

## OVERVIEW

In January 2021, Glocal Profix USD Fund reported a positive return of 1.28%, thus pushing the Fund's return since inception up to 42.40%, equivalent to annualized return of 10.92%.

According to the data provided by State Committee of Statistics, GDP of Armenia contracted by 8.8% y/y in December 2020, thus pushing the economic growth for the year down to negative 7.5% y/y. Such a reduction primarily came from trade and services, which went down by 17.4% and 22.6% y/y, respectively. However, both sectors reported two-digit m/m growths – of 34.% and 16.3%, respectively. In December, the industrial output and construction decreased by 5.8% and 3.0% y/y, respectively, again with positive m/m growth rates. In particular, construction rose by impressive 77.7% m/m. Exports went up by 8.6% y/y, while average monthly nominal wages increased by 1.7% y/y. The CPI rose by 3.7% y/y.

On 2 February, the Board of the Central Bank of Armenia decided to increase the refinancing rate by 0.25pps to 5.50% for the purpose of securing macroeconomic stability in the presence of inflation pressure. The CBA continued its interventions in FX market during January, as well, by selling USD 46.8mln and executing a SWAP deal with total volume of USD 21.5mln. As of the end of the month, the AMD appreciated against both USD and EUR, standing at 518.27 and 627.83, respectively.

In January, the Government of Armenia successfully allocated the new tranche of Eurobonds with a total volume of USD 750mln at 3.875% rate.

## FUND FACTS

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

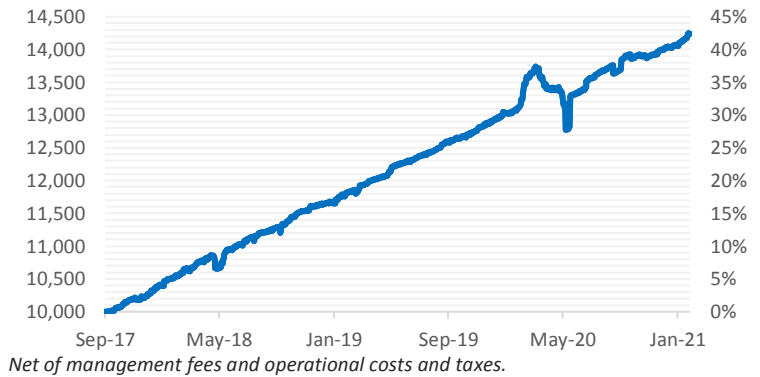
**NAV 31 January 2021 USD 14.24**

|                              |                                      |
|------------------------------|--------------------------------------|
| Type of fund                 | Fixed income, non-public, open-ended |
| Date of 1st NAV              | 1 September 2017                     |
| Base currency                | USD                                  |
| Holdings                     | Corporate Bonds                      |
| Refinancing instrument       | Repurchase agreements                |
| NAV Calculation              | Daily                                |
| Expected target return       | 10% net to investors                 |
| Management fee               | 1.0% on NAV                          |
| Performance fee*             | 10% over a 10% hurdle return         |
| Tax rate                     | 0.01% of NAV                         |
| Initial investment, min.     | USD 50,000                           |
| Subsequent investments, min. | USD 25,000                           |
| Distribution policy          | Reinvesting                          |
| Unit custodian               | Armenbrok Investment Company         |
| Assets under management      | USD 4.10m                            |
| Net assets                   | USD 1.59m                            |
| Auditors                     | Deloitte                             |

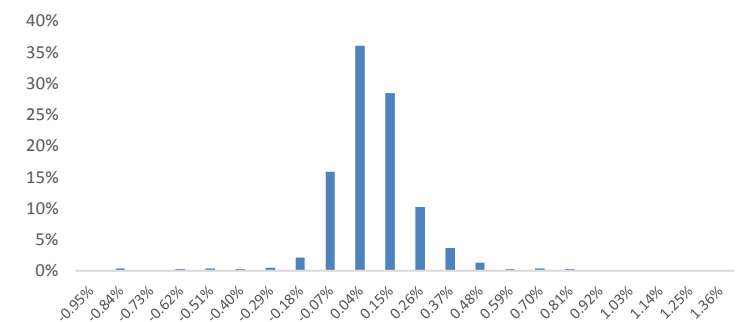
\*Performance fee is calculated and charged once on redemption date. Any return over 10% annual compounded hurdle rate is subject to incentive fee deductions

## PERFORMANCE

### Cumulative Performance Since Inception (per \$10K)



### Relative Frequency Distribution of Daily Returns



### Returns to 31 January 2021

|                         |              |
|-------------------------|--------------|
| Average Monthly Returns | 0.84%        |
| Q4 2017                 | 3.38%        |
| Q1 2018                 | 3.65%        |
| Q2 2018                 | 2.60%        |
| Q3 2018                 | 2.89%        |
| Q4 2018                 | 2.46%        |
| Q1 2019                 | 3.00%        |
| Q2 2019                 | 2.75%        |
| Q3 2019                 | 2.51%        |
| Q4 2019                 | 3.08%        |
| Q1 2020                 | 2.91%        |
| Q2 2020                 | 0.97%        |
| Q3 2020                 | 2.44%        |
| Q4 2020                 | 1.30%        |
| Since Inception         | 42.40%       |
| Inception Annualized    | 10.92%       |
| <b>January 2021</b>     | <b>1.28%</b> |

### Risk Measures

|  |        |
|--|--------|
| Standard Deviation of Returns (monthly)    | 1.01%  |
| Sharpe Ratio (annualized)                  | 2.56   |
| Largest Drawdown                           | -7.06% |
| % Gain Periods                             | 79.95% |
| Value at Risk (parametric) – 95% (monthly) | -0.83% |
| Value at Risk (historical) – 95% (daily)   | -0.15% |
| Conditional Value at Risk – 95% (daily)    | -0.38% |

## Portfolio Allocation breakdown as of 31 January 2021

| By Sector                    |        |
|------------------------------|--------|
| Banks                        | 57.25% |
| Other Financial Institutions | 24.61% |
| Real Sector                  | 18.03% |
| Cash                         | 0.11%  |
| By Currency                  |        |
| USD                          | 90.10% |
| AMD                          | 9.90%  |

Weighted by fair value

The Fund's total portfolio comprised 90.05% of USD-denominated corporate bonds. The remaining part is allocated in AMD-denominated bonds and cash: 9.84% and 0.11%, respectively.

Financial leverage slightly went up to 2.58x, from 2.57x a month ago.

### Statistical data

|                  |            |
|------------------|------------|
| Average YTM      | 6.42 %     |
| Average Coupon   | 6.36 %     |
| Average Maturity | 1.50 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.