

## OVERVIEW

Similar to its AMD twin, Glocal Profix USD Fund reported a negative return of 0.07% in October 2020. This moved year-to-date return of the Fund down to 6.37%. At the same time since-inception return of the Fund contracted to 38.70%, equivalent to 10.91% annualized.

In September, the GDP of Armenia decreased by 7.5% y/y, moving the reading for 9 months down to negative 6.6%. The decline mostly came from trade and services which contracted by 10.8% and 18.3%, respectively. The good news is that in September, for the first time since the beginning of pandemic, positive growth was reported for industry and exports – 1.8% and 4.6% y/y, respectively. Average monthly nominal wages went up, as well, by 3.9% y/y. CPI increased by 1.4% y/y.

The Central Bank of Armenia kept the refinancing rate unchanged at 4.25%. In October, aimed at preserving the stability of Armenian Dram, the CBA executed three SWAP deals in the foreign exchange market with total volume of USD 121.5mln. As of the end of the month, AMD depreciated against both USD and EUR, standing at 493.60 and 576.08, respectively.

## FUND FACTS

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

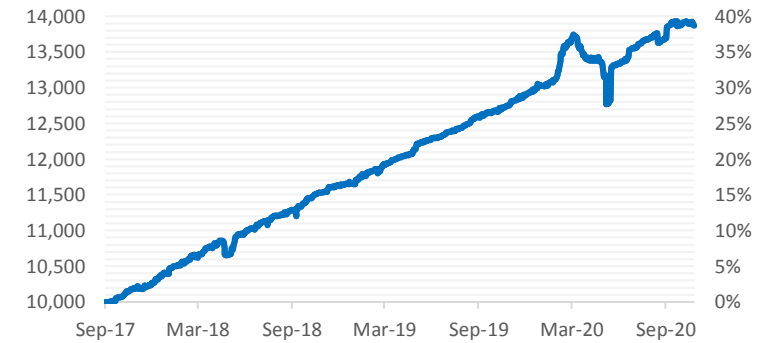
**NAV 31 October 2020 USD 13.87**

Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	1 September 2017
Base currency	USD
Holdings	Corporate Bonds
Refinancing instrument	Repurchase agreements
NAV Calculation	Daily
Expected target return	10% net to investors
Management fee	1.0% on NAV
Performance fee*	10% over a 10% hurdle return
Tax rate	0.01% of NAV
Initial investment, min.	USD 50,000
Subsequent investments, min.	USD 25,000
Distribution policy	Reinvesting
Unit custodian	Armenbrok Investment Company
Assets under management	USD 4.25m
Net assets	USD 1.55m
Auditors	Deloitte

\*Performance fee is calculated and charged once on redemption date. Any return over 10% annual compounded hurdle rate is subject to incentive fee deductions

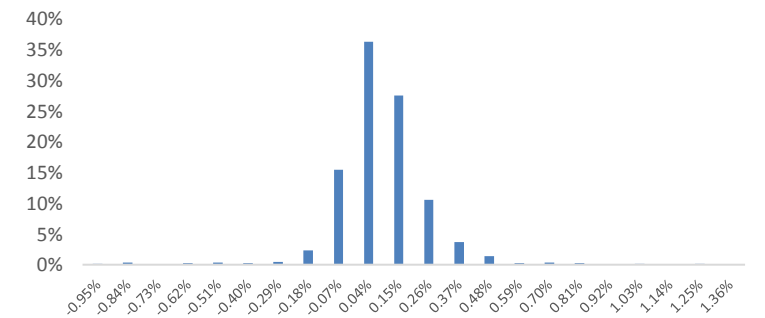
## PERFORMANCE

### Cumulative Performance Since Inception (per \$10K)



Net of management fees and operational costs and taxes.

### Relative Frequency Distribution of Daily Returns



### Returns to 31 October 2020

Average Monthly Returns	0.83%
Q4 2017	3.38%
Q1 2018	3.65%
Q2 2018	2.60%
Q3 2018	2.89%
Q4 2018	2.46%
Q1 2019	3.00%
Q2 2019	2.75%
Q3 2019	2.51%
Q4 2019	3.08%
Q1 2020	2.91%
Q2 2020	0.97%
Q3 2020	2.44%
Since Inception	38.70%
Inception Annualized	10.91%
<b>October 2020</b>	<b>-0.07%</b>

### Risk Measures

Standard Deviation of Returns (monthly)	1.04%
Sharpe Ratio (annualized)	2.56
Largest Drawdown	-7.06%
% Gain Periods	79.95%
Value at Risk (parametric) – 95% (monthly)	-0.88%
Value at Risk (historical) – 95% (daily)	-0.15%
Conditional Value at Risk – 95% (daily)	-0.39%

## Portfolio Allocation breakdown as of 31 October 2020

By Sector	
Banks	55.28%
Other Financial Institutions	26.76%
Real Sector	17.73%
Cash	0.23%
By Currency	
USD	89.80%
AMD	10.20%

Weighted by fair value

The Fund's total portfolio comprised 89.79% of USD-denominated corporate bonds. The remaining part accounts for AMD-denominated bonds and cash: 9.98% and 0.23%, respectively.

Financial leverage declined to 2.75x, from 2.99x a month ago.

### Statistical data

Average YTM	6.37 %
Average Coupon	6.37 %
Average Maturity	1.64 Years

## 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.