



Merlin Fidelis Emerging Equity Fund – March 2026

This document provides a comprehensive review of the Merlin Fidelis Emerging Markets Fund based on the information supplied. *UK share class now available, data to 31 January 2026 (latest factsheet provided).*

Summary

The Merlin Fidelis Emerging Markets Fund is a high-active-share, fundamental Emerging Markets strategy. While it may appear contrarian and different from the MSCI EM and many benchmark-aware peers, this is not an explicit style bias but rather the natural outcome of the investment process.

VERY DIFFERENT PORTFOLIOS

You won't find these names in any concentrated portfolio

Different to the highly-skewed Benchmark

- Liquidity plummets beyond the top ~75 Benchmark stocks
- 'Mega'-managers have too much AUM, hence their heavy reliance on top-50 stocks
- Owning the best ideas AND having institutional liquidity requires:

Strict capacity limits ~USD7 to 8 billion in today's dollars

A long tail of small positions, contrary to popular demand

Off the Beaten Track

- Companies under-researched and under-owned by global & 'mega'-managers
- Often local franchises unknown outside their home market
- Skewed to high levels of management / family ownership
- Examples span banking, manufacturing, conglomerates, investment holding, real estate, airlines, retail, infrastructure, gaming, mining



REINET INVESTMENTS S.C.A.



The defining feature is not a single style label (growth/value/quality), but a payoff-driven approach: managers build a diversified set of ideas whose outcome balance looks attractive, then size positions as payoffs change. This tends to produce:

- Large country deviations versus MSCI EM (notably underweight India/Taiwan/Korea, with higher China/Hong Kong exposure once adjusted)
- Meaningful non-index exposure (c. 31% of NAV in non-MSCI EM index stocks in the manager's adjusted view)
- A portfolio that is diversified by holdings (c. 72 names) but still high conviction (Top 10 c. 42%; active share c. 81%)
- A long-term approach, with average holding periods of c. 4–5 years

Since the GBP share class launch, performance has been strong relative to MSCI EM, though the UK class is still early in its life.

Fund overview (UK share class)

The Merlin Fidelis Emerging Markets Fund is structured as a sub-fund of the Bridge UCITS Funds ICAV and uses the MSCI Emerging Markets Net Index (GBP) as its reference benchmark.

The UK share class is Class F GBP Accumulating.

Key details:

- ISIN: IE000TEA7R54
- Inception date: 16 May 2025
- Management fee: 0.45%
- Dealing: Daily (Subscription T+2 / Redemption T+3)
- Minimum investment: £1,000,000

Portfolio characteristics (as at 31 January 2026):

- Holdings: 72
- Active share: 80.8%
- Top 10: 42.1% of NAV
- Top 30: 73.0% of NAV
- Weighted median market cap: c.\$35.5bn

Additional context

There are a couple of important points to highlight when assessing the strategy:

1. While the UCITS structure (and UK share class) launched in 2025, the underlying strategy has been running since 2020 via the Cayman vehicle. The portfolio construction and investment approach are consistent across both structures. In addition, the team's experience extends back further to their time at Maple Brown Abbott, providing a longer-term context for the track record.
2. The current management fee reflects a founder share class. This is expected to increase for future investors as the fund grows, although those invested at this stage will retain the lower fee for the duration of their investment.

People and firm

Merlin Fidelis is an independent Emerging Markets specialist. The fund is managed by:

- **Aaron Macksey, CFA**
- **Sam Dyson, CFA**



Aaron Macksey, CFA
Managing Director, Portfolio Manager

Biography

- Portfolio manager, Merlin Fidelis Emerging Markets strategy (2020-present)
- >20 years of investment experience in Asia & Emerging Markets
- Maple-Brown Abbott
 - Sole portfolio manager: Asia ex-Japan equity strategy (2008-2019)
 - USD 3bn of institutional clients' assets
 - >10-year public track record (2008-2019)
 - Company Director, Maple-Brown Abbott (Asia), 2009-2019
- Aaron was born and raised in Queensland, Australia. Aaron is a CFA charterholder and holds a Bachelor of Commerce (1st Class Honours) and a Bachelor of Economics from the University of Queensland.



Sam Dyson, CFA
Director, Portfolio Manager

Biography

- Portfolio manager, Merlin Fidelis Emerging Markets strategy (2020-present)
- >20 years of investment experience: Asia, Emerging Markets & Global equities
- Maple-Brown Abbott
 - Portfolio manager: Australian equities, USD 1bn of institutional assets
 - Senior Asian equity analyst
- Sam was born in the UK and raised in the UK and Western Australia. Sam is a CFA charterholder and holds a Master of Engineering (1st Class) from the University of Oxford.

Both managers have over 20 years' experience and a long history of working together. The firm emphasises alignment and accountability, positioning itself as a specialist investment house rather than a multi-asset "committee-led" organisation.

Key points on the team and structure:

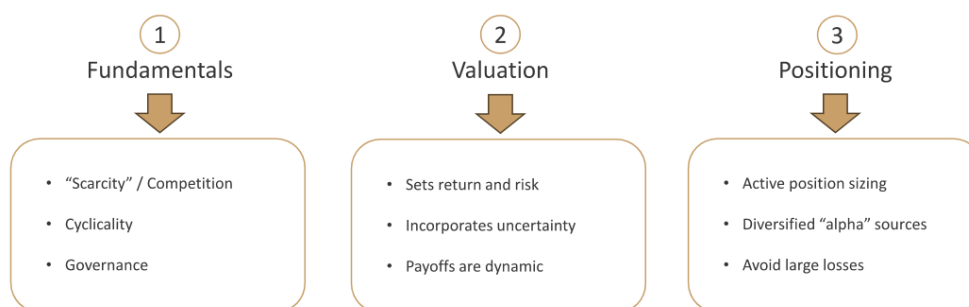
1. The managers operate as analyst portfolio managers, meaning they undertake the research themselves and act as generalists rather than being constrained by sector or regional silos. This supports a more holistic view of opportunities across Emerging Markets.
2. The wider investment team currently includes two additional analysts, with a third expected to join shortly. Importantly, the firm's intention is to develop these individuals into decision-makers over time, rather than maintaining a traditional analyst-only structure. This helps mitigate key-person risk as the team evolves.
3. The Merlin Fidelis team is a significant investor in the strategy, representing approximately a quarter of the fund's AUM. This level of co-investment provides strong alignment between the managers and external investors.

Objective and philosophy

Objective: Preserve capital while generating real (inflation-adjusted) growth over the longer term (5+ years), with the aim of outperforming MSCI Emerging Markets over rolling five-year periods..

INVESTMENT PHILOSOPHY

Three key principles



The philosophy is anchored across three core pillars:

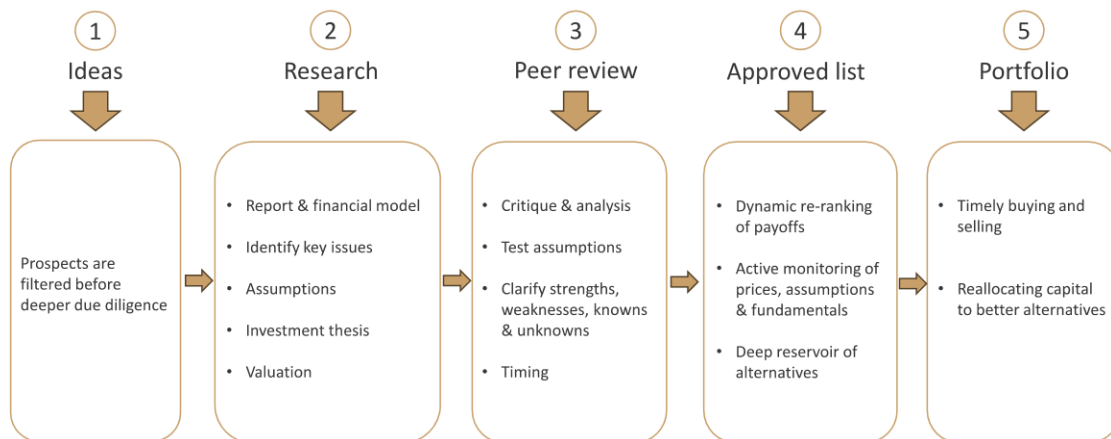
1. **Scarcity / Competition** – what protects profitability, and what destroys it
2. **Cyclicalities** – how cycles create extremes and reversals

3. **Governance** – who controls capital, incentives, and the risk of permanent loss

This framework pushes the fund away from simply owning the largest benchmark constituents and towards areas where the managers believe the market is mispricing the range of potential outcomes.

Investment process (how decisions are made)

PROCESS



A) Research is scenario-based (“valuation is a range”)

Rather than relying on single-point forecasts, the team frames each investment across multiple plausible scenarios (downside/base/upside). The key question is whether the current price offers an attractive payoff profile relative to those outcomes.

B) Active position sizing is central

Position sizes are designed to evolve as valuations and probabilities change. This is a key differentiator versus many EM strategies that appear active at the stock level but remain relatively benchmark-shaped in sizing.

The team place significant emphasis on position sizing as a driver of returns. This is reflected in the portfolio structure, where over 40% of the fund is allocated to the top 10 positions. While every holding has a role within the portfolio, position size is determined by the strength of the risk/reward opportunity.

C) Diversified sources of alpha

Although the strategy is conviction-led, it is not structured as a concentrated 25–35-stock “best ideas” portfolio. The managers argue that uncertainty in Emerging Markets is structural, and therefore, alpha is better generated from a broad set of decisions rather than a small number of high-conviction calls.

With over 70 holdings, the portfolio is designed to capture a wide opportunity set across countries, sectors and market capitalisations. This reflects the reality that Emerging Markets is not a single market, but a diverse and evolving set of economies.

Two additional points are worth noting:

1. **Risk and return profile:** The strategy has historically demonstrated downside capture of c.76% and upside capture of c.117%. This reflects an approach focused on preserving capital while still participating in market upside, without relying on binary outcomes.
2. **Hit rate and return drivers:** On average, approximately 60% of holdings have outperformed. Importantly, the magnitude of winners has outweighed that of losers, indicating that returns are driven by a combination of consistent stock selection and effective position sizing.

Portfolio construction and current positioning (what makes it different)

The managers explicitly highlight that standard EM indices can become highly skewed, with performance and risk dominated by a relatively small set of mega names and classifications that don't always reflect economic reality.

A) Regional / country tilts (manager adjusted view)

As at 31 January 2026, the portfolio positioning includes:

- India, Taiwan, Korea (combined): c.32% underweight versus MSCI EM
- China (underlying): c.13% overweight, adjusting for Hong Kong/Macau and Naspers-related effects
- Non-MSCI EM index stocks: c.31% of NAV (including Hong Kong, South Africa, Singapore and other off-benchmark exposure)

This positioning helps explain why the strategy can behave very differently from more typical EM funds, which are often anchored to index-heavy exposures.

The fund also includes a small allocation to Frontier Markets (currently c.3% of the portfolio), providing an additional source of diversification and opportunity.

Region / Country / Sector	Position*
Non-Asia	6% Overweight
Asia ex-JP	10% Underweight
ASEAN	9% Overweight
Brazil, Mexico	10% Overweight
China [reported]	0% Underweight
China [underlying]	13% Overweight [adjustments: Hong Kong & Macau / Naspers]
India, Taiwan, Korea (next 3 largest markets)	32% Underweight India (12% Underweight), Taiwan (17% Underweight), Korea (3% Underweight)
Non-MSCI EM Index stocks	31% of NAV Hong Kong (7%), South Africa (3%), Singapore (7%), 'Other' (13%) 'Other' includes China, Korea, Kazakhstan, Panama, Colombia, Philippines
Sector (adjusted definitions)**	MSCI EM: Technology (43%), Financials (21%), Resources (10%), Other (26%) Strategy: Technology (28%), Financials (19%), Resources (16%), Other (36%)

B) Sector shape (manager-adjusted definitions)

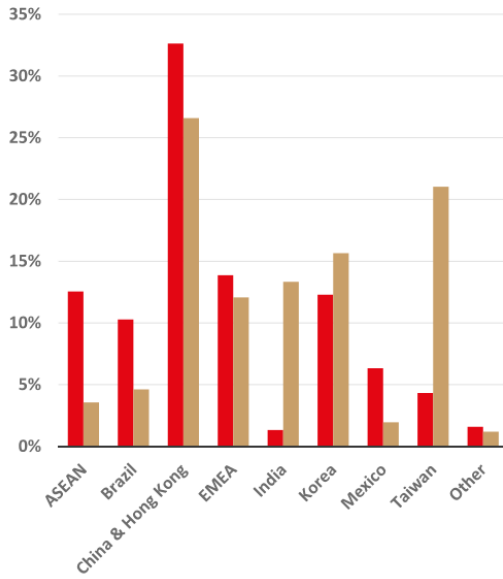
A simplified view of the manager's adjusted sector positioning versus MSCI EM:

- Lower Technology concentration than the benchmark
- Higher Resources exposure than the benchmark
- Financials broadly comparable (but implemented through active selection)

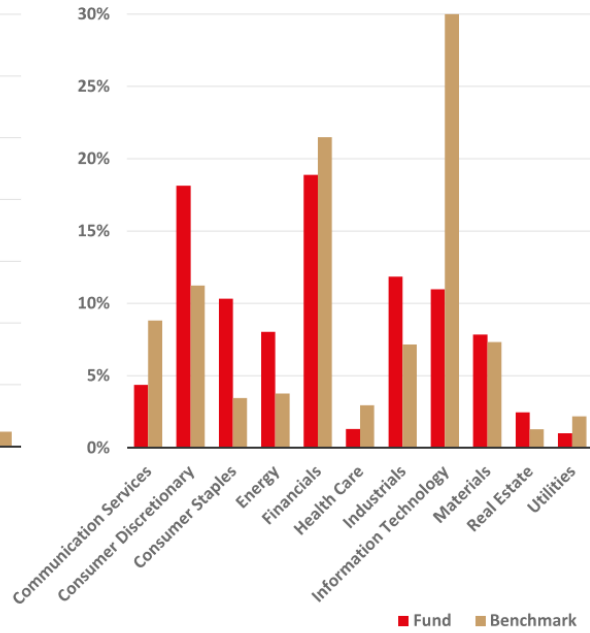
The managers note that standard sector classifications can be misleading and therefore reframe certain businesses based on their underlying economic drivers. For example, while the portfolio may appear underweight in Technology, this does not fully capture exposure to Chinese technology companies, which are often classified within Consumer sectors.

It is also important to recognise that the sector composition is not static. The portfolio's shape will evolve over time as the opportunity set changes and relative valuations shift.

Geographic Exposure



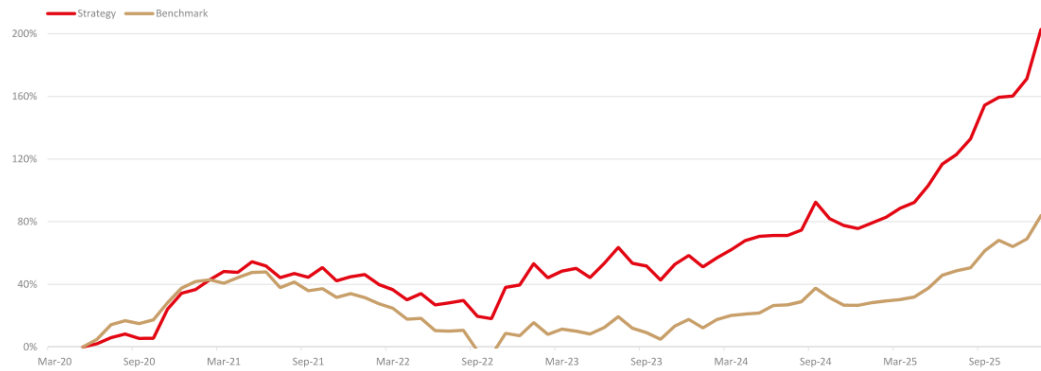
Sector Exposure (GICS)



Performance (UK share class) — to 31 January 2026

TRACK RECORD

Outperforming in up and down markets



Quarter	Jun-20	3Q-20	4Q-20	1Q-21	2Q-21	3Q-21	4Q-21	1Q-22	2Q-22	3Q-22	4Q-22	1Q-23	2Q-23	3Q-23	4Q-23	1Q-24	2Q-24	3Q-24	4Q-24	1Q-25	2Q-25	3Q-25	4Q-25	1Q-26	Inception (p.a.)
Strategy	+2.1	+3.3	+27.4	+10.4	+2.3	-4.7	+0.2	-5.7	-7.1	-5.7	+16.7	+6.3	+3.4	-1.1	+4.4	+2.3	+5.6	+12.5	-8.8	+7.4	+15.0	+17.4	+6.6	+11.6	+21.6
Benchmark	+4.9	+9.6	+19.7	+2.3	+5.0	-8.1	-1.3	-7.0	-11.4	-11.6	+9.7	+4.0	+0.9	-2.9	+7.9	+2.1	+5.3	+8.7	-8.0	+2.9	+12.0	+10.6	+4.7	+8.9	+11.4
Relative	-2.9	-6.3	+7.7	+8.2	-2.8	+3.4	+1.5	+1.3	+4.3	+5.9	+7.0	+2.3	+2.5	+1.8	-3.4	+0.2	+0.3	+3.8	-0.8	+4.4	+3.0	+6.7	+1.9	+2.8	+10.2

Investment returns are calculated with reference to the Fund's Unit Price in the share class (excluding the impact of any Initial or Redemption charge) and include both the capital return and income return (if any) for the period. Gross returns are calculated as exclusive of operating costs, management and (realised or accrued) performance fees. Gross returns are calculated by Merlin Fideles. Inception date for performance calculations for the strategy is 02/06/2020. Past performance is not a reliable indicator of future returns. The benchmark is MSCI EM Net Index (USD) and is provided as a reference only. Relative is arithmetic difference. Merlin Fideles Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A copy of the GIPS report can be obtained on request from info@merlinfideles.com.

Class F GBP Acc (net):

- **1 month:** +9.79%
- **3 months:** +11.85%
- **YTD:** +9.79%
- **Since inception (16 May 2025):** +44.38%

Benchmark (MSCI EM Net GBP):

- **1 month:** +6.70%
- **3 months:** +4.77%
- **YTD:** +6.70%
- **Since inception:** +27.73%

Commentary (Money Wise UK):

For a new GBP class, the key observation is that returns since launch have been strong and meaningfully ahead of the benchmark. However, given the short live history of the UK share class, the right expectation is that performance will be lumpy and tracking error will be structurally higher than mainstream peers.

Peer comparison (common EM funds) — time-matched to 31 January 2026

To make this practical and consistent, the peer set below uses fund factsheet figures as of 31 Jan 2026 (the same month-end as the Merlin Fidelis factsheet). Share classes differ across managers, but the goal here is directional comparison across commonly used EM holdings.

Performance table (GBP, to 31 Jan 2026)

Fund / Share Class (GBP)	1 month	3 months	1 year	Notes
Merlin Fidelis EM – Class F GBP Acc	+9.79%	+11.85%	<i>n/a</i> (UK class <12m)	Since inception (May 2025): +44.38%
Fidelity Emerging Markets – W Acc	+8.8%	+9.8%	+37.2%	Higher conviction / benchmark-aware but active
JPM Emerging Markets Equity – C (dist) GBP	+7.15%	+5.97%	+30.60%	More index-shaped than Merlin (typical EM core)
Lazard Emerging Markets – A Acc GBP	+7.9%	+9.7%	+34.8%	Value-leaning EM; strong recent numbers
Stewart Investors GEM Leaders – Class B GBP	<i>n/a</i>	+0.2%	+2.9%	Quality/“leaders” style; defensive but can lag in rallies
IA Global Emerging Markets (sector ref.)	+6.7%	+5.2%	+27.7%	Useful yardstick for the “average EM fund”
MSCI EM Net GBP (index ref.)	+6.7%	+4.8%	+29.3%	Benchmark comparator

Key takeaways

- Merlin Fidelis’ recent short-period returns are competitive versus widely used EM peers over the same month-end, and notably ahead of MSCI EM in the periods shown.
- The strategy’s “difference” is not just returns — it is the structure (active share, country deviations, non-index holdings), which increases the chance of meaningful divergence versus both peer funds and benchmark.

- Stewart Investors is included as a useful contrast: a high-quality, lower-turnover EM approach that can behave very differently (more defensive, often lagging when EM rallies are narrow and tech-led).

How it's different to other EM funds

Most EM funds end up falling into one of these buckets:

1. Index-like core (active around the edges; owns the big benchmark names)
2. Quality growth EM (often ends up heavy in Taiwan/tech and quality compounders)
3. Value/contrarian EM (cyclical and valuation-led; can be volatile and out-of-favour)
4. Small cap/frontier tilt (high dispersion; liquidity constraints)

Merlin Fidelis is closest to a payoff-driven contrarian/core blend, because it:

- Is willing to make large country calls (e.g., meaningful underweights to India/Taiwan/Korea)
- Builds portfolios that can include material off-benchmark holdings
- Uses scenario-based valuation and position sizing as the engine of returns
- Still holds a diversified set of names (so it's not reliant on 20–30 “hero positions”)

Where it may sit in a mix of EM funds

Because of its high active share and structural differences, this fund is usually best used as a satellite in an EM allocation, unless an investor explicitly wants a high tracking-error EM core.

A) Pairing with a passive or benchmark-aware EM core

A common blend could look like:

- 50–80% EM in passive / benchmark-aware active
- 20–50% in Merlin Fidelis as a differentiated sleeve

What you're trying to achieve:

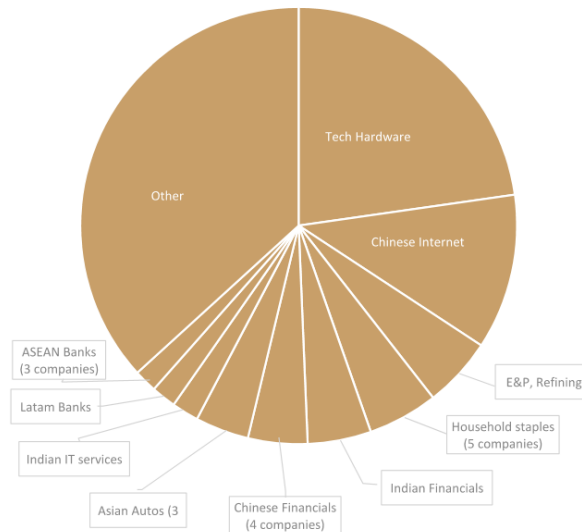
- Reduce dependence on benchmark mega-caps and crowded exposures
- Add return drivers tied to cyclicity/valuation mean reversion
- Maintain EM exposure while creating a more diversified risk profile across styles

CLUSTERS

36 companies predominate 63% of the index

Cluster	Index Weight	Major companies
Tech Hardware	23%	TSMC, Samsung, Hynix, Hon Hai, Mediatek (17%)
Chinese Internet	12%	Tencent, Alibaba, PDD, Meituan, Netease (9%)
E&P / Refining	5%	Reliance, Petrobras, PetroChina (2.6%)
Household Staples	5%	Levers, ITC, FEMSA, Moutai, Wal-Mex (1.3%)
Indian Financials	5%	ICICI, HDFC, Axis (2.2%)
Chinese Financials	4%	ICBC, BOC, CCB, Ping An (2.4%)
Asian Autos	4%	M&M, Hyundai, BYD (1.8%)
Indian IT Services	2%	Infosys, TCS (1.4%)
LatAm Banks	2%	Itau, Bradesco, Banorte (1%)
ASEAN Banks	2%	BCA, BBRI, BMRI (1%)

Country	Index Weight	Cumulative Index Weight
China	25.1%	25.1%
Taiwan	19.4%	44.5%
India	19.2%	63.7%
Korea	12.2%	75.8%
Brazil	4.2%	80.1%



MERLIN FIDELIS ASSET MANAGEMENT

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B) Pairing with quality growth EM (or “EM leaders”)

If the client already holds quality-heavy EM exposure (e.g., a “leaders” strategy):

- Merlin Fidelis can act as a counterbalance by bringing more cyclicality and off-benchmark opportunity
- This can help when leadership broadens beyond the same “quality compounder” cohort

C) When it may struggle

Given its structural positioning, it may lag when:

- Benchmark leadership is narrow and dominated by the markets it is underweight (e.g., India/Taiwan-driven rallies)
- “Crowded winners” keep compounding, and valuation discipline is penalised
- EM becomes a momentum market where “being different” is a headwind

Risks and suitability watchpoints

- High tracking error/peer divergence: you must expect periods of meaningful deviation from both MSCI EM and peer funds.
- Country concentration by outcome: underweights/overweights can dominate results in the short run.
- Off-benchmark holdings: can add diversification but also raise idiosyncratic risk and require comfort with unfamiliar names.
- Emerging Markets risks: governance, policy shocks, currency volatility and liquidity can all be more pronounced.
- Minimum investment: the GBP class is clearly positioned for professional/institutional use.

Money Wise UK view

Merlin Fidelis looks like a genuinely differentiated EM tool: high active share, a payoff-driven investment approach, and meaningful portfolio deviations that are not typical in mainstream Emerging Markets offerings.

If a firm's EM allocation is currently dominated by benchmark exposures (or a single style bias), this is the type of fund that can add genuine diversification within EM — provided the investment committee and clients are comfortable with short-term periods of divergence and, at times, looking “wrong” relative to the index.

Some additional reflection points:

1. Tracking error (c.7%)

The strategy is highly active, with a tracking error of around 7%. This reflects how returns may differ from the index. In practice, this means there will be periods of meaningful outperformance, as well as periods of underperformance, particularly when benchmark leadership is narrow.

2. Downside awareness

The downside capture profile is an important feature. This is not a strategy that takes on risk for the sake of returns; rather, it is outcome-driven, focusing on balancing risk and reward through scenario analysis and position sizing.

3. People and alignment

While some may highlight key-person risk, the structure of analyst portfolio managers, the development of future decision-makers, and the team's

significant personal investment in the fund all help demonstrate alignment and mitigate this over time.

4. **Outcome-driven, not style-driven**

The portfolio should be viewed as dynamic. Positioning will evolve as opportunities change, meaning current country, sector or style exposures are a function of the opportunity set rather than a fixed allocation.

Appendix 1

How it might compare to Redwheel Next Generation Emerging Markets Fund

At a high level

Both funds aim to exploit inefficiencies in Emerging Markets, but they typically do it in different ways.

- Merlin Fidelis is best thought of as a payoff-driven / scenario-based EM strategy. It is willing to be contrarian (as outlined in the review), take meaningful country deviations versus MSCI EM, and hold non-index names where the risk/reward looks asymmetrical. It tends to lean into cyclical, valuation extremes and governance-aware capital discipline.
- Redwheel Next Generation EM (based on the strategy positioning we reviewed previously) is more naturally framed as a structural growth / “next generation” EM strategy. It typically looks for long-run beneficiaries of rising EM consumption, improving productivity, and domestic growth trends, and often ends up with more small- and mid-cap and “new economy” exposure than traditional EM funds.

What this can mean in practice

1) Where returns may come from

- Merlin Fidelis: tends to harvest returns from re-rating / mean reversion, changes in the market’s perception of risk, and the resolution of mispriced scenarios (i.e., the “range of outcomes” narrows in their favour).
- Redwheel Next Gen: tends to harvest returns from earnings compounding, business model durability, and long-run structural tailwinds (often with a preference for underpenetrated or rapidly scaling sectors).

2) Sensitivity to market regimes

- Merlin Fidelis may shine when: leadership broadens, valuation matters, there is rotation into unloved regions/sectors, or macro/cycle dynamics create mispricing.
- Redwheel Next Gen may shine when: markets reward quality growth, structural winners compound, and “duration” / growth is being bid up.

3) Portfolio shape

- Merlin Fidelis: diversified by number of holdings (70+), but high tracking error through country tilts and non-index exposure; can look *very different* to MSCI EM.
- Redwheel Next Gen: often differentiated through theme/sector composition and stock type (more “next generation” exposures), and can be less anchored to old-economy index weights even if country weights aren’t always as extreme as a contrarian value-tilt approach.

How the two funds might blend in an EM allocation

A) Complementary blend (the “barbell”)

This is where the combination can be genuinely useful:

- Redwheel Next Gen provides a structural growth engine within EM (compounding winners, domestic demand, innovation, productivity themes).
- Merlin Fidelis provides a valuation/cycle/governance counterweight that can monetise periods of pessimism, dislocation and rotation.

Why that works: Emerging Markets rarely fit into a single, consistent style box. A blended approach can reduce reliance on any single regime (e.g., “growth only” or “value only”).

B) What the blend might look like in practice

- If the EM allocation is currently benchmark-led or passive, either fund can be a satellite — but Merlin Fidelis is often the more *structurally diversifying* choice due to its country/off-benchmark stance.
- If the EM allocation already includes a growth-leaning fund, Merlin Fidelis can add balance.
- If the EM allocation already includes a contrarian/value EM fund, Redwheel Next Gen can add longer-run compounding exposure.

C) Suggested sizing logic (common-sense governance)

Because both funds can carry meaningful tracking error:

- A typical “blend sleeve” might be 60–80% core EM (passive / benchmark-aware) and 20–40% across these higher active risk funds.
- If running only active EM, you could split 50/50 or tilt sizing depending on house view (growth regime vs valuation/rotation regime).

Key watch-outs when holding both

1. Both are “active risk” EM funds. The combination can increase dispersion vs peers/benchmark.
2. Overlap risk in certain themes/countries (especially where “opportunity” is broad, e.g., selective China/HK or specific Latin American cyclicals).
3. Behavioural suitability: This blend is not designed to track MSCI EM smoothly. It’s designed to improve long-run outcomes through differentiated drivers, which can feel uncomfortable at times.

Money Wise UK view on the comparison

If you want EM exposure that is *genuinely different* to the MSCI EM mega-cap shape, both funds can play a role — but they tend to do so through different return engines:

- Redwheel Next Gen: “compounding structural winners”
- Merlin Fidelis: “mispriced payoffs, cycles and governance outcomes”

Held together, they can form a sensible, diversified, active EM sleeve, particularly alongside a benchmark-aware core.

Disclaimer

Past performance is not a reliable guide to future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested.

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Review Completed: March 2026