

OVERVIEW

Glocal Eurobonds Fund reported an impressive NAV increase of 13.28% in October 2022, pushing the year-to-date return of the Fund up to 7.82%. The annualized since-inception return of the Fund increased to 43.02%.

September 2022 was another month with a remarkable performance for the Armenian economy. Particularly, the GDP increased by impressive 14.6% y/y pushing the 9M reading up to 14.1% y/y. Again, double-digit growth rates were reported for almost all major sectors of the economy. Services went up by 26.3% y/y, trade surged by 20.7% y/y. Industry and construction demonstrated nearly similar growth rates, 14.8% y/y and 14.6% y/y, respectively.

The growth of the external trade for the first nine months of the year stood at 62.5% y/y. During the same period exports went up by 62.8% y/y to USD 3,509.4mln, while imports rose by 61.6% y/y to USD 5,797.2mln. Trade deficit widened by USD 842.9mln y/y to USD 2,287.8mln.

In October, the CPI increased by 9.5% y/y. On 1 November, to preserve overall macroeconomic stability under the continued inflation pressure, the Central Bank of Armenia made another 0.5pps hike in the refinancing rate, increasing it to 10.50%. During the month, the CBA purchased USD 80mln at an average exchange rate of AMD 394.84. As of the end of October, the Armenian Dram appreciated against both USD and EUR, standing at AMD 395.40 and AMD 392.83, respectively.

FUND FACTS

The Fund is registered with the Central Bank of Armenia with participation allowed to qualified investors.

NAV 31 October 2022 USD 107.84

Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	16 August 2022
Base currency	USD
Holdings	Government and corporate Eurobonds and Bonds, bank deposits and cash
Refinancing instrument	Repurchase agreements
NAV Calculation	Daily
Management fee	1.0% on NAV
Performance fee*	10%
Tax rate	0.01% of NAV
Initial investment, min.	USD 100,000
Distribution policy	Reinvesting
Unit custodian	Armbrok Investment Company
Assets under management	USD 5,399.80k
Net assets	USD 449.16k

* Calculated and deducted at the end of each year following the placement of units, and if they are redeemed before the settlement date, upon redemption.

PERFORMANCE

Cumulative Performance Since Inception (per \$10K)



Net of management fees and operational costs and taxes.

Returns to 31 October 2022

Average Monthly Returns	2.88%
Since Inception	7.84%
Inception Annualized	43.02%
October 2022	13.28%

Risk Measures

Standard Deviation of Returns (monthly)	42.40%
% Gain Periods	45.45%
Value at Risk (parametric) – 95% (monthly)	-66.86%

Portfolio Allocation breakdown as of 31 October 2022

By Sector	
Banking Sector	00.00%
Eurobonds	00.00%
Cash	100.00%
By Currency	
USD	99.98%
AMD	0.02%

Weighted by fair value

The Fund's total portfolio comprised 100.00% of cash.

During the month, financial leverage ratio increased to 12.02x from 1.74x of the previous month.

DISCLAIMER

The data, views and forecasts in this document is for information purposes only and shall not be regarded as an offer, solicitation or recommendation for an investment. PAST PERFORMANCE IS NO GUARANTEE

OF FUTURE RESULTS. All investments involve risks including the risk of possible loss of principal. The market value of a Fund's portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of securities in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. The Fund invests in securities and other investments that may be illiquid, which hold the risk that the securities will not be able to be sold at the time desired by the Fund. The Armenian securities markets have substantially less trading volume than the securities markets of OECD countries. Additionally, the capitalization of the Armenian securities markets is highly concentrated. This combination of lower volume and greater concentration in the Armenian securities markets may create a risk of greater price volatility than in the securities markets of developed economies.

The views and forecasts contained herein are those of the GLOCAL team based on information that they believe to be reliable. These opinions may change over time.