

## OVERVIEW

For April 2018, Glocal Profix USD Fund generated a negative return of 1.21%. Caused by political turnarounds - and what appeared to be a “velvet revolution” afterwards - this was the first loss since the inception of the Fund.

What distinguished the movement, the mass protests were exclusively non-violent - not a single bullet fired or even a shop-window broken. On May 8<sup>th</sup>, parliament elected a new prime minister, and a peaceful resolution has already been reached within the current legal framework.

Meanwhile, as the last two decades have proven, trust towards the financial system in Armenia is at a high level. No previous political events have had a material or lasting impact on the financial system as a whole. There is no panic in the market and expectations are positive overall. The consensus is that the danger is over.

The country should soon resume normal life, perhaps with a renewed vigour for civic engagement and lifted economic and social prospects.

The 8-month return of the Fund stands at 6.5%. This will round to 10.14%, if annualized.

## FUND FACTS

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

**NAV 30 April 2018**
**USD 10.65**

Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	1 September 2017
Base currency	USD
Holdings	Corporate Bonds
Refinancing instrument	Repurchase agreements
NAV Calculation	Daily
Expected target return	10% net to investors
Management fee	1.0% on NAV
Performance fee*	10% over a 10% hurdle return
Tax rate	0.01% of NAV
Initial investment, min.	USD 50,000
Subsequent investments, min.	USD 25,000
Distribution policy	Reinvesting
Unit custodian	Armenbrok Investment Company
Assets under management	USD 1.03 million
Net assets	USD 350 thousand
Auditors	Deloitte

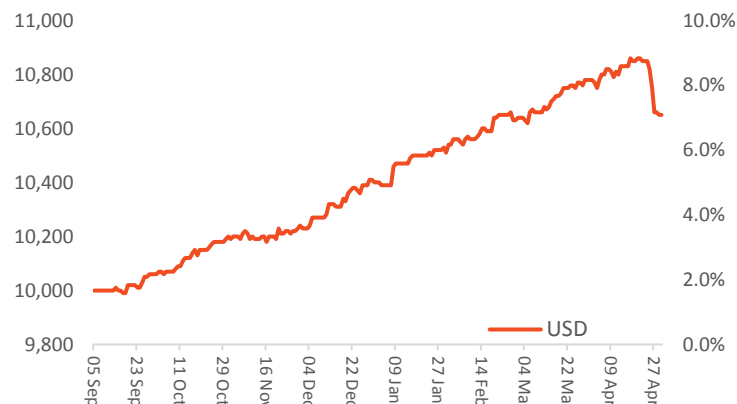
\*Performance fee is calculated and charged once on redemption date. Any return over 10% annual compounded hurdle rate is subject to incentive fee deductions

## Statistical data

Average YTM	6.65 %
Average Coupon	7.6 %
Average Maturity	1.25 Years

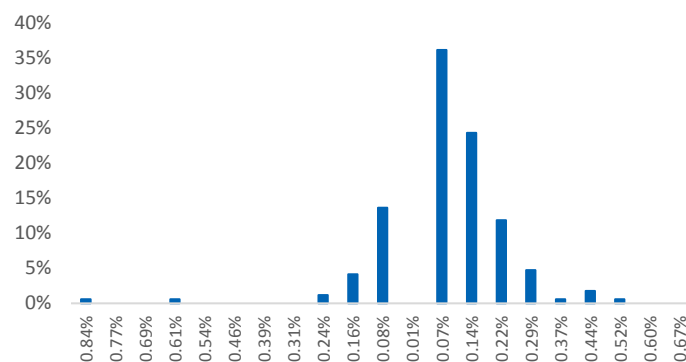
## PERFORMANCE

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



Net of management fees and operational costs and taxes.

### Relative Frequency Distribution of Daily Returns



### Returns to 30 Apr. 2018

Average Monthly Returns	0.87%
Q4 2017	3.38%
Q1 2018	3.65%
Since Inception	6.30%
Inception Annualized	10.14%
<b>April 2018</b>	<b>-1.21%</b>

### Risk Measures

Standard Deviation of Returns (monthly)	0.74%
Sharpe Ratio (annualized)	2.91
Largest Drawdown	8.01%
% Gain Periods	80.0%
Value at Risk – 95% (monthly)	-0.58%

During April 2018, the Fund's return amounted to negative 1.21%. The Fund's average borrowing rate was 2.55% for USD and 6.50% for AMD during the month.

Average yield was 6.17% for USD denominated bonds and 12.24% for AMD bonds. The portfolio's financial leverage was equal to 2.67 by the end of the month. Average maturity of the holdings of the Fund rounded to 1.25 years.

**Portfolio Allocation breakdown as of April 30, 2018**

<b>By Sector</b>	
Banks	70.31%
Other Financial Institutions	29.01%
Cash	0.68%
<b>By Currency</b>	
USD	90.88%
AMD	9.12%

*Weighted by fair value*

Corporate bonds denominated in USD comprise 90.76% of the portfolio. Allocation to corporate bonds denominated in AMD amounts to 8.56% and cash comprises 0.68% of the 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.