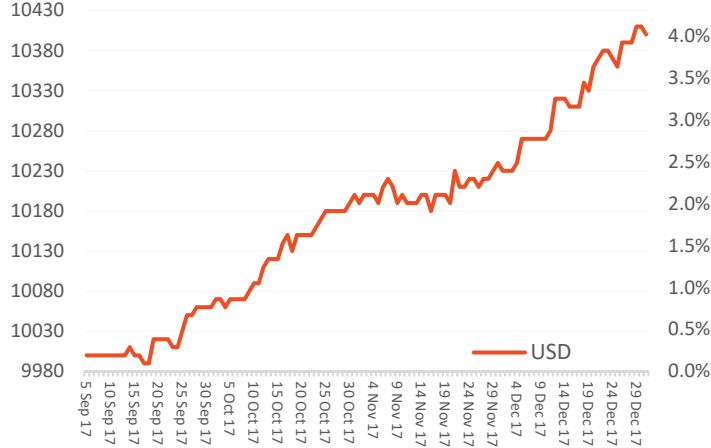


OVERVIEW

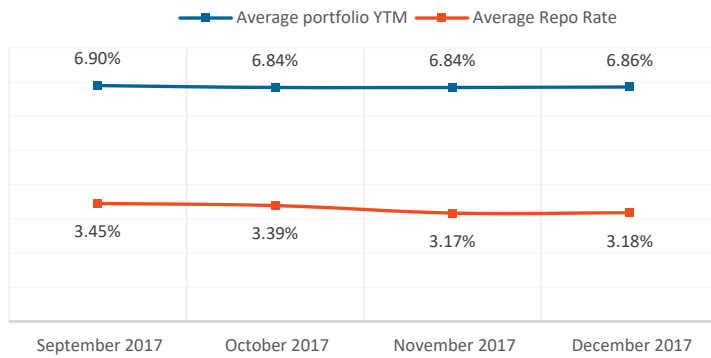
Glocal USD Profix Fund was launched in September 2017. The Fund generated total positive return of 4% (12.90% annualized) over its initial net asset value by the end of year 2017.

Investment performance since launch per 10,000 USD



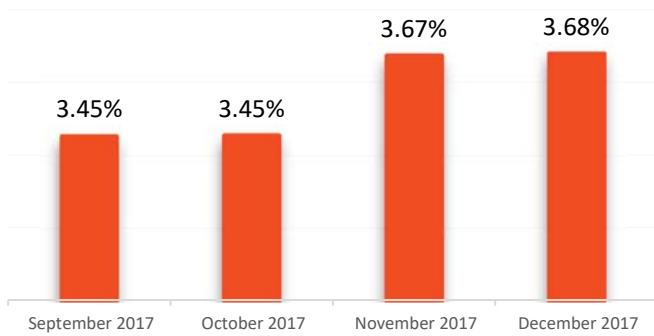
The Fund's management effectively implemented its core strategy. Both average portfolio yield and average effective repo rate remained relatively stable throughout the period.

Average rates

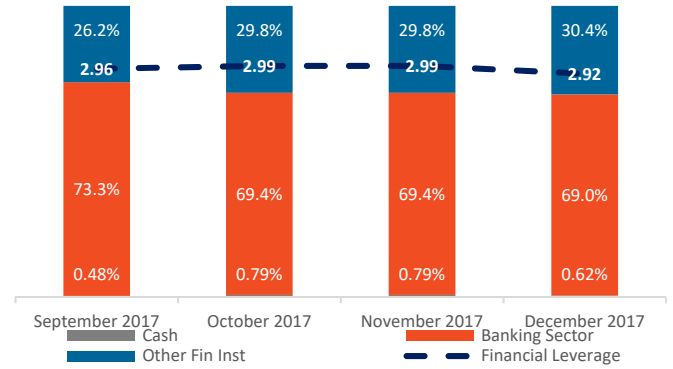


Four-month average repo rate was at 3.30%, while average yield on securities held amounted to 6.86% for the period.

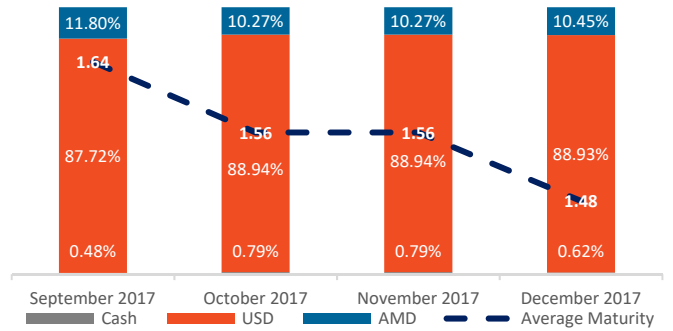
Spread between portfolio YTM and refinancing rate



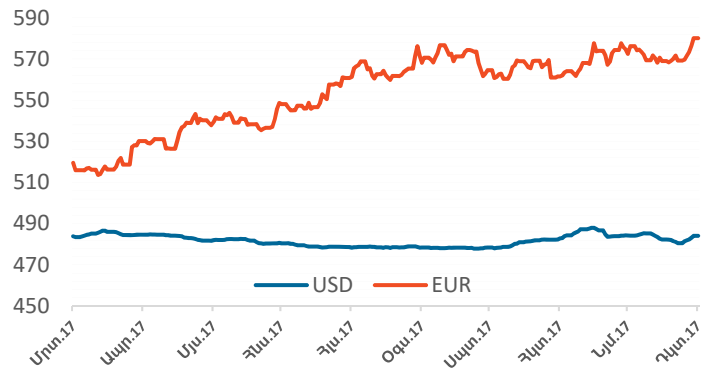
Portfolio maturity breakdown



Allocation to Armenian banking sector bonds comprised nearly 70% of the portfolio for the period. Financial leverage also remained stable.



Historical monthly average nominal EUR/AMD, USD/AMD



Source: Central Bank of Armenia (www.cba.am)

As of 31 December 2017, the Fund's assets under management amounted to USD 894,000.

The repo rate is expected increase by about 20 bps in 2018 as a result of anticipated actions of Federal Reserve Bank. The latter is expected to increase both USD repo rates as well as yields on USD denominated securities in 2018.

MACRO HIGHLIGHTS

Armenian economy saw some solid progress in 2017. Country's economic growth hit a record 10-year high at 7.5% bringing nominal GDP to around USD 11.5b. The main contributing sectors were: services (14.4% growth), trade (14% driven by a surge in local demand), industrial production (12.6%), and construction (2.2%). Over the year, total trade volume increased by 26.9%. Exports were up by an impressive 25.2%, the highest growth in the last five years; whereas exports to EU-member countries increased by 32.2%, and to CIS countries, by 40.3%.

Due to sustained government efforts, priority sectors such as information technologies and tourism have also picked up substantially. By the end of 2017, the number of active information and communications technology companies in Armenia grew by 110 peaking at 800 (including start ups). The total number of tourists who visited Armenia during 2017 increased by a hefty 18.7%. Expansion of the both sectors is expected to continue at a rapid rate thanks to the committed support from the government.

Exchange rate volatility was quite low, and as of the end of the year the Armenian Dram depreciated by just about 0.03 percent against U.S. Dollar. The Central Bank of Armenia (CBA) conducted loose "dovish" policy that involved, in particular, ongoing reduction of interest rates. Throughout the second half of the year, the CBA was also a net buyer of currency in the market looking to further augment the country's currency reserves. As per the CBA's reports, annual inflation in 2017 was 2.6%; the projected level for 2018 is 3.5%.

In December 2017, Fitch Ratings revised Armenia's outlook to positive from stable, while affirming the sovereign's long-term foreign- and local-currency issuer default ratings at B+. Based on favourable macroeconomic policies and ongoing fiscal framework reforms, in March 2018, Moody's changed Armenia's rating to positive from stable, while confirming the B1 long-term issuer and debt ratings.

Time series

Source: National Statistical Service of Armenia (www.armstat.am)

