

## OVERVIEW

Glocal Profix AMD Fund reported a negative return of 6.79% in December 2020, thus closing the financial year below its target with only 11.24% return. As a consequence, the Fund's return since inception went down to 234.34% or 37.86% annualized.

The underperformance of the Armenian economy continued in November 2020, as well. In particular, the GDP declined by 10.3% y/y, pushing the 11-month reading down to -7.2% y/y. The decline primarily came from trade and services, which contracted by 22.0% and 18.6% y/y, respectively. Industrial output reduced by 6.1% y/y. However, positive growth rates were reported for construction and electricity production – 2.0% and 3.1% y/y, respectively. Average monthly nominal wages increased by 3.4% y/y. CPI moved up by 1.6% y/y.

On 15 December, the Board of the Central Bank of Armenia decided to increase the refinancing rate by 100bps to 5.25%. The decision was aimed at preserving the stability of the financial system of Armenia and preventing the further depreciation of the national currency. Moreover, the CBA announced its intentions to make interventions in the FX market. Particularly, a SWAP deal of USD 26.5mln was executed. As of the end of the month, the Armenian Dram depreciated against both USD and EUR, to AMD 522.59 and AMD 641.11, respectively.

In December, the Ministry of Finance allocated Government bonds with a total volume of AMD 16.5bln. During the month, the yield of 10-year AMD-denominated Government bonds went up by 0.49pps to 8.69%.

## FUND FACTS

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

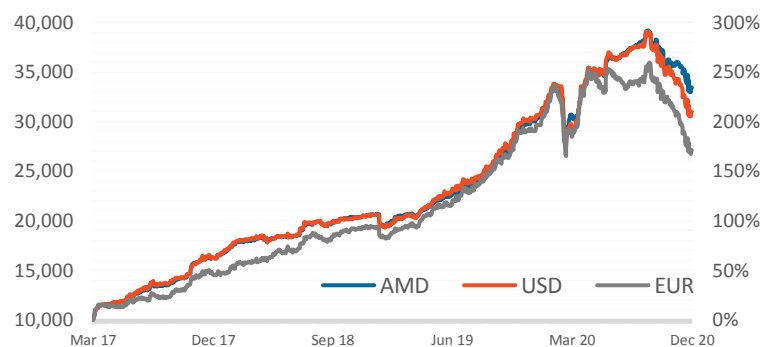
**NAV 31 December 2020 AMD 3,343.40**

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 13,504.36m
Net assets	AMD 3,014.37m
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.

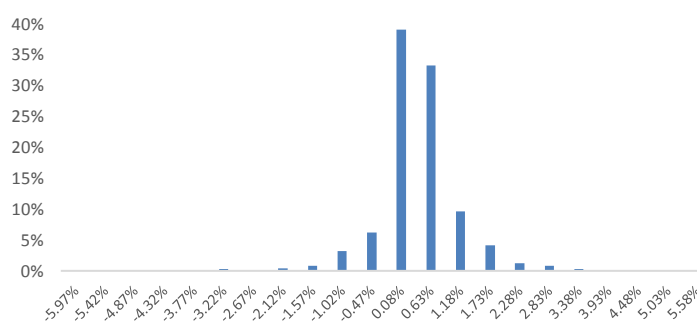
## PERFORMANCE

### 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 2020	AMD	USD*	EUR*
Average Monthly Returns	2.59%	2.42%	2.14%
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%
Since Inception	234.34%	209.57%	170.94%
Inception Annualised	37.86%	35.07%	30.36%
<b>December 2020</b>	<b>-6.79%</b>	<b>-9.67%</b>	<b>-11.77%</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

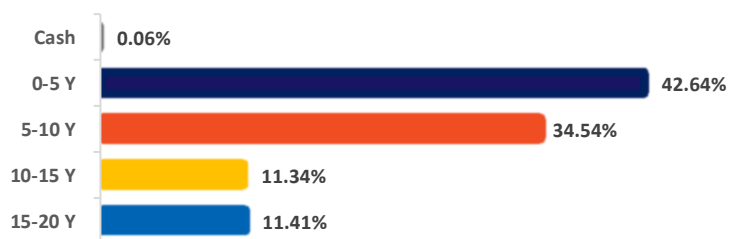
Average YTM	8.85%
Average Coupon	9.47%
Modified Duration of Bond Portfolio	5.21

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.58%	3.70%	4.15%
Sharpe Ratio (annualized)	1.83	1.61	1.20
% Gain Periods	57.96%	57.45%	51.84%
Value at Risk (parametric) – 95% (monthly)	-3.30%	-3.66%	-4.69%
Value at Risk (historical) – 95% (daily)	-1.02%	-1.07%	-1.22%
Conditional Value at Risk – 95% (daily)	-1.82%	-1.88%	-1.78%
Largest Drawdown	-17.05%	-19.12%	-21.23%

As of 31 December 2020, the weighted average yield to maturity of the portfolio stood at 8.85% per annum, a 0.05pps increase over November. The Fund's weighted average AMD borrowing rate increased to 6.02%.

During the month, financial leverage increased to 4.48x from 4.39x a month ago.

#### Portfolio maturity breakdown as of 31 December 2020



The Fund's total portfolio comprised 42.64% of assets with maturity of 0-5 years. Another 34.54% was allocated to Government bonds with maturity of 5-10 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.

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.