

OVERVIEW

Net asset value of the Fund increased by 1.88% during May, 2017. Compared with 16.1% return in April, the return for May was significantly lower due to the anticipated market correction in interest rate levels. In spite of the pullback, the Fund generated positive return for the month. The Fund's total return since origination (April, 2017) amounts to 18.27%

The Fund continued expanding its collaboration domestic suppliers and successfully established partnership with 3 additional banks in May.

FUND FACTS

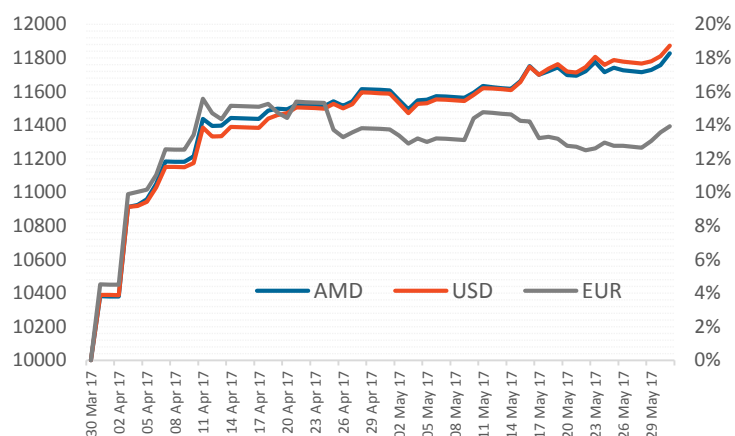
The Fund is registered with the Central Bank of Armenia and is open to qualified investors.

NAV 31 May 2017
AMD 1,182.73

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 575m
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



Net of management fees and operational costs and taxes.

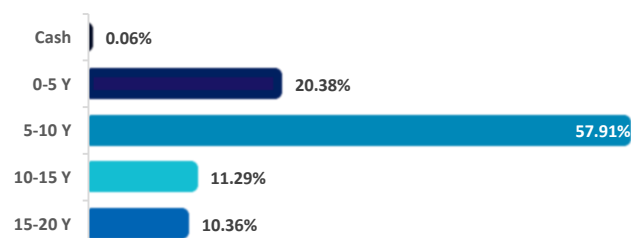
The investment performance in AMD is translated to USD and EUR using historical daily rates provided by Central Bank of Armenia. The translation is carried to illustrate the hypothetical performance of the investment in latter foreign currencies. It does not incorporate expenses associated with bid/ask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

Y 2017	AMD	USD	EUR
April	16.10%	15.90%	13.77%
May	1.88%	2.44%	0.13%
Since inception	18.27%	18.73%	13.92%

During the reporting month the return reverted close to anticipated long-term trend with reported 1.88% increase in NAV.

The Fund successfully executed its implied strategy. The Fund's average borrowing rate was 6.48% during the month (repo rates) and average lending rate was 10.8% (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 58% of portfolios total assets. Cash reserves amount to 0.06% of total portfolio. The financial leverage in the end of the month was equal to 3.4.

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.