 2024, the Fund has no material exposure to government bonds and only enough cash to support operational activities.

As always, the Fund continues investing where we see the most significant return while minimising the risk of medium-term capital impairment.



WARNING: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. If you invest in this fund you may lose some or all the money you invest. This fund may be affected by changes in currency exchange rates.

Important Notes

The information in this factsheet should not be considered an offer, or solicitation, to deal in the Pentagon High Conviction Bond Fund (the "Fund"). The information is provided on a general basis for information purposes only, and is not to be relied on as investment, legal, tax or other advice as it does not take into account the investment objectives, financial situation or particular needs of any specific investor. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. The value of investments and the income therefrom may fall or rise. Past performance is not indicative of future performance. Investors should read the prospectus and the supplement or seek relevant professional advice, before making any investment decision. The information presented has been obtained from sources believed to be reliable but no representation or warranty is given or may be implied that they are accurate or complete. The Investment Manager reserves the right to make any amendments to the information at any time, without notice. Issued by ICM Investment Management Limited. Registered in England: 08421482. Authorised and regulated by the Financial Conduct Authority.

PORTFOLIO SUMMARY

TOP TEN HOLDINGS ¹		% of gross assets
1	Cosan O/seas 8.25% Perp (Discrete 30 Days Notice)	5.44
2	Just Group 5% Perp (Mar 31)	5.32
3	DNO 7.875% 2026 (Sep 2024)	5.08
4	Coventry Bsoc. 8.75% Perp (2029)	4.90
5	AlB 6.25% Perp	4.78
6	Coinbase 0.25% 2030	4.69
7	Enquest 11.625% 2027	4.66
8	L&G 5.5% 2064	4.56
9	Microstrategy 0.625% 2030	4.50
10	Aris Gold 7.5% 2027	4.44
TOTAL		48.37

HIGH CONVICTION STRATEGY ANALYTICS¹

Average Credit Quality	BB+
Sharpe Ratio (Risk Free Ref: US 3mth T-Bill)	0.67
Annualised Standard Deviation	10.32%
Correlation to Treasuries	-0.11
% Periods Up:	67
% Periods Down:	33

¹ Source: ICMIM

PERFORMANCE DISCLOSURE STATEMENT
The Pentagon High Conviction Bond Fund was launched as a sub-fund of Merriom Capital Investment Funds PLC on 1 May 2018. The fund does not have an established track record as a UCITS before 1 May 2018. Prior to this, from 30 November 2015 to 11 April 2018 the performance relates to the Pentagon High Conviction Bond Fund, a Malta based Alternative Investment Fund. From 28 January 2013 to 30 November 2015, the performance relates to the Value Income Multi-strategy Bond Fund Limited with the status of an exempted company. All data presented in this report for periods prior to 1 May 2018 is unaudited. The full performance history for the Pentagon High Conviction Bond Fund "strategy" relates to the same pool of assets, managed by the same investment team using the same investment approach and investment focus throughout the full performance period outlined.