

OVERVIEW

The Fund successfully started its operations and had strong performance during the first month. The management succeeded to establish long term oriented collaboration with commercial banks, which is vital for the business.

Net asset value of the Fund increased by 16.1% in April. The latter extreme earning is not expected to persist in the forthcoming months. Large portion of the total return is due to appreciation of fixed income securities that resulted from decrease in market interest rates.

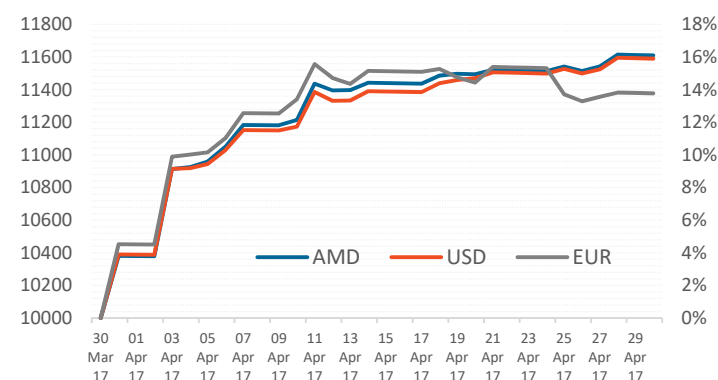
FUND FACTS

The Fund is registered with the Central Bank of Armenia and is open to qualified investors.

NAV 30 April 2017		AMD 1,160.71
Type of fund	Non-public, open-ended	
Launch date	1 April 2017	
Domiciliation	Armenia	
Fund Life	Indefinite	
Base currency	AMD	
Constituent securities	Armenian Government Bonds	
Strategic instrument	Repurchase agreements	
Benchmark	GMI index as published by the Central Bank of Armenia	
Fund size (NAV)	AMD 544m	
NAV calculation	Daily	
Distribution policy	Accumulating	
Max. financial leverage	5x	
Expected target return	26% net to investors	
Management fee	2.75% on NAV	
Performance fee	20% over a 20% hurdle return	
Tax rate	0.01% of NAV	
Unit custodian	Armenbrok Investment Company	
Initial investment, min.	AMD 20m	
Subsequent investment, min., each	AMD 10m	
Number of participants, max.	49	

PERFORMANCE

Investment Performance Per 10,000 AMD/USD/EUR



Management fee is included in the performance

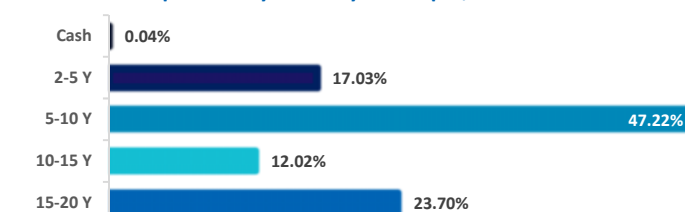
The investment performance in AMD is translated to USD and EUR using historical daily rates provided by Central Bank of Armenia. The translation is carried to illustrate the hypothetical performance of the investment in latter foreign currencies. It does not incorporate expenses associated with bid/ask spread and assumes single exchange rate for any period.

2017	AMD	USD	EUR
April	16.1%	15.9%	13.8%

On average, 80% of total return resulted from revaluation of fixed income securities in the portfolio. As market yields declined the future cash flows of the constituent securities were discounted with lower rates, which produced upward revaluation of portfolio's present value. The declined market interest rates are expected to remain sustainable and exhibit less volatile pattern in coming months.

The Fund successfully executed its implied strategy. The Fund's average borrowing rate was 6.5% during the month (repo rates) and average lending rate was 11.3% (average yield on constituent securities).

Total asset composition by maturity as of April, 2017



Weighted by fair value

Government bonds with 5-10 years until maturity comprise 47.22% of portfolios total assets. Cash reserves amount to 0.04% of total portfolio. The financial leverage in the end of the month was equal to 1.67.

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.