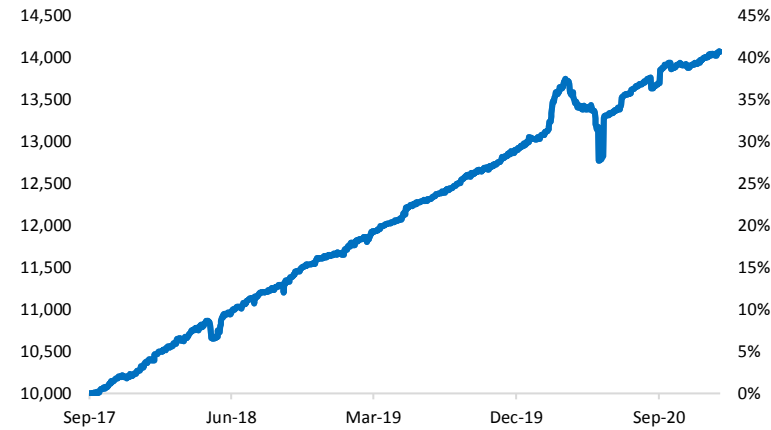


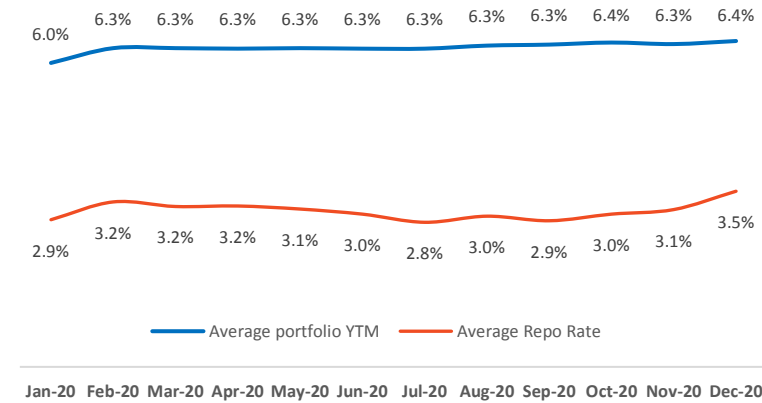
**OVERVIEW**

Similarly to its AMD twin, Glocal Profix USD did not achieve its target return of 10% in 2020 by reporting a positive return of only 7.82%. The reason behind such a performance were fluctuations in Armenian financial market caused by COVID-19 pandemic and military actions in Artsakh started as a result of Azerbaijani aggression.

Investment Performance Since Launch Per 10,000 USD

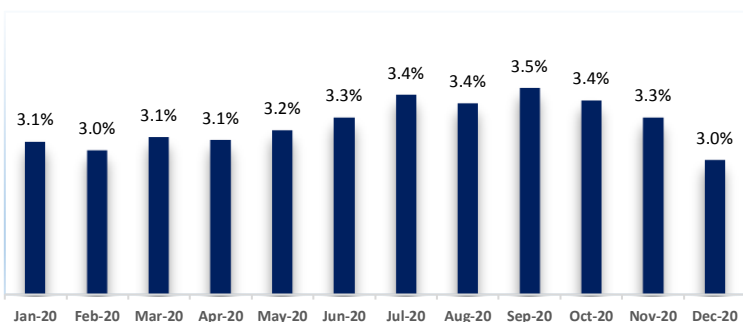


Average rates



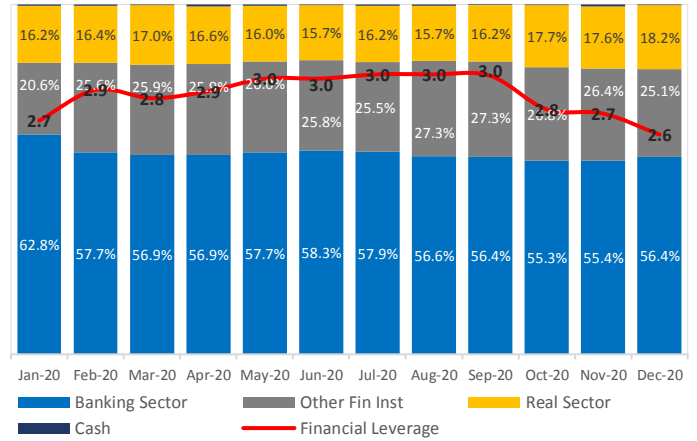
Portfolio of the Fund demonstrated stable yields around 6.3% throughout the year, rounding to 6.40% by the end of the year. Average weighted yield of portfolio equaled to 6.36%, while average borrowing rate stood at 3.06%. Compared to January 2020, the spread of the portfolio went down by 0.13pps to 2.95% by the end of December 2020.

Spread between Portfolio YTM and refinancing rate



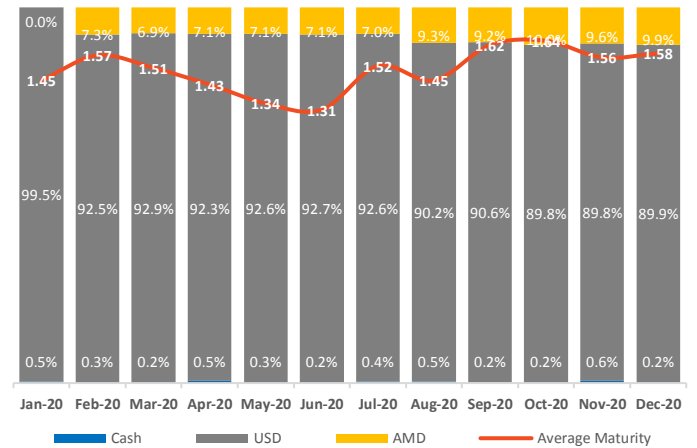
**GLOCAL PROFIX USD FUND 2020 SUMMARY**

Portfolio sector breakdown



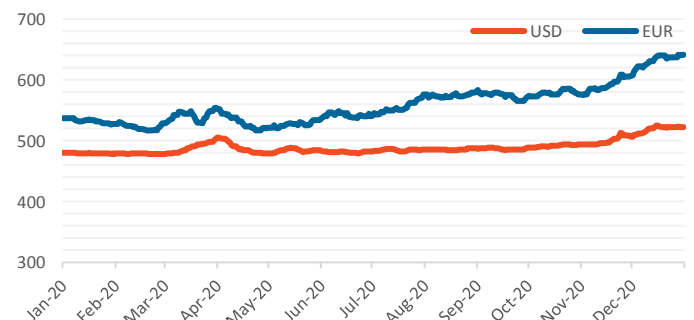
The largest share in the assets managed by the Fund pertained to securities issued by banking sector - 57.3% on average. Financial institutions and real sector entities represented the remaining part of assets. Financial leverage varied between 2.6x and 3x, with an average of 2.8x.

Portfolio denomination breakdown



In accordance with implemented strategy, USD-denominated assets retained their dominant share in the portfolio of the Fund. However, compared with the previous years, the share of AMD-denominated bonds rose as well, standing at 9.9% by the end of the year. Throughout the year, average maturity of the portfolio remained stable around 1.5 years, rounding to 1.58 years by the end of December.

Historical Monthly Average Nominal EUR/AMD, USD/AMD



Source: Central Bank of Armenia (data available at [www.cba.am](http://www.cba.am))

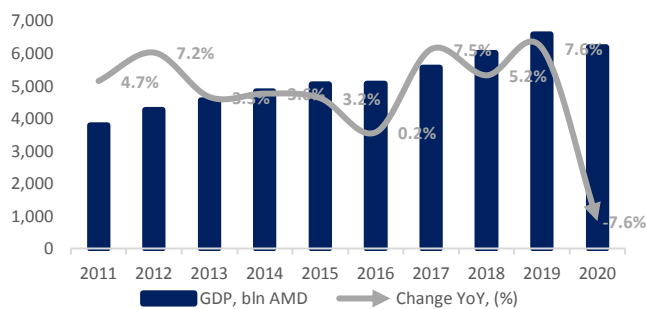
## MACRO HIGHLIGHTS

Due to the factors mentioned above, Armenian economy underperformed in 2020 closing the year with 7.6% economic downturn. Such a decline of the economy predominantly came from the sectors of services and trade, which went down by 14.7% and 11.7%, respectively. Agriculture declined by 4.0%. Despite sharp contraction in Q2 2020, impressive performance in the second half of the year allowed construction sector to close the year with only 6.6% setback. Industry demonstrated the highest level of resilience against difficulties and plunged only by 1.5%. Foreign trade declined as well, by 13.3%. Exports dropped by 3.5%, while imports decreased by 17.9%. As a consequence, trade deficit narrowed by USD 902mln to USD 2,015mln. The good news is 3.9% rise in average monthly nominal wages to AMD 190K. The low-inflation pattern of the economy remained stable throughout the year, with 1.2% increase in the CPI.

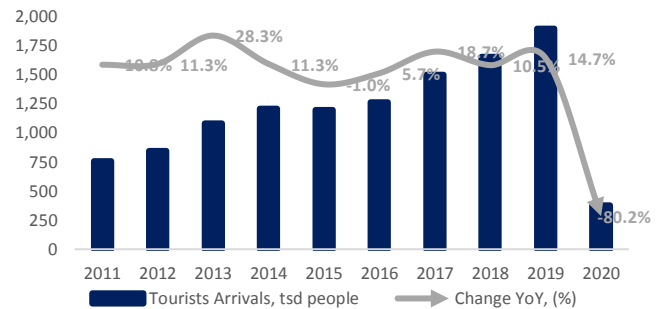
During the first half of the year, the Central Bank made several cuts of the refinancing rate reducing it from 5.5% to 4.25%, aimed at preventing the economy to enter the deflation zone. However, inflation trends of the economy in the last two months of the year, forced the board of the CBA to increase the refinancing rate by 100bps to 5.25% in December (another 25bps was added in February). Yields on 10-year AMD-denominated Government bonds moved up by 48bps to 8.84%. Armenian dram depreciated against both USD and EUR, standing at 522.59 and 641.11, respectively.

## TIME SERIES

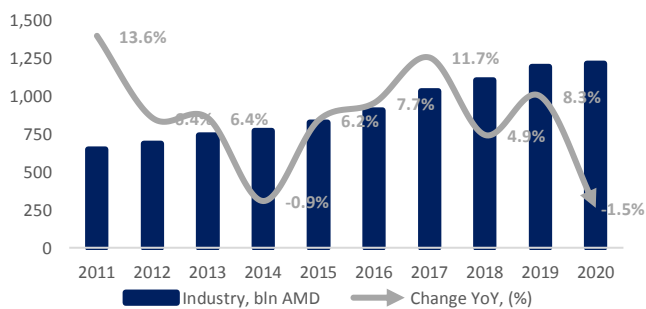
### GDP



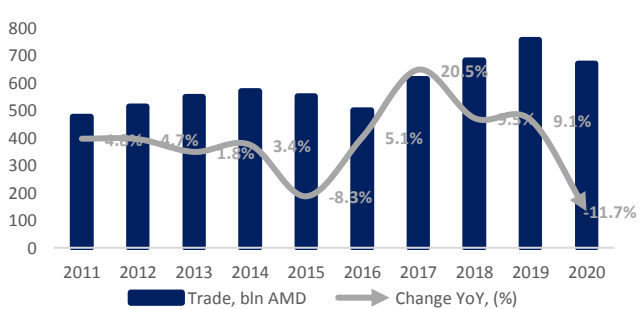
### Tourist Arrivals



### Industry



### Trade



### Services



### External Trade

