

## OVERVIEW

The impact of the global COVID-19 pandemic on the Armenian economy and financial market made March 2020 the worst month yet for Glocal Profix AMD Fund, translating into a negative return of 8.62%. This reduced the return since inception to 203.37%, or 44.66% annualized.

The pandemic is also expected to slow down the impressive growth of the economy achieved up until March: in particular, in February, the Armenian GDP increased by 8.7% y/y, the main drivers of growth being industry and services with respective increases of 16.5% and 10.4% y/y. Construction volume expanded by 4.3% y/y whereas electricity production went up by 27.9% y/y.

As part of the Government's targeted response aimed at mitigating the economic impact of the pandemic and maintaining overall macroeconomic stability, the Board of the Central Bank of Armenia reduced the refinancing rate by 0.25pps to 5.25%. In order to bolster the Armenian Dram, the Central Bank also intervened in the foreign exchange market selling USD 127mln. As of the end of March, the Armenian currency depreciated against both USD and EUR, standing at 504.47 and 553.45. At the time of writing this report, however, Dram has gained back a portion of value and is traded at 501.55 and 542.38, respectively.

To stabilize the securities market that showed increased volatility in the days following the pandemic announcement the Ministry of Finance executed two buybacks of Government bonds for a total of AMD 4.5bln. Overall, in March, the yield of 10-year AMD-denominated Government bonds increased by 0.54pps to 8.26%.

## FUND FACTS

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

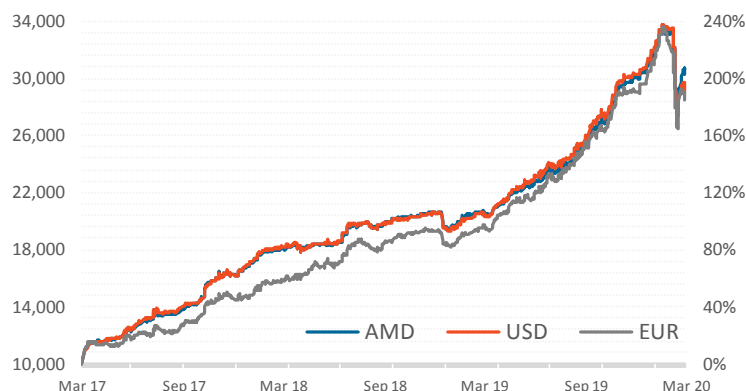
**NAV 31 March 2020** **AMD 3,033.66**

Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	31 March 2017
Base currency	AMD
Holdings	Armenian Government Bonds
Refinancing instrument	Repurchase agreements
Distribution policy	Reinvesting
Target annual return	26% net to investors
Management fee	2.75% on NAV
Performance fee*	20% over a 20% hurdle return
Assets under management	AMD 10,841.79m
Net assets	AMD 3,085.25m
Auditors	Deloitte

\* Performance fee is calculated and charged once on redemption date. Any return over 20% annual compounded hurdle rate is subject to performance fee deductions.

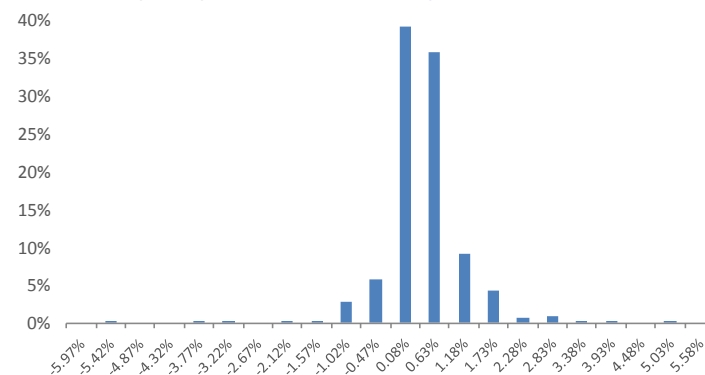
## PERFORMANCE

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



Net of management fees, operational costs, and taxes. The investment performance in AMD is translated to hypothetical performance in USD and EUR using daily rates provided by Central Bank of Armenia.

### Relative Frequency Distribution of Daily Returns



Returns to 31 Mar 2020	AMD	USD*	EUR*
Average Monthly Returns	2.98%	2.86%	2.81%
Q2 2017	24.16%	25.04%	17.68%
Q3 2017	11.31%	11.79%	8.07%
Q4 2017	17.43%	16.05%	14.29%
Q1 2018	11.19%	12.13%	9.01%
Q2 2018	1.69%	1.23%	5.86%
Q3 2018	7.77%	7.67%	9.46%
Q4 2018	4.12%	3.57%	4.69%
Q1 2019	0.46%	-0.09%	2.00%
Q2 2019	9.09%	11.23%	9.52%
Q3 2019	11.17%	11.44%	16.17%
Q4 2019	19.79%	18.86%	15.90%
Q1 2020	0.94%	-4.02%	-2.02%
Since Inception	203.37%	190.98%	184.77%
Inception Annualised	44.66%	42.67%	41.65%
<b>March 2020</b>	<b>-8.62%</b>	<b>-13.31%</b>	<b>-12.73%</b>

\*The investment performance in AMD is translated to hypothetical performance in USD and EUR using daily rates provided by Central Bank of Armenia

### Statistical data

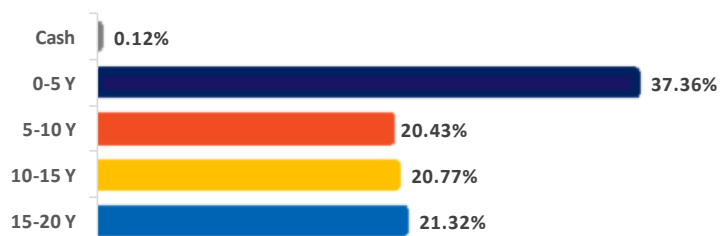
Average YTM	9.66%
Average Coupon	10.72%
Modified Duration of Bond Portfolio	5.80

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.33%	3.41%	3.88%
Sharpe Ratio (annualized)	2.37	2.21	1.89
% Gain Periods	59.13%	59.13%	54.41%
Value at Risk (parametric) – 95% (monthly)	-2.51%	-2.75%	-3.58%
Value at Risk (historical) – 95% (daily)	-0.89%	-0.88%	-1.02%
Conditional Value at Risk – 95% (daily)	-1.61%	-1.70%	-1.65%
Largest Drawdown	-17.05%	-19.12%	-21.23%

As of 31 March 2020, the weighted average yield to maturity of the portfolio stood at 9.66% per annum. The Fund's weighted average AMD borrowing rate was 5.91%.

Financial leverage increased to 3.51, from 3.33 a month ago.

#### Portfolio maturity breakdown as of March 31, 2020



The Fund's total portfolio comprised 37.36% of assets with maturity of 0-5 and 21.32% of Government bonds with maturity of 15-20 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.

The investment performance in AMD is translated to USD and EUR using historical daily rates provided by Central Bank of Armenia. The translation is carried to illustrate the hypothetical performance of the investment in latter foreign currencies. It does not incorporate expenses associated with bid/ask spread and assumes single exchange rate for any period.