

## OVERVIEW

In August 2021 Glocal Profix AMD Fund demonstrated a disappointing performance by generating a negative return of 9.26%. This moved the year-to-date figure down to -4.58%. Consequently, the Fund's return since inception dropped to 219.02% equivalent to annualized return of 29.98%.

The positive performance of the Armenian economy continued in July 2021. The GDP increased by 5.8% y/y pushing the 7-month figure up to 5.2% y/y. The main drivers of economic activity were trade and services, which went up by 5.2% and 14.4% y/y, respectively. Industrial output expanded by 1.7% y/y, while construction grew by 2.2% y/y.

An impressive growth of 22.9% y/y was reported for external trade. Exports went up by 23.8% y/y, while imports rose by 22.4% y/y. The 7-month growth rates of exports and imports stood at 23.2% and 10.6% y/y, respectively. As a result, trade deficit narrowed by 5.0% to USD 1,023.4mln.

The CPI went up by 8.2% y/y in July. After the 50bps hike in the beginning of August, the refinancing rate of the Central Bank of Armenia remained unchanged at 7.0%. As of the end of August, the Armenian Dram depreciated against both USD and EUR, standing at AMD 493.12 and AMD 583.11, respectively.

In August, the Ministry of Finance of Armenia allocated Government bonds with a total volume of AMD 23.9bln. During the month, the yield of 10-year AMD-denominated Government bonds went up by 0.62pps m/m to 9.85%.

## FUND FACTS

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

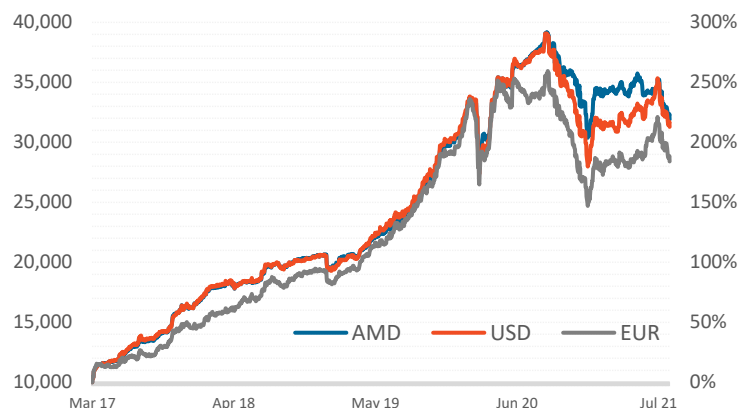
**NAV 31 August 2021 AMD 3,190.17**

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 11,501.72m
Net assets	AMD 2,856.30m
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.

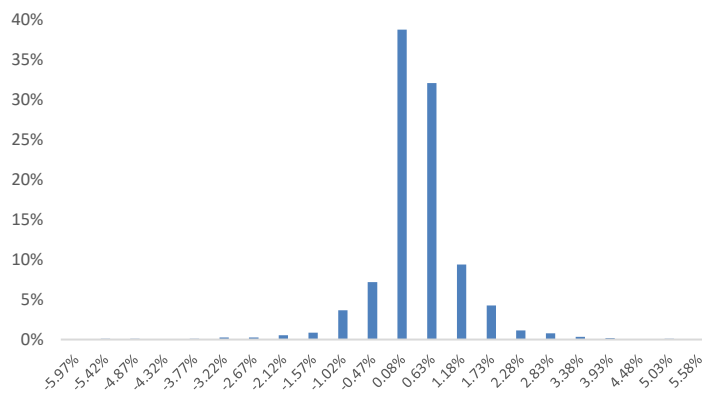
## PERFORMANCE

### 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 August 2021	AMD	USD*	EUR*
Average Monthly Returns	2.11%	2.08%	1.90%
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%
Since Inception	219.02%	213.03%	184.23%
Inception Annualised	29.98%	29.42%	26.63%
<b>August 2021</b>	<b>-9.26%</b>	<b>-10.52%</b>	<b>-10.00%</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

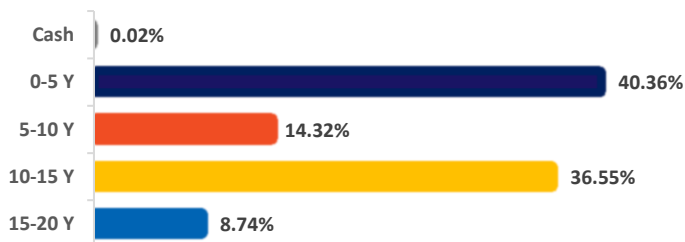
Average YTM	9.71%
Average Coupon	9.27%
Modified Duration of Bond Portfolio	5.39

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.67%	3.81%	4.24%
Sharpe Ratio (annualized)	1.24	1.16	0.90
% Gain Periods	55.77%	55.42%	50.74%
Value at Risk (parametric) – 95% (monthly)	-3.92%	-4.19%	-5.07%
Value at Risk (historical) – 95% (daily)	-1.08%	-1.10%	-1.23%
Conditional Value at Risk – 95% (daily)	-1.88%	-1.96%	-1.99%
Largest Drawdown	-22.47%	-28.40%	-31.31%

As of 31 August 2021, the weighted average yield to maturity increased by 0.20pps m/m to 9.71% per annum. At the same time, weighted average AMD borrowing rate of the Fund went up by 0.47pps m/m to 8.12%.

Financial leverage decreased to 4.03x from 4.08x a month ago.

### Portfolio maturity breakdown as of 31 August 2021



The Fund's total portfolio comprised 40.36% of assets with maturity of 0-5 years. Another 36.55% was allocated to Government bonds with maturity of 10-15 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.