

OVERVIEW

Glocal Profix AMD Fund has started the new year with a positive return of 0.44% in January. This brought since-inception return of the Fund up to 235.80%, equivalent to 37.04% if annualized.

According to the data provided by State Committee of Statistics, GDP of Armenia contracted by 8.8% y/y in December 2020, thus pushing the economic growth for the year down to negative 7.5% y/y. Such a reduction primarily came from trade and services, which went down by 17.4% and 22.6% y/y, respectively. However, both sectors reported two-digit m/m growths – of 34% and 16.3%, respectively. In December, the industrial output and construction decreased by 5.8% and 3.0% y/y, respectively, again with positive m/m growth rates. In particular, construction rose by impressive 77.7% m/m. Exports went up by 8.6% y/y, while average monthly nominal wages increased by 1.7% y/y. The CPI rose by 3.7% y/y.

On 2 February, the Board of the Central Bank of Armenia decided to increase the refinancing rate by 0.25pps to 5.50% for the purpose of securing macroeconomic stability in the presence of inflation pressure. The CBA continued its interventions in the FX market during January, as well, by selling USD 46.8mln and executing a SWAP deal with total volume of USD 21.5mln. As of the end of the month, the AMD appreciated against both USD and EUR, standing at 518.27 and 627.83, respectively.

During the month, Ministry of Finance allocated Government bonds with a total volume of AMD 6.8bln. Most notably, the Government of Armenia has successfully allocated the new tranche of Eurobonds with a total volume of USD 750mln at a 3.875% rate. Over the previous month, the yield of 10-year AMD-denominated Government bonds went up by 0.16pps to 8.99%.

FUND FACTS

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

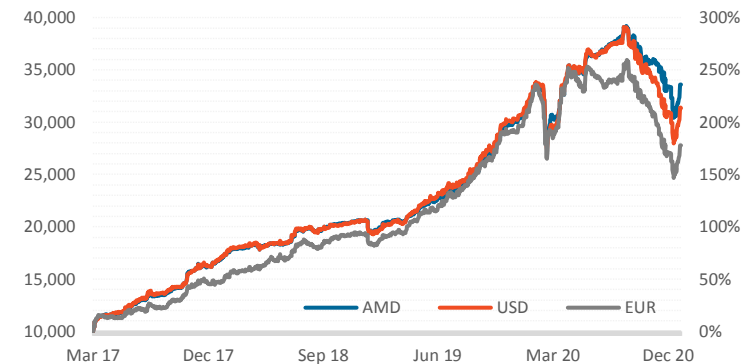
NAV 31 January 2021 AMD 3,357.99

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 13,100.10m
Net assets	AMD 3,075.13m
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.

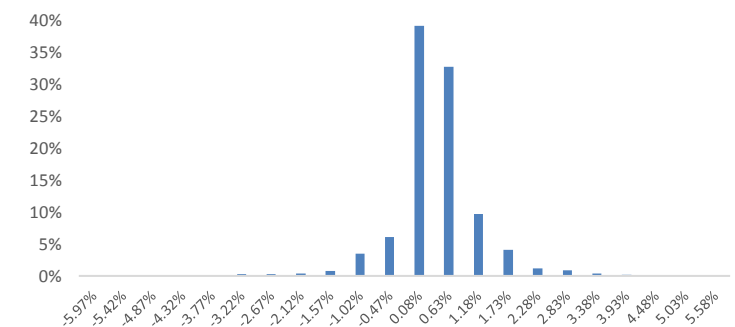
PERFORMANCE

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 January 2021	AMD	USD*	EUR*
Average Monthly Returns	2.54%	2.40%	2.15%
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%
Q4 2020	-11.67%	-17.45%	-21.23%
Since Inception	235.80%	213.51%	177.87%
Inception Annualised	37.04%	34.62%	30.46%
January 2021	0.44%	1.27%	2.56%

*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

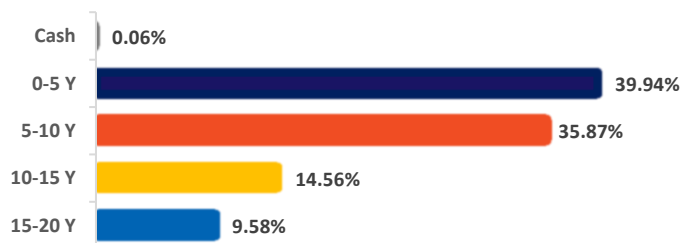
Average YTM	8.84%
Average Coupon	9.39%
Modified Duration of Bond Portfolio	5.29

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.72%	3.83%	4.27%
Sharpe Ratio (annualized)	1.67	1.49	1.13
% Gain Periods	57.44%	56.94%	51.55%
Value at Risk (parametric) – 95% (monthly)	-3.57%	-3.90%	-4.87%
Value at Risk (historical) – 95% (daily)	-1.08%	-1.09%	-1.23%
Conditional Value at Risk – 95% (daily)	-1.91%	-1.96%	-1.84%
Largest Drawdown	-22.47%	-28.40%	-31.31%

As of 31 January 2021, the weighted average yield to maturity of the portfolio went down by 0.01pps to 8.84% per annum. The Fund’s weighted average AMD borrowing rate increased slightly—by 0.11pps to 6.13%.

In January, financial leverage declined to 4.26x from 4.48x in December.

Portfolio maturity breakdown as of 31 January 2021



The Fund’s total portfolio comprised 39.94% of assets with maturity of 0-5 years. Another 35.87% was allocated in Government bonds with maturity of 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.