

## OVERVIEW

Glocal High-Yield Eurobonds Fund generated a negative return of 2.03% in August 2023. The year-to-date return thus declined to 13.02%. The return since inception went down to 40.83% or 38.82% annualized.

In July 2023, the Armenian economy grew by 6.0% y/y bringing the respective 7M figure up to 10.4% y/y. Trade and construction works were the major drivers of the economic activity in July with impressive growth rates of 20.4% y/y and 17.8% y/y, respectively. Services increased by 5.8% y/y. Industrial output, on the other hand, contracted by 2.4% y/y.

During the month, the external trade turnover went up by a remarkable 18.1% y/y to USD 1,457.2mln. Exports were up by 15.6% y/y to USD 556.0mln, while imports rose by 19.7% y/y to USD 901.2mln. Consequently, the foreign trade deficit widened by USD 73.3mln y/y to USD 345.2mln.

The economy remained under deflation pressure in August, as well. Particularly, the CPI contracted by 0.2% y/y. Throughout the month, the Central Bank of Armenia kept the refinancing rate unchanged at 10.25%.

During August, the CBA purchased USD 165.3mln at an average exchange rate of AMD 387.2. The year-to-date volume of purchases amounted to USD 1.1bln. As of the end of the month, the Armenian Dram appreciated against both USD and EUR, standing at AMD 385.8 and AMD 419.4 respectively.

## FUND FACTS

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

| NAV 31 August 2023       | USD 140.83   |
|--------------------------|--|
| Type of fund             | Fixed income, non-public, open-ended                                 |
| Date of 1st NAV          | 16 August 2022   |
| Base currency            | USD  |
| Holdings                 | Government and corporate Eurobonds and Bonds, bank deposits and cash |
| Refinancing instrument   | Repurchase agreements  |
| NAV Calculation          | Daily  |
| Management fee           | 1.0% on NAV  |
| Performance fee*         | 10%  |
| Tax rate                 | 0.01% of NAV   |
| Initial investment, min. | USD 100,000  |
| Distribution policy      | Reinvesting  |
| Unit custodian           | Armbrok Investment Company   |
| Assets under management  | USD 9.86mln  |
| Net assets               | USD 1.09mln  |
| Auditors                 | EY   |

\* Calculated and deducted at the end of each year following the placement of units, and if they are redeemed before the settlement date, upon redemption.

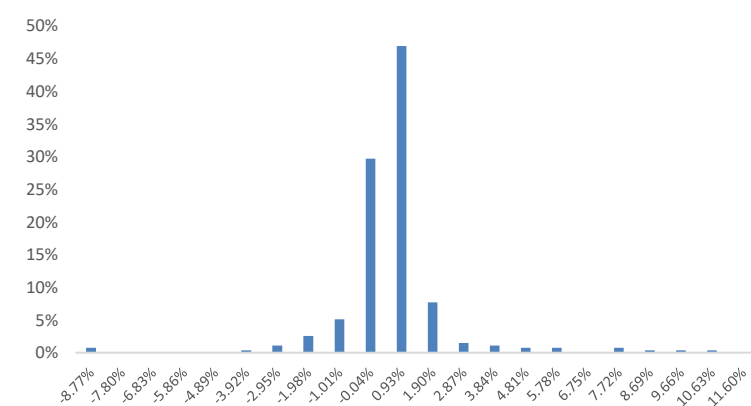
## PERFORMANCE

### Cumulative Performance Since Inception (per \$100K)



Net of management fees and operational costs and taxes.

### Relative Frequency Distribution of Daily Returns



### Returns to 31 August 2023

|                         |               |
|-------------------------|---------------|
| Average Monthly Returns | 2.63%         |
| Q3 2022                 | -4.80         |
| Q4 2022                 | 30.89%        |
| Q1 2023                 | 8.89%         |
| Q2 2023                 | 5.03%         |
| Since Inception         | 40.83%        |
| Inception Annualized    | 38.82%        |
| <b>August 2023</b>      | <b>-2.03%</b> |

### Risk Measures

|  |         |
|--|---------|
| Standard Deviation of Returns (monthly)    | 8.62%   |
| % Gain Periods                             | 51.28%  |
| Value at Risk (parametric) – 95% (monthly) | -11.55% |

|   |            |
|---|------------|
| Average YTM (Bond portfolio) as of 31 August 2023 | 12.23%     |
| Average YTM (Bond portfolio) as of purchase date  | 7.73%      |
| Average Coupon                                    | 6.02%      |
| Average Maturity                                  | 3.38 Years |

### Portfolio Allocation breakdown as of 31 August 2023

| By Sector   |        |
|-------------|--------|
| Eurobonds   | 96.10% |
| Cash        | 3.90%  |
| By Currency |        |
| USD         | 55.06% |
| AMD         | 0.02%  |
| EUR         | 44.89% |
| RUB         | 0.04%  |

Weighted by fair value

The Fund's total portfolio comprised 52.55% of USD-denominated Eurobonds. The remaining part is allocated in cash: 47.45%.

### 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.