

## OVERVIEW

Glocal Profix AMD Fund reported a positive return of 0.12% in September 2020. Thus, the year-to-date return of the Fund went up to 25.95%, and since-inception return to 278.53% or 46.17% annualized. The below-average performance of the Fund was mainly as a result of fluctuations in the yields of long-term Government bonds, which have substantial weight in the Fund's portfolio.

Facing the continued impact from the global pandemic, in August, the GDP of Armenia contracted by 9.8% y/y, pushing the 8-month figure down to 6.4% y/y. Industry, trade and services declined by 1.2%, 14.8% and 19.3% y/y, respectively. CPI increased by 1.8% y/y, and average monthly nominal wages by 2.8% y/y.

In September, the Central Bank of Armenia reduced the refinancing rate by 0.25pps to 4.25%. As of the end of the month, Armenian Dram slightly depreciated against USD and appreciated against EUR, standing at 488.41 and 571.78, respectively.

During the month, the Ministry of Finance carried out an allocation of Government bonds with a total volume of AMD 12bln and executed a buyback with a total volume of AMD 1.5bln. The yield of 10-year AMD-denominated Government bonds stood at 7.68%. Overall, despite the external pressures, the Armenian financial market remains stable: no negative trends have been observed that could affect the normal business operations of the Glocal funds.

## FUND FACTS

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

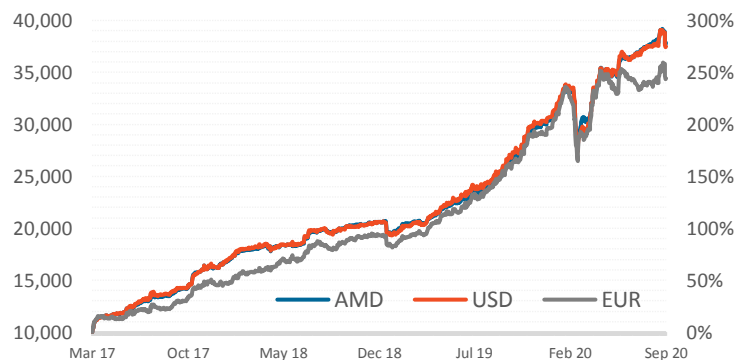
**NAV 30 September 2020 AMD 3,785.30**

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 17,349.47m
Net assets	AMD 4,110.23m
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.

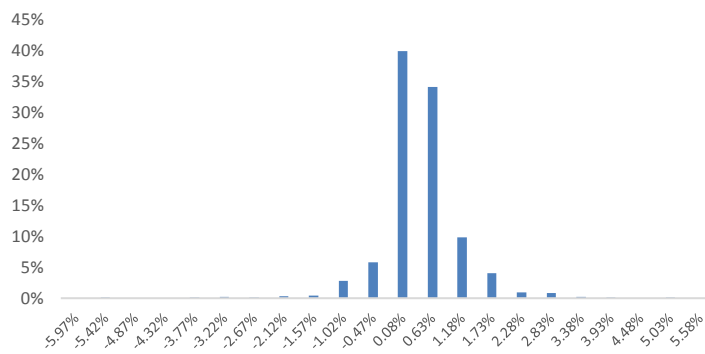
## PERFORMANCE

### 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 30 September 2020	AMD	USD*	EUR*
Average Monthly Returns	3.06%	3.04%	2.84%
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%
Q2 2020	19.78%	25.27%	22.67%
Q3 2020	4.17%	2.88%	-1.54%
Since Inception	278.53%	275.01%	243.94%
Inception Annualised	46.17%	45.78%	42.23%
<b>September 2020</b>	<b>0.12%</b>	<b>-0.13%</b>	<b>1.66%</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

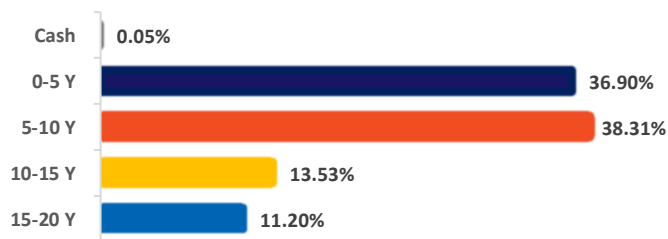
Average YTM	8.85%
Average Coupon	9.58%
Modified Duration of Bond Portfolio	5.40

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.36%	3.45%	3.95%
Sharpe Ratio (annualized)	2.49	2.40	1.92
% Gain Periods	58.75%	58.75%	53.17%
Value at Risk (parametric) – 95% (monthly)	-2.47%	-2.65%	-3.67%
Value at Risk (historical) – 95% (daily)	-0.91%	-0.88%	-1.09%
Conditional Value at Risk – 95% (daily)	-1.59%	-1.65%	-1.59%
Largest Drawdown	-17.05%	-19.12%	-21.23%

As of 30 September 2020, the weighted average yield to maturity of the portfolio decreased to 8.85% per annum. The Fund's weighted average AMD borrowing went down to 4.86%.

During the month financial leverage remained unchanged at 4.22x.

#### Portfolio maturity breakdown as of 30 September 2020



The Fund's total portfolio comprised 38.31% of Government bonds with maturity of 5-10 years. Another 36.90% was represented by assets with maturity of 0-5 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.