

OVERVIEW

Glocal Profix AMD reported a positive return of 1.50% in July, moving year-to-date reading of the Fund up to 22.72%. Consequently, since-inception return rose to 268.82% equivalent to annualized return of 47.82%.

Due to the negative impact of COVID-19 pandemic, the Armenian economy contracted for the fourth month in a row in June. GDP shrank by 7.50% y/y bringing the figure for H1 down to 4.70% y/y. Industry, trade and services were down by 2.40%, 12.40% and 15.90% y/y, respectively. Industry and agriculture still remain the only sectors with positive H1 growth rates – 1.50% and 1.70% y/y, respectively. The CPI went up by 1.70% y/y, while average monthly nominal wages increased by 1.50% y/y.

Overall, since the restrictions were lifted, the economy is demonstrating clear signs of recovery, with slowing economic decline (nearly halved in June) and gradually increasing economic activity. This forms a basis for optimistic expectations for the second half of the year.

Despite increased tension and clashes on Armenia-Azerbaijan border between 12 and 16 July, macroeconomic stability of the country was sustained. The Central Bank kept the refinancing rate unchanged at 4.50%. The Armenian Dram remained the most stable currency in the region. During the month, it slightly depreciated against both USD and EUR, standing at 485.33 and 575.45, respectively.

On 15 July, the Ministry of Finance conducted an auction for 10-year Government bonds. Total allocated volume stood at AMD 70.66bln with a demand exceeding 2.7 times and weighted average yield of 7.92%. The yield of 10-year AMD-denominated Government bonds went up by 0.09pps to 7.79%.

FUND FACTS

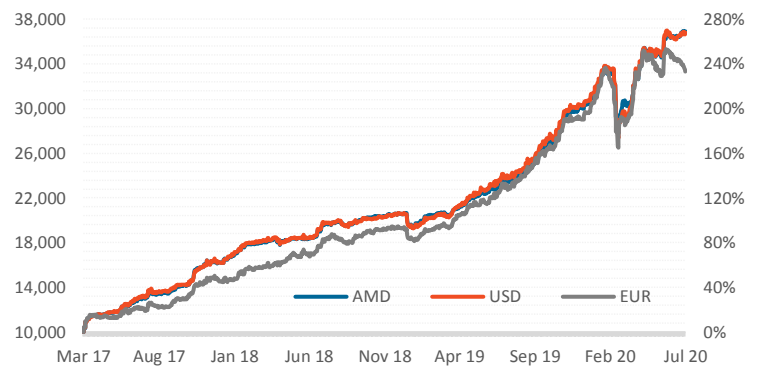
The Fund is registered with the Central Bank of Armenia with participation allowed to qualified investors.

NAV 31 July 2020	AMD 3,688.25
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 16,440.50m
Net assets	AMD 3,952.97m
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.

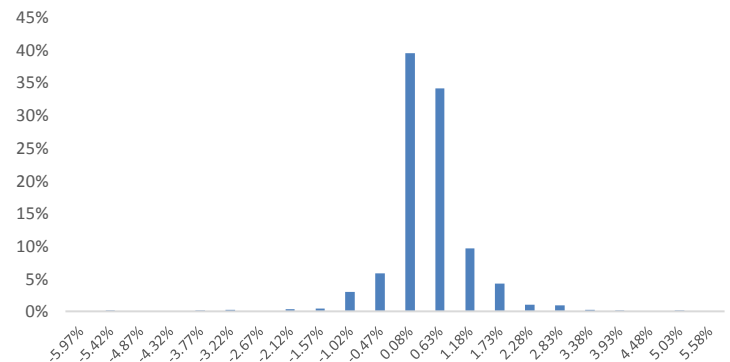
PERFORMANCE

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 July 2020	AMD	USD*	EUR*
Average Monthly Returns	3.15%	3.14%	2.90%
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%
Since Inception	268.82%	267.72%	232.98%
Inception Annualised	47.82%	47.68%	43.36%
July 2020	1.50%	0.88%	-4.68%

*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

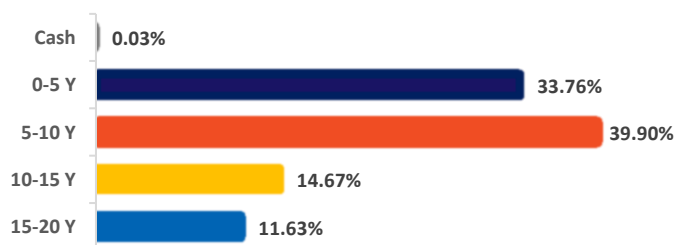
Average YTM	8.97%
Average Coupon	9.80%
Modified Duration of Bond Portfolio	5.75

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.38%	3.47%	3.95%
Sharpe Ratio (annualized)	2.56	2.48	1.97
% Gain Periods	58.55%	58.78%	53.62%
Value at Risk (parametric) – 95% (monthly)	-2.42%	-2.57%	-3.60%
Value at Risk (historical) – 95% (daily)	-0.94%	-0.90%	-1.09%
Conditional Value at Risk – 95% (daily)	-1.57%	-1.63%	-1.57%
Largest Drawdown	-17.05%	-19.12%	-21.23%

As of 31 July 2020, the weighted average yield to maturity of the portfolio moved up to 8.97% per annum. The Fund's weighted average AMD borrowing rate stood at 5.07%.

Financial leverage went up to 4.16x, from 3.28x a month ago.

Portfolio maturity breakdown as of 31 July 2020



The Fund's total portfolio comprised 39.90% of Government bonds with maturity of 5-10 years. Another 33.76% accounted for 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.