

OVERVIEW

In August 2018, Glocal Profix AMD fund generated 1.47% of positive return. Interest rates in the economy changed little during the month, while the CBA remains loyal to the expansionary monetary policy it has been employing since 2017. Nevertheless, current yields are at the historically lowest levels, and the market might be showing the first signs of overvaluation. With this in mind, the Fund decided to decrease both the leverage (2.8 from 3.4) and duration of the portfolio (4.7 from 5.7), thus reducing the risks in case of a possible readjustment in the market.

The Fund's return since inception stood at 99.3%, which will round to 62.42% if annualized.

FUND FACTS

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

NAV 31 August 2018
AMD 1,993.03

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 3,833m
Net assets	AMD 1,385m
Auditors	Deloitte

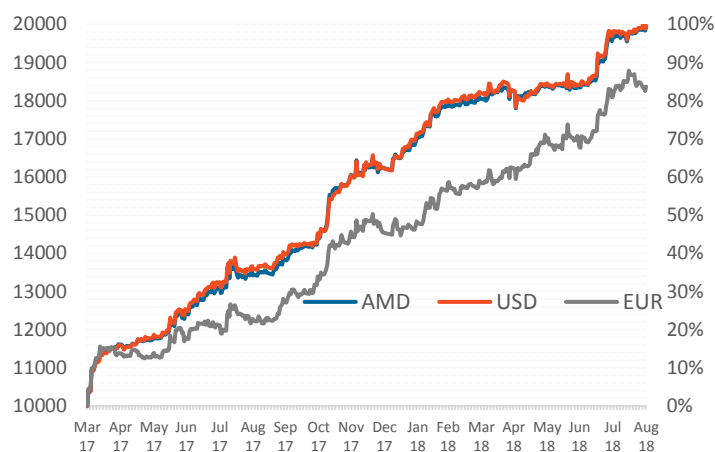
* Performance fee is calculated and charged once on redemption date. Any return over 20% annual compounded hurdle rate is subject to performance fee deductions.

Statistical data

Average YTM	10.20
Average Coupon	10.46%
Modified duration	4.73

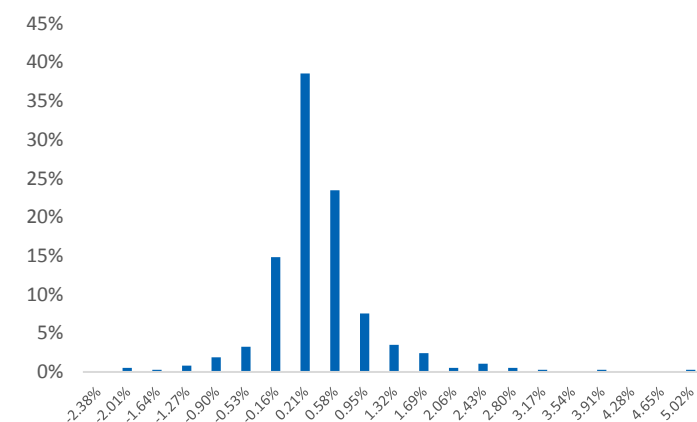
PERFORMANCE

Cumulative Performance Since Inception (per \$10K)



Net of management fees, operational costs, and taxes.

Relative Frequency Distribution of Daily Returns



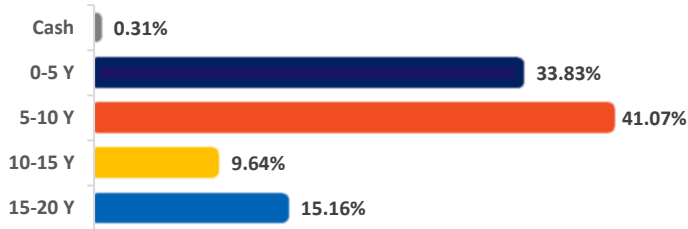
Returns to 31 August 2018	AMD	USD	EUR
Average Monthly Returns	3.90%	3.91%	3.44%
Q2 2017	24.16%	25.04%	17.68%
Q3 2017	11.31%	11.79%	8.07%
Q4 2017	17.43%	16.05%	14.29%
Q1 2018	11.19%	12.13%	9.01%
Q2 2018	1.69%	1.23%	5.86%
Since Inception	99.30%	99.63%	83.70%
Inception Annualised	62.42%	62.61%	53.37%
August 2018	1.47%	1.03%	1.50%

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

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.24%	3.24%	3.87%
Sharpe Ratio (annualized)	3.32	3.33	2.37
% Gain Periods	60.38%	59.84%	53.64%
Value at Risk – 95% (monthly)	-1.42%	-1.42%	-2.92%

The weighted average yield to maturity of the portfolio's holdings was 10.2% per annum by the end of the month. The weighted average repo rate was 6.5% during August. Financial leverage of the portfolio was reduced to 2.8, down from 3.4 a month ago.

Portfolio maturity breakdown as of August 31, 2018



Government bonds with 5-10 years until maturity comprise 41.07% of portfolios total assets. Cash balance amounts to 0.31% of total portfolio.

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.