

OVERVIEW

Glocal Profix USD Fund reported a negative return of 0.37% in May 2020. Year-to-date return of the Fund equaled to 2.07%, while since-inception return stood at 33.10%, or 11.00% annualized.

The negative impact of COVID-19 pandemic on 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.

FUND FACTS

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

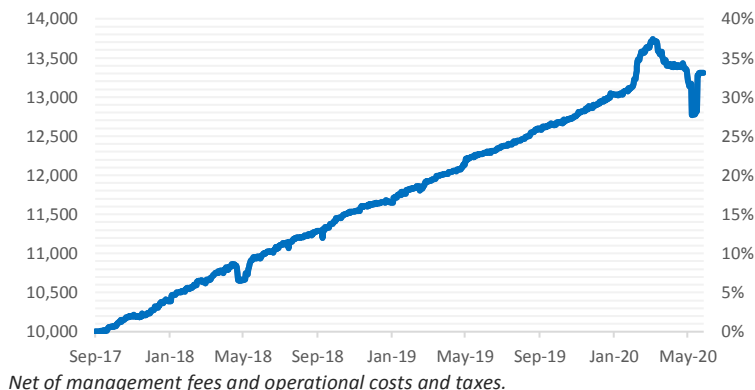
NAV 31 May 2020 USD 13.31

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 4.47m
Net assets	USD 1.51m
Auditors	Deloitte

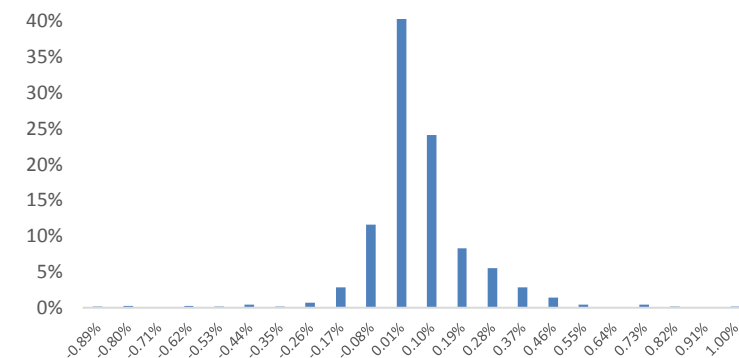
*Performance fee is calculated and charged once on redemption date. Any return over 10% annual compounded hurdle rate is subject to incentive fee deductions

PERFORMANCE

Cumulative Performance Since Inception (per \$10K)



Relative Frequency Distribution of Daily Returns



Returns to 31 May 2020

Average Monthly Returns	0.84%
Q4 2017	3.38%
Q1 2018	3.65%
Q2 2018	2.60%
Q3 2018	2.89%
Q4 2018	2.46%
Q1 2019	3.00%
Q2 2019	2.75%
Q3 2019	2.51%
Q4 2019	3.08%
Q1 2020	2.91%
Since Inception	33.10%
Inception Annualized	11.00%
May 2020	-0.37%

Risk Measures

Standard Deviation of Returns (monthly)	1.07%
Sharpe Ratio (annualized)	2.54
Largest Drawdown	-7.06%
% Gain Periods	79.10%
Value at Risk (parametric) – 95% (monthly)	-0.93%
Value at Risk (historical) – 95% (daily)	-0.16%
Conditional Value at Risk – 95% (daily)	-0.39%

Portfolio Allocation breakdown as of 31 May 2020

By Sector	
Banks	57.71%
Other Financial Institutions	25.99%
Real Sector	15.99%
Cash	0.31%
By Currency	
USD	92.66%
AMD	7.34%

Weighted by fair value

The Fund's total portfolio comprised 92.62% of USD-denominated corporate bonds. The remaining part accounts for AMD-denominated bonds and cash: 7.06% and 0.32%, respectively.

Financial leverage moved up to 2.97x, from 2.88x a month ago.

Statistical data

Average YTM	6.26 %
Average Coupon	6.31 %
Average Maturity	1.34 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.