

OVERVIEW

In December 2018, Glocal Profix AMD fund reported an upsurge of 1.07%, thus bringing the FY 2018 annual return to 26.88%. This is a strong performance that should be seen as quite positive by the investors for two main reasons:

1. The Fund was able to exceed its target return of 26% for the second year in a row. However, compared to that of 2017, the G-bond yields were relatively stable throughout 2018. This comes to show the robustness of Glocal's strategy and proves that the target return is quite feasible at a stable macroeconomic environment.
2. The return is especially encouraging in light of large losses suffered by stock markets across the world. In particular, as of Dec. 2018 the US (measured by SP500), EU (measured by Stoxx600), Japanese (measured by Nikkei225), and Chinese (measured by SSE Composite index) markets declined by 7.01%, 10.62%, 14.85%, and 25.52%, respectively. The same negative results are observed for fixed income securities as well, given increases in interest rates worldwide. Of course, Glocal does not define those indices as a benchmark to measure its own performance, but the fact that there is little-to-no correlation between the Fund and those markets provides additional diversification benefits from the investor's perspective.

According to macro-indicators as of November 2018, the GDP of Armenia increased by 3.6%, with a year-to-date growth of 5.7%; the CPI changed by 1.8%.

A major portion of the growth came from Services and Electricity production – 17.5% and 8.3%, respectively – followed by Wholesale trade – 5.3%. The volumes of industrial output and construction remained on the same level; agricultural output declined for the second month in a row (8.3%). Total exports reached USD 2.2bln – 9% increase y-o-y; total imports reached USD 4.5bln – 24% increase y-o-y. Trade deficit of the country widened to USD 2.3bln. The Central bank's refinancing rate remained unchanged at 6%; yields on 10-year AMD-denominated G-bonds stood at 9.61% by the end of Dec. 2018, almost on the same level as a month ago. Armenian dram remained unchanged relative to USD and depreciated by 0.88% relative to EUR – 485.25 and 556.6, respectively.

The Fund's return since inception stood at 105.92%, rounding to 50.88% if annualized.

FUND FACTS

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

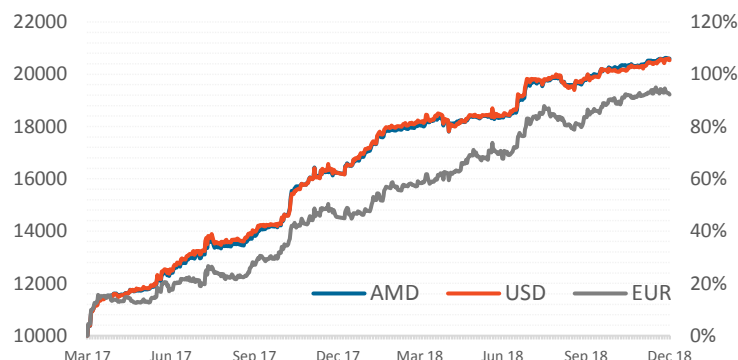
NAV 31 December 2018	AMD 2,059.15
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Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	31 March 2017
Base currency	AMD
Holdings	Armenian Government Bonds
Refinancing instrument	Repurchase agreements
Distribution policy	Reinvesting
Target annual return	26% net to investors
Management fee	2.75% on NAV
Performance fee*	20% over a 20% hurdle return
Assets under management	AMD 3,925.93m
Net assets	AMD 1,328.08m
Auditors	Deloitte

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

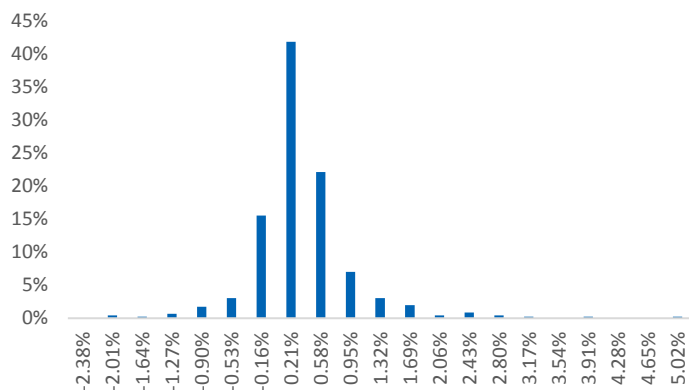
PERFORMANCE

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



Returns to 31 Dec. 2018	AMD	USD	EUR
Average Monthly Returns	3.32%	3.31%	3.00%
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%
Since Inception	105.92%	105.33%	92.20%
Inception Annualised	50.88%	50.63%	45.07%
December 2018	1.07%	1.06%	0.19%

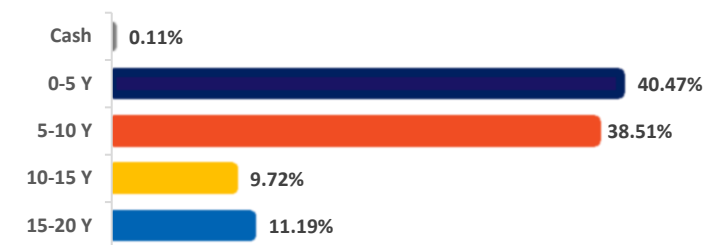
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Statistical data

Average YTM	10.04%		
Average Coupon	10.21%		
Modified duration	4.49		
Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.00%	3.01%	3.62%
Sharpe Ratio (annualized)	2.86	2.83	2.07
% Gain Periods	59.96%	59.08%	53.17%
Value at Risk – 95% (monthly)	-1.62%	-1.65%	-2.95%

As of Dec. 2018, the weighted average yield to maturity of the portfolio stood at 10.04% per annum. The weighted average repo rate equalled to 6.51%, while Financial leverage declined to 2.96 from 3.05 a month ago.

Portfolio maturity breakdown as of December 31, 2018



Government bonds with maturity of 0-5 years comprise 40.47% of portfolio's total assets. Cash balance amounts to 0.11% of portfolio.

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.