

## OVERVIEW

Glocal Profix AMD Fund demonstrated a remarkable performance in June 2023 with a positive return of 8.30%. This brought the year-to-date figure up to 26.03%. The Fund's return since inception went up to 259.76% or 22.71% annualized.

In May 2023, the Armenian economy reported an impressive y/y growth of 13.7%. As for the sectoral performance, trade was the leader in terms of growth rate – 24.5% y/y, followed by construction works and services – 18.4% y/y and 12.3% y/y, respectively. The industrial output rose by 5.3% y/y.

External trade continued its impressive performance. In May, the respective turnover expanded by 50.5% y/y to USD 1,525.6mln. Exports increased by 47.6% y/y to USD 526.7mln, while imports went up by 52.1% y/y to USD 998.9mln. Foreign trade deficit widened by USD 172.3mln y/y rounding to USD 472.2mln.

A 0.5 y/y deflation was reported for June. As a response to the recent declining pattern of inflation, the Board of the Central Bank of Armenia decided to cut the refinancing rate by 0.25pps to 10.50%. During the month, the CBA purchased USD 198.8mln at an average exchange rate of AMD 387.6. The year-to-date volume of purchases amounted to USD 791.2mln. As of the end of the month, the Armenian Dram appreciated against USD and depreciated against EUR, standing at AMD 386.1 and AMD 418.9 respectively.

During the month, the Ministry of Finance allocated bonds with a total volume of AMD 41.5bln and bought back bonds with a total volume of AMD 3.0bln. The yield of 10-year AMD-denominated Government bonds went down by 0.44pps m/m to 10.78%.

## FUND FACTS

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

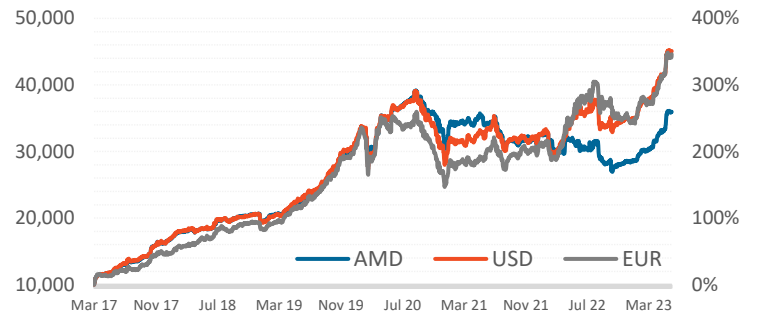
**NAV 30 June 2023 AMD 3,597.56**

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 13,304.26m
Net assets	AMD 2,951.09m
Auditors	EY

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

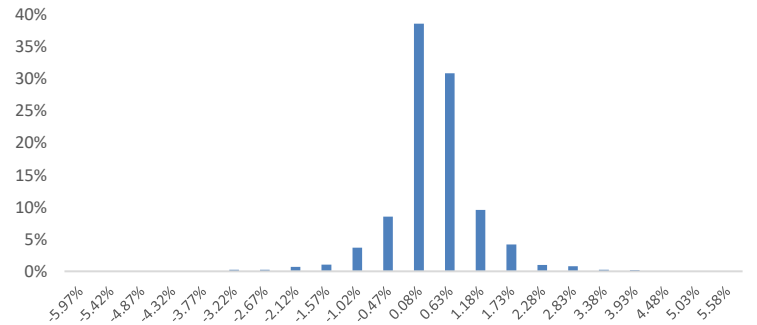
## PERFORMANCE

### 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 30 June 2023	AMD	USD*	EUR*
Average Monthly Returns	1.65%	1.94%	1.93%
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%
Q1 2023	5.99%	7.37%	5.43%
Q2 2023	18.91%	19.65%	19.85%
Since Inception	259.76%	350.90%	346.12%
Inception Annualised	22.71%	27.23%	27.01%
<b>June 2023</b>	<b>8.30%</b>	<b>8.46%</b>	<b>6.70%</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	10.77%
Average Coupon	9.49%
Modified Duration of Bond Portfolio	4.16

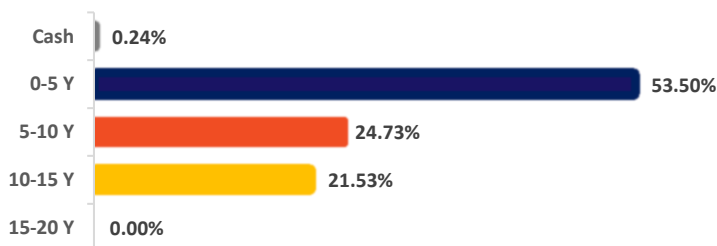
Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.63%	3.81%	4.26%
Sharpe Ratio (annualized)	0.71	0.94	0.83
% Gain Periods	54.45%	55.67%	51.87%
Value at Risk (parametric) – 95% (monthly)	-4.32%	-4.32%	-5.08%
Value at Risk (historical) – 95% (daily)	-1.12%	-1.14%	-1.29%
Conditional Value at Risk – 95% (daily)	-1.88%	-1.97%	-2.03%
Largest Drawdown	-31.24%	-28.40%	-31.31%

As of 30 June 2023, compared to the previous month, the weighted average yield to maturity of the total portfolio remained unchanged at 10.77% per annum. Disregarding the factor of cash, the figure is 10.79%. The average yield to maturity of both AMD-denominated and USD-denominated bonds remained unchanged at 11.20% and 7.12%, respectively.

The weighted average AMD borrowing rate of the Fund went down by 0.21pps m/m to 11.24%; the same for USD increased by 0.16pps m/m to 3.07%.

During the month, the financial leverage ratio of the Fund dropped to 4.5x from 4.7x in May.

### Portfolio maturity breakdown as of 30 June 2023



The Fund's total portfolio comprised 53.50% of assets with maturity of 0-5 years. Another 24.73% 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.