

## OVERVIEW

In May 2020, Glocal Profix AMD Fund generated a positive return of 3.41% bringing the year-to-date reading up to 16.55%. The Fund's return since inception increased to 250.28%, equivalent to 48.46% if annualized.

The negative impact of COVID-19 pandemic on the Armenian economy deepened in April. GDP declined by 17.2% y/y, pushing the 4-month figure down by 1.7% y/y. Industry and services contracted by 8.6% and 15.9% y/y, respectively. However, both sectors still have positive 4-month growth rates – 4.2% and 0.1% y/y, respectively. CPI went up by 0.9% y/y. On the positive side, average monthly nominal wages increased by 9.8% y/y.

It is expected that the economic situation will gradually improve, as nearly all businesses returned to normal operation in May. Moreover, according to the Government of Armenia, all projects planned for 2020, in particular, road construction for about 500 km will be fully financed.

The Central Bank of Armenia kept refinancing rate unchanged at 5.0%. In May 2020, the Central Bank executed a USD 7mln SWAP deal with the banking sector at 3.25% interest rate. As of the end of the month, Armenian Dram depreciated against both USD and EUR, to 483.91 and 533.66.

During the month, the Ministry of Finance allocated 5-year Government bonds with a total volume of AMD 11.9bln and weighted average yield of 7.0.6%. In May, the yield of 10-year AMD-denominated Government bonds dropped by 0.13pps to 7.88%.

## FUND FACTS

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

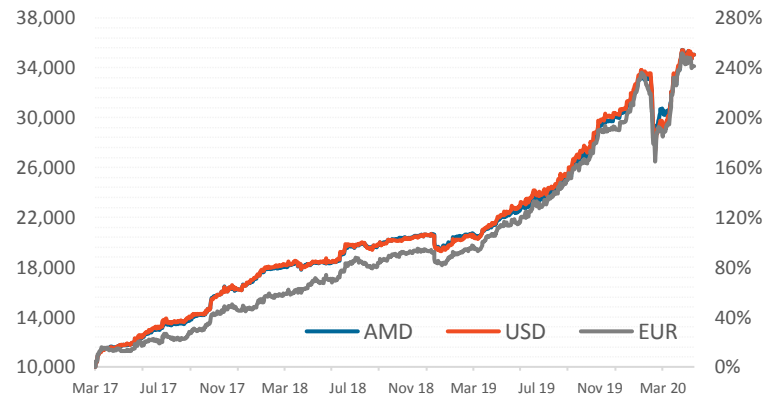
**NAV 31 May 2020** **AMD 3,502.77**

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 13,397.89m
Net assets	AMD 3,664.67m
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.

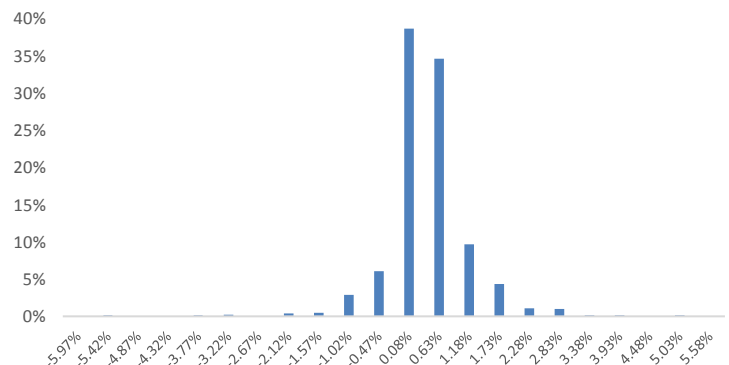
## PERFORMANCE

### 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 May 2020	AMD	USD*	EUR*
Average Monthly Returns	3.19%	3.19%	3.12%
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	250.28%	250.25%	241.00%
Inception Annualised	48.46%	48.45%	47.21%
<b>May 2020</b>	<b>3.41%</b>	<b>2.42%</b>	<b>0.91%</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

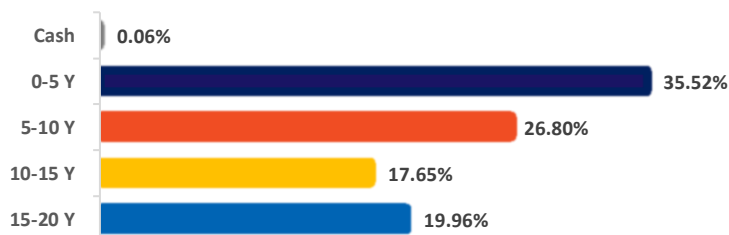
Average YTM	9.29%
Average Coupon	10.29%
Modified Duration of Bond Portfolio	6.03

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.40%	3.49%	3.94%
Sharpe Ratio (annualized)	2.58	2.51	2.16
% Gain Periods	58.96%	59.08%	54.48%
Value at Risk (parametric) – 95% (monthly)	-2.41%	-2.55%	-3.36%
Value at Risk (historical) – 95% (daily)	-0.95%	-0.91%	-1.03%
Conditional Value at Risk – 95% (daily)	-1.61%	-1.67%	-1.58%
Largest Drawdown	-17.05%	-19.12%	-21.23%

As of 31 May 2020, the weighted average yield to maturity of the portfolio increased to 9.29% per annum. The Fund's weighted average AMD borrowing rate stood at 5.67%.

Financial leverage decreased to 3.66x, from 3.95x a month ago.

#### Portfolio maturity breakdown as of 31 May 2020



The Fund's total portfolio comprised 35.52% of assets with maturity of 0-5 years. Another 26.80% was represented by Government bonds with maturity 5-10 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.