

## OVERVIEW

In September 2023, the Glocal Profix AMD Fund reported a positive return of 3.73%. The year-to-date figure increased to 47.55%, while the since-inception return reached 321.19% or 24.73% annualized.

The Armenian economy returned to double-digit growth track in August 2023 with a 10.9% y/y growth of the GDP. The 8M figure reached 10.4% y/y. In August, the main drivers of the economic activity were trade, construction, and services with impressive growth rates of 23.5% y/y, 17.5% y/y and 13.8% y/y, respectively. Conversely, the industrial output went down by 3.7% y/y.

The external trade turnover surged by 10.0% y/y to USD 1,603.2mln, with exports up by 6.1% y/y to USD 601.2mln and imports up by 12.4% y/y to USD 1,002.0mln. The foreign trade deficit widened by USD 76.0mln y/y to USD 400.8mln.

In September, the CPI increased by 0.1% y/y. Given the low inflation pattern and even deflation in previous months, the Central Bank of Armenia made a 0.5pps cut of the refinancing rate setting it at 9.75%.

During the month, the CBA purchased USD 20.0mln at an average exchange rate of AMD 386.6. As of the end of the month, the Armenian Dram depreciated against USD and appreciated against EUR, standing at AMD 393.4 and AMD 417.4 respectively.

The Ministry of Finance allocated and bought back bonds with a total volume of AMD 43.0bln and AMD 1.0bln, respectively. The yield of 10-year AMD-denominated Government bonds contracted by 0.16pps m/m to 10.17%.

## FUND FACTS

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

NAV 30 September 2023	AMD 4,211.89
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 15,737.74mln
Net assets	AMD 3,303.47mln
Auditors	EY

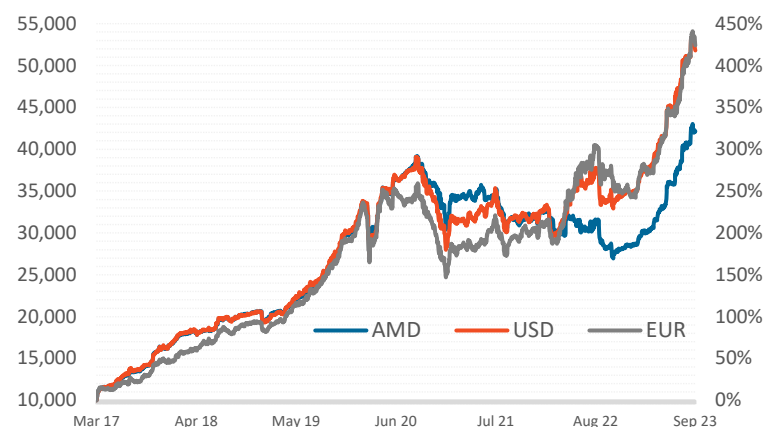
\* Performance fee is calculated and charged once on redemption date. Any return over 20% annual compounded hurdle rate is subject to performance fee deductions.

## PERFORMANCE

Returns to 30 September 2023	AMD	USD*	EUR*
Average Monthly Returns	1.78%	2.04%	2.05%
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%
Q1 2021	2.47%	0.82%	5.46%
Q2 2021	-0.26%	6.85%	5.37%
Q3 2021	-7.27%	-5.03%	-2.60%
Q4 2021	0.57%	1.43%	4.06%
Q1 2022	-4.94%	-6.07%	-4.34%
Q2 2022	0.28%	19.66%	27.67%
Q3 2022	-5.96%	-5.60%	0.56%
Q4 2022	-0.08%	2.98%	-5.79%
Q1 2023	5.99%	7.37%	5.43%
Q2 2023	18.91%	19.65%	19.85%
Q3 2023	17.08%	14.89%	17.51%
Since Inception	321.19%	418.05%	424.25%
Inception Annualised	24.73%	28.76%	29.00%
<b>September 2023</b>	<b>3.73%</b>	<b>1.72%</b>	<b>4.23%</b>

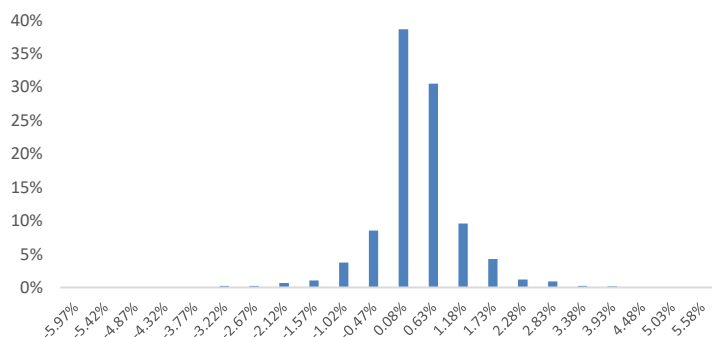
\*The investment performance in AMD is translated to hypothetical performance in USD and EUR using daily rates provided by Central Bank of Armenia

## 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



## Statistical data

Average YTM as of 30 September 2023	9.90%
Average YTM as of purchase date	10.63%
Average Coupon	9.77%
Modified Duration of Bond Portfolio	5.02

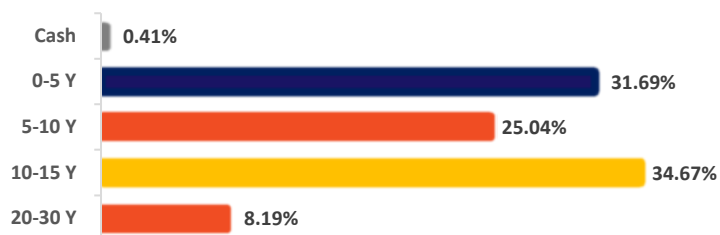
Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.64%	3.83%	4.28%
Sharpe Ratio (annualized)	0.88	1.07	0.97
% Gain Periods	54.36%	55.48%	52.18%
Value at Risk (parametric) – 95% (monthly)	-4.21%	-4.26%	-4.98%
Value at Risk (historical) – 95% (daily)	-1.13%	-1.14%	-1.29%
Conditional Value at Risk – 95% (daily)	-1.87%	-1.96%	-2.02%
Largest Drawdown	-31.24%	-28.40%	-31.31%

As of 31 August 2023, the weighted average yield to maturity of the total portfolio plunged by 0.19pps m/m to 9.90% per annum. Disregarding the factor of cash, the figure is 9.94%. The average yield to maturity of AMD-denominated bonds dropped by 0.16pps m/m to 10.20%. For USD-denominated bonds the figure went up by 0.20pps m/m to 6.96%.

The weighted average AMD borrowing rate of the Fund contracted by 0.48pps m/m to 10.44%; the same for USD decreased by 0.13pps m/m to 3.65%.

The financial leverage ratio of the Fund went down to 4.8x from 5.3x in the previous month.

## Portfolio maturity breakdown as of 30 September 2023



The Fund's total portfolio comprised 34.67% of assets with maturity of 10-15 years. Another 31.69% was allocated in 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.