

OVERVIEW

In December 2018, Glocal Profix USD fund reported an upsurge of 0.26%, thus bringing the FY 2018 annual return to 12.12%. This is a strong performance that should be seen as quite positive by the investors for the following reasons:

1. The Fund was able to exceed its target return of 10%. This comes to show the robustness of Glocal's strategy and proves that the target return is quite feasible at a stable macroeconomic environment.
2. The return is especially encouraging in light of large losses suffered by stock markets across the world. In particular, as of Dec. 2018 the US (measured by SP500), EU (measured by Stoxx600), Japanese (measured by Nikkei225), and Chinese (measured by SSE Composite index) markets declined by 7.01%, 10.62%, 14.85%, and 25.52%, respectively. The same negative results are observed for fixed income securities as well, given increases in interest rates worldwide. Of course, Glocal does not define those indices as a benchmark to measure its own performance, but the fact that there is little-to-no correlation between the Fund and those markets provides additional diversification benefits from the investor's perspective.

According to macro-indicators as of November 2018, the GDP of Armenia increased by 3.6%, with a year-to-date growth of 5.7%; the CPI changed by 1.8%.

A major portion of the growth came from Services and Electricity production – 17.5% and 8.3%, respectively – followed by Wholesale trade – 5.3%. The volumes of industrial output and construction remained on the same level; agricultural output declined for the second month in a row (8.3%). Total exports reached USD 2.2bln – 9% increase y-o-y; total imports reached USD 4.5bln – 24% increase y-o-y. Trade deficit of the country widened to USD 2.3bln. The Central bank's refinancing rate remained unchanged at 6%; yields on 10-year AMD-denominated G-bonds stood at 9.61% by the end of Dec. 2018, almost on the same level as a month ago. Armenian dram remained unchanged relative to USD and depreciated by 0.88% relative to EUR – 485.25 and 556.6, respectively.

The Fund's return since inception stood at 16.6%, rounding to 12.31% if annualized.

FUND FACTS

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

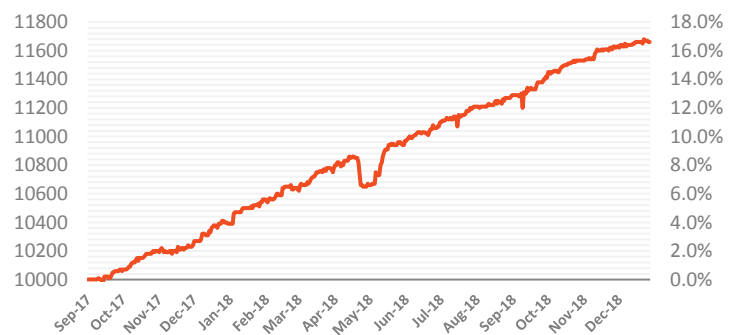
NAV 31 December 2018
USD 11.66

Type of fund	Fixed income, non-public, open-ended
Date of 1st NAV	1 September 2017
Base currency	USD
Holdings	Corporate Bonds
Refinancing instrument	Repurchase agreements
NAV Calculation	Daily
Expected target return	10% net to investors
Management fee	1.0% on NAV
Performance fee*	10% over a 10% hurdle return
Tax rate	0.01% of NAV
Initial investment, min.	USD 50,000
Subsequent investments, min.	USD 25,000
Distribution policy	Reinvesting
Unit custodian	Armenbrok Investment Company
Assets under management	USD 2.30m
Net assets	USD 768ths
Auditors	Deloitte

*Performance fee is calculated and charged once on redemption date. Any return over 10% annual compounded hurdle rate is subject to incentive fee deductions

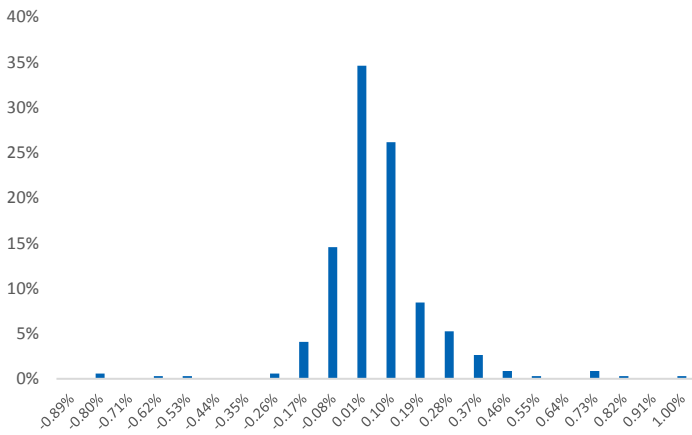
PERFORMANCE

Cumulative Performance Since Inception (per \$10K)



Net of management fees and operational costs and taxes.

Relative Frequency Distribution of Daily Returns



Returns to 31 December 2018

Average Monthly Returns	0.94%
Q4 2017	3.38%
Q1 2018	3.65%
Q2 2018	2.60%
Q3 2018	2.89%
Q4 2018	2.46%
Since Inception	16.60%
Inception Annualized	12.31%
December 2018	0.26%

Risk Measures

Standard Deviation of Returns (monthly)	0.78%
Sharpe Ratio (annualized)	3.18
Largest Drawdown	1.93%
% Gain Periods	79.07%
Value at Risk – 95% (monthly)	-0.34%

By Sector

Banks	68.55%
Other Financial Institutions	30.74%
Cash	0.71%

By Currency

USD	99.31%
AMD	0.69%

Weighted by fair value

The share of USD denominated corporate bonds in the portfolio equaled to 99.31%, with the remaining 0.69% held in cash.

Statistical data

Average YTM	5.94 %
Average Coupon	6.39 %
Average Maturity	0.85 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.