

## OVERVIEW

The NAV of the Glocal Eurobonds Fund contracted by 3.61% in September 2022. As a consequence, the year-to-date return of the Fund decreased to negative 4.80%. The annualized since-inception return contracted to negative 32.32%.

The impressive performance of the Armenian economy continued in August 2022, as well, translating into 18.5% y/y growth the GDP. The figure for 8M increased by 13.9% y/y. In August, almost all major sectors of the economy expanded by double-digit rates. Services rose by 25.1% y/y, industrial output expanded by 23.3% y/y, while trade grew by 20.0% y/y. Construction growth stood at 16.3% y/y.

During the first eight months of the year the external trade increased by 56.2% y/y. Particularly, exports were up by 52.9% y/y to USD 2,923.3mln, while imports went up by 58.2% y/y to USD 4,900.0mln. Consequently, as a result of a faster growth in imports, the foreign trade deficit widened by USD 791.3mln y/y to USD 1,185.4mln.

In September, the CPI increased by 9.9% y/y. Given the persistence of the inflation pressure, the Central Bank of Armenia made another 0.5pps hike in the refinancing rate, increasing it to 10.00%. During the month, the CBA purchased USD 55mln at average exchange rate of AMD 404.63. As of the end of September, the Armenian Dram depreciated against USD and appreciated against EUR, standing at AMD 405.65 and AMD 396.08, respectively.

## FUND FACTS

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

**NAV 30 September 2022 USD 95.20**

Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	16 August 2022
Base currency	USD
Holdings	Government and corporate Eurobonds and Bonds, bank deposits and cash
Refinancing instrument	Repurchase agreements
NAV Calculation	Daily
Management fee	1.0% on NAV
Performance fee*	10%
Tax rate	0.01% of NAV
Initial investment, min.	USD 100,000
Distribution policy	Reinvesting
Unit custodian	Armbrok Investment Company
Assets under management	USD 689.61k
Net assets	USD 396.50k

\* Calculated and deducted at the end of each year following the placement of units, and if they are redeemed before the settlement date, upon redemption.

## PERFORMANCE

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



Net of management fees and operational costs and taxes.

### Returns to 30 September 2022

Average Monthly Returns	-3.04%
Since Inception	-4.80%
Inception Annualized	-32.32%
<b>September 2022</b>	<b>-3.61%</b>

### Risk Measures

Standard Deviation of Returns (monthly)	2.93%
% Gain Periods	41.18%
Value at Risk (parametric) – 95% (monthly)	-7.87%

### Portfolio Allocation breakdown as of 30 September 2022

#### By Sector

Banking Sector	14.74%
Eurobonds	53.88%
Cash	31.38%

#### By Currency

USD	99.97%
AMD	0.03%

Weighted by fair value

The Fund's total portfolio comprised 68.62% of USD-denominated Eurobonds. The remaining part is allocated in cash: 31.38%.

As of the end of the month, financial leverage ratio increased to 1.74x from 1.66x in previous month.

### Statistical data

Average YTM (Total portfolio)	4.73%
Average YTM (Bond portfolio)	6.77%
Average Coupon	5.42%
Average Maturity	2.55 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.