

## OVERVIEW

In December 2022, Glocal Profix AMD Fund returned 1.45%. The Fund closed the year with a negative return of 10.43%, while the since-inception figure stood at 185.46% or 19.98% annualized.

The Armenian economy continued its double-digit growth in November 2022. In particular, the GDP of the country went up by a remarkable 13.8% y/y bringing the 11M figure up to 14.4% y/y. During the month, services and trade were the main sectors behind the economic growth: +30.9% y/y and +22.1% y/y, respectively. Construction works increased by 11.3% y/y, while the industrial output slightly dropped by 2.3% y/y.

The growth of the external trade for the first 11 months of the year stood at 67.8% y/y. During that period, exports increased by 75.20% y/y to USD 4,749.2mln, while imports were up by 63.6% y/y to USD 7,739.8mln. Consequently, the trade deficit widened by USD 970.4mln y/y to USD 2,990.6mln.

The CPI went up by 8.3% y/y in December. Given the continued inflation pressure especially coming from the external markets, the Central Bank of Armenia increased the refinancing rate by 0.25pps to 10.75%. Throughout the same period, the CBA purchased USD 57.9mln at an average exchange rate of AMD 393.50. The respective annual volume amounted to USD 573.8mln. As of the end of December, the Armenian Dram appreciated against USD and depreciated against EUR, standing at AMD 393.57 and AMD 420.06, respectively.

The Ministry of Finance of Armenia allocated bonds with a total volume of AMD 49.8bln in December. During the month, the yield of 10-year AMD-denominated Government bonds decreased by 0.04pps m/m to 11.99%.

## FUND FACTS

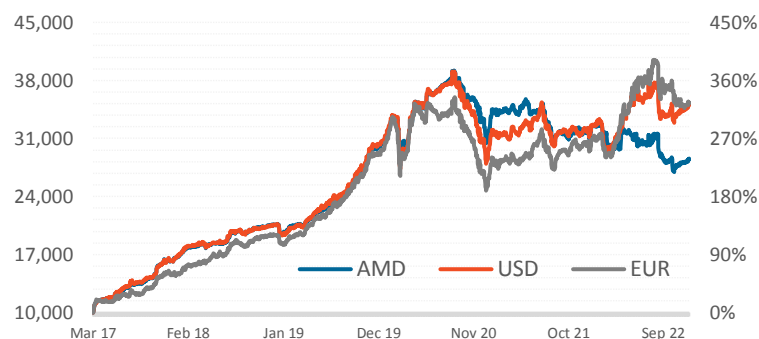
The Fund is registered with the Central Bank of Armenia with participation allowed to qualified investors.

NAV 31 December 2022	AMD 2,854.62
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 11,095.84m
Net assets	AMD 2,231.96m
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.

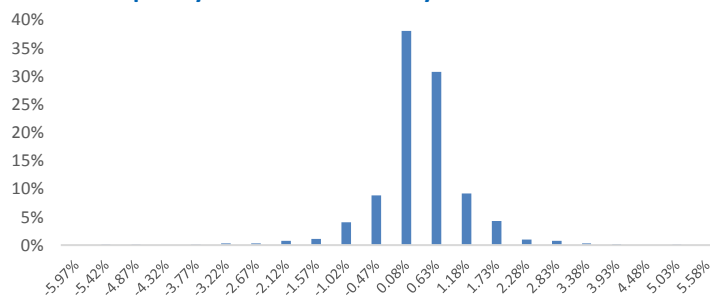
## PERFORMANCE

### 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 December 2022	AMD	USD*	EUR*
Average Monthly Returns	1.47%	1.76%	1.77%
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%
Since Inception	185.46%	250.96%	253.06%
Inception Annualised	19.98%	24.36%	24.49%
<b>December 2022</b>	<b>1.45%</b>	<b>1.78%</b>	<b>-1.25%</b>

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

## Statistical data

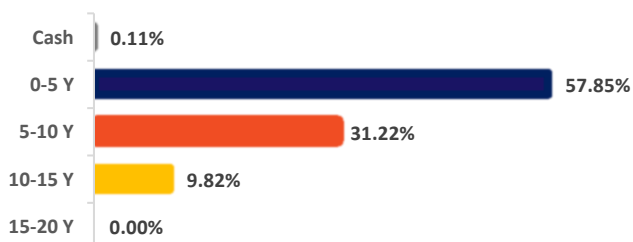
Average YTM	11.14%
Average Coupon	9.58%
Modified Duration of Bond Portfolio	4.18

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.72%	3.90%	4.33%
Sharpe Ratio (annualized)	0.44	0.67	0.61
% Gain Periods	53.90%	55.10%	51.57%
Value at Risk (parametric) – 95% (monthly)	-4.64%	-4.66%	-5.36%
Value at Risk (historical) – 95% (daily)	-1.15%	-1.18%	-1.33%
Conditional Value at Risk – 95% (daily)	-1.95%	-2.05%	-2.09%
Largest Drawdown	-31.24%	-28.40%	-31.31%

As of 31 December 2022, the weighted average yield to maturity grew by 0.38pps m/m standing at 11.14% per annum. Disregarding the factor of cash, the figure is 11.16%. The weighted average AMD borrowing rate of the Fund increased by 0.29pps m/m standing at 11.47%; the same for USD remained unchanged at 2.67%.

During the month, the financial leverage ratio went up to 5.0x from 3.6x in November.

### Portfolio maturity breakdown as of 31 December 2022



The Fund's total portfolio comprised 57.85% of assets with maturity of 0-5 years. Another 31.22% was allocated in Government bonds with maturity of 5-10 years (including Eurobonds issued by the Government of Armenia).

## 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.