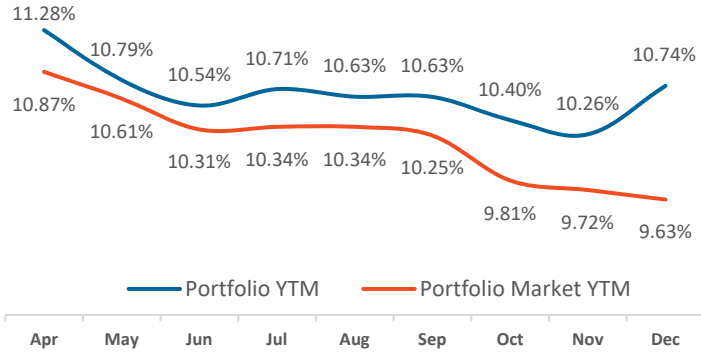
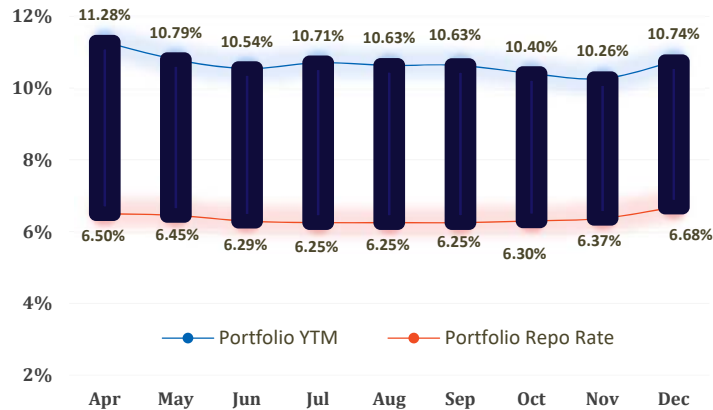


OVERVIEW

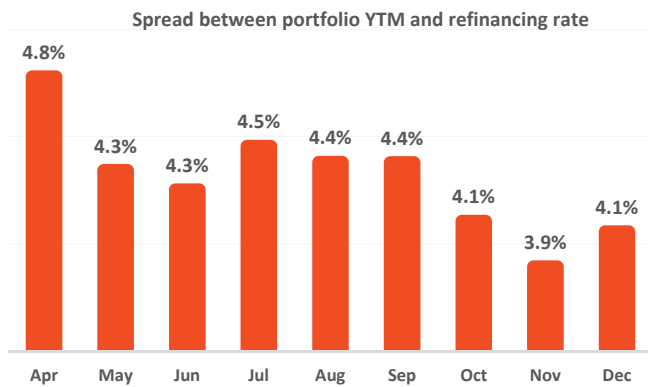
2017 was a highly successful year for Glocal AMD Profix Fund. The Fund was launched in April 2017 and generated total positive return of 62.29% over its initial share price during the first nine months of operations. The actual return exceeded the expected return nearly 3.3 times, which is mainly the result of hike in market prices for securities comprising the Fund's portfolios.



Besides the market impact on the portfolio the Fund's management effectively implemented its core strategy.

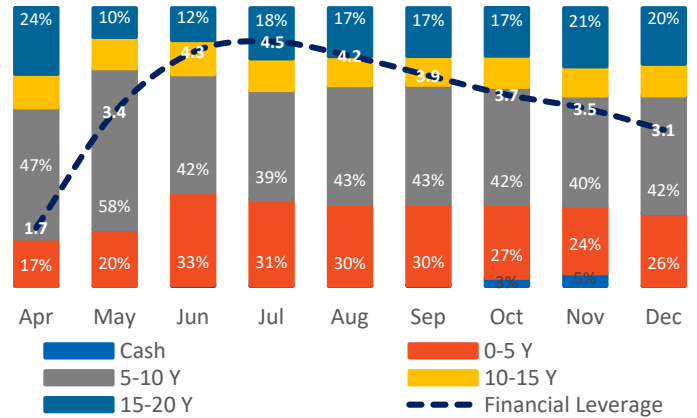


Nine-month average portfolio yield was 10.60%, and average refinancing rate was 6.36%.



Positive correlation between refinancing rate and yields on government bonds kept the spread relatively less volatile, which had significant contribution in the risk management process. The Fund's management anticipates the refinancing rate to remain stable in 2018 with slight likelihood of a small rise.

Monthly portfolio maturity breakdown

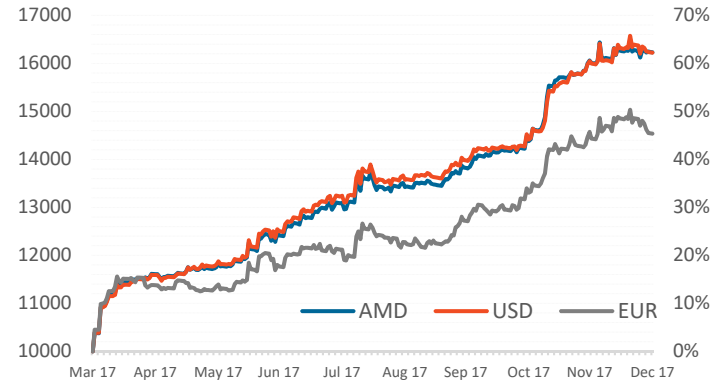


Nine-month average allocation to securities with 5-10 years to maturity weighted by fair value comprise 43.1% of total portfolio. Allocation to securities with 0-5 years to maturity amounts to 27.4% of the portfolio.

As of 31 December 2017, the Fund's assets under management amounted to AMD 3,169m.

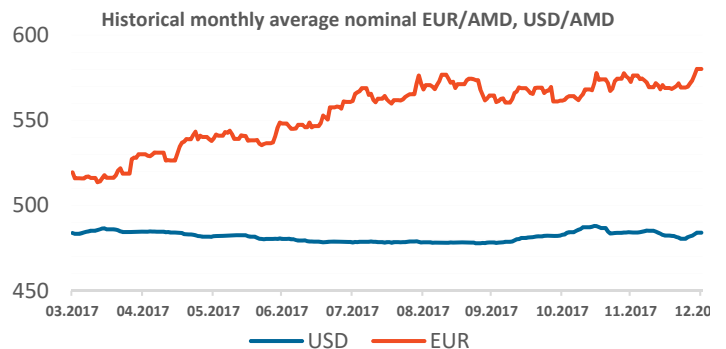
PERFORMANCE

Investment performance since launch 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 done to illustrate the hypothetical performance of the investment in the said foreign currencies. As it can be observed from the above chart, AMD depreciated to Euro, but remained fairly stable relative to USD.



Source: Central Bank of Armenia (www.cba.am)

MACRO HIGHLIGHTS

Armenian economy saw some solid progress in 2017. Country’s economic growth hit a record 10-year high at 7.5% bringing nominal GDP to around USD 11.5b. The main contributing sectors were: services (14.4% growth), trade (14% driven by a surge in local demand), industrial production (12.6%), and construction (2.2%). Over the year, total trade volume increased by 26.9%. Exports were up by an impressive 25.2%, the highest growth in the last five years; whereas exports to EU-member countries increased by 32.2%, and to CIS countries, by 40.3%.

Due to sustained government efforts, priority sectors such as information technologies and tourism have also picked up substantially. By the end of 2017, the number of active information and communications technology companies in Armenia grew by 110 peaking at 800 (including start ups). The total number of tourists who visited Armenia during 2017 increased by a hefty 18.7%. Expansion of the both sectors is expected to continue at a rapid rate thanks to the committed support from the government.

Exchange rate volatility was quite low, and as of the end of the year the Armenian Dram depreciated by just about 0.03 percent against U.S. Dollar. The Central Bank of Armenia (CBA) conducted loose “dovish” policy that involved, in particular, ongoing reduction of interest rates. Throughout the second half of the year, the CBA was also a net buyer of currency in the market looking to further augment the country’s currency reserves. As per the CBA’s reports, annual inflation in 2017 was 2.6%; the projected level for 2018 is 3.5%.

In December 2017, Fitch Ratings revised Armenia's outlook to positive from stable, while affirming the sovereign’s long-term foreign- and local-currency issuer default ratings at B+. Based on favourable macroeconomic policies and ongoing fiscal framework reforms, in March 2018, Moody’s changed Armenia’s rating to positive from stable, while confirming the B1 long-term issuer and debt ratings.

Time series

Source: National Statistical Service of Armenia (www.armstat.am)

