

OVERVIEW

Glocal Profix AMD fund generated a positive return of 7.03% in July 2018. Our opinion was that the yields had bottomed, and we did not see much room for a further decline in the future. However, the July 17th auction came to prove the opposite; particularly, AMD 24bln of 30-year G-bonds were allocated at 11.37%, later on bringing the 30-year rates down to 10.78% by the end of the month. On average, mid-to-long term yields declined 36bps relative to June 2018.

The Fund's return since inception stood at 96.41%, or 65.68%, if annualized.

FUND FACTS

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

NAV 31 July 2018 **AMD 1,964.09**

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 4,618m
Net assets	AMD 1,372m
Auditors	Deloitte

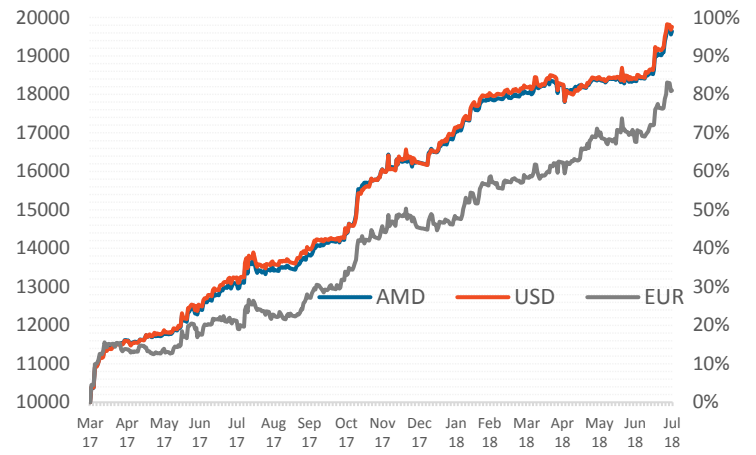
* Performance fee is calculated and charged once on redemption date. Any return over 20% annual compounded hurdle rate is subject to performance fee deductions.

Statistical data

Average YTM	10.23%
Average Coupon	10.67%
Modified duration	5.66

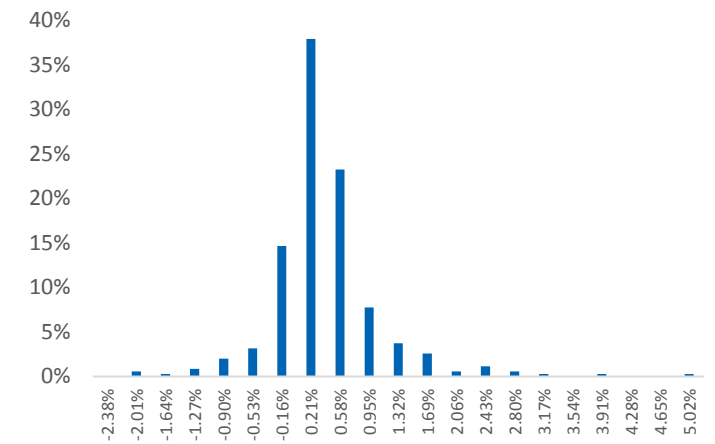
PERFORMANCE

Cumulative Performance Since Inception (per \$10K)



Net of management fees, operational costs, and taxes.

Relative Frequency Distribution of Daily Returns



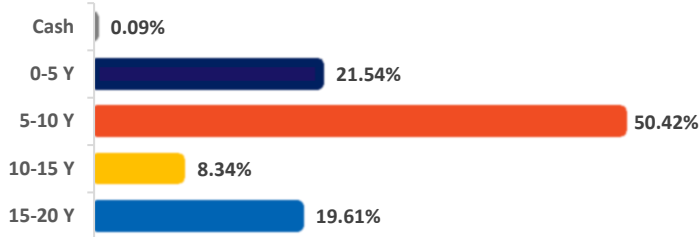
Returns to 31 July 2018	AMD	USD	EUR
Average Monthly Returns	4.07%	4.11%	3.58%
Q2 2017	24.16%	25.04%	17.68%
Q3 2017	11.31%	11.79%	8.07%
Q4 2017	17.43%	16.05%	14.29%
Q1 2018	11.19%	12.13%	9.01%
Q2 2018	1.69%	1.23%	5.86%
Since Inception	96.41%	97.60%	80.98%
Inception Annualised	65.68%	66.43%	55.85%
July 2018	7.03%	7.32%	7.90%

**The investment performance in AMD is translated to hypothetical performance in USD and EUR using daily rates provided by Central Bank of Armenia*

Risk Measures	AMD	USD	EUR
Standard Deviation of Returns (monthly)	3.32%	3.32%	3.94%
Sharpe Ratio (annualized)	3.42	3.46	2.45
% Gain Periods	60.63%	60.63%	53.45%
Value at Risk – 95% (monthly)	-1.38%	-1.35%	-2.89%

The weighted average yield to maturity of the portfolio's holdings was 10.23% per annum by the end of the month. The weighted average repo rate was 6.61% during July. Financial leverage of the portfolio stood at 3.4 by the end of the month.

Portfolio maturity breakdown as of July 31, 2018



Government bonds with 5-10 years until maturity comprise 50.42% of portfolios total assets. Cash balance amounts to 0.09% of total portfolio.

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.