



capital  
asset  
management

CAM Government Securities  
Investment Fund  
Financial statements  
and Independent Auditor's Report  
For the year ended 31 December 2024

April 2025  
Yerevan

**Disclaimer**

The attached report was originally prepared in Armenian and then translated into English for the convenience of readers. In the event of any differences between the English and Armenian versions, the Armenian will prevail.

## CAM Government Securities Investment Fund

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## INDEPENDENT AUDITOR'S REPORT

*To the unit holders of CAM Government Securities Investment Fund*

### Opinion

We have audited the accompanying financial statements of CAM Government Securities Investment Fund ("the Fund") which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unit holders and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the management and those charged with governance for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operation, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements arise from fraud and error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain



professional skepticism throughout the procedure. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Among other issues, we inform those charged with governance about the scope and timing of the audit, as well as significant findings identified during the audit, including any significant deficiencies in the internal control.

25 April 2025  
"BDO Armenia" CJSC



Vahagn Sahakyan, FCCA  
Managing Partner



Davit Yedigaryan, FCCA  
Engagement Partner

CAM Government Securities Investment Fund

Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2024

	Note	2024 AMD'000	2023 AMD'000
Interest income	5	67,657	56,458
Interest expense	6	(4,955)	(7,036)
Net gain from financial assets at fair value through profit or loss	7	26,772	36,683
Investment management fees	8	(6,830)	(4,919)
Custodian fees		(1,020)	(805)
Commissions		(165)	(34)
Gain (loss) from foreign exchange purchase and sale transactions		(29)	-
Net gain/(loss) from revaluation of foreign exchange		(5)	(18)
<b>Profit before tax</b>		<b>81,425</b>	<b>80,329</b>
<b>Income tax compensation</b>		<b>(68)</b>	<b>(54)</b>
<b>Profit after compensation</b>		<b>81,357</b>	<b>80,275</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income</b>		<b>81,357</b>	<b>80,275</b>
<b>Increase in net assets attributable to unit holders</b>		<b>81,357</b>	<b>80,275</b>

*The financial statements from pages 6 to 23 were approved by the Management on 25 April 2025 and signed by:*

\_\_\_\_\_  
Alik Arakelyan  
Chief Executive Officer

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Shushan Baghdasaryan  
Chief Accountant  
Authorized Representative of  
"Nexia Armenia" CJSC

CAM Government Securities Investment Fund

Statement of financial position  
As at 31 December 2024

	Note	2024 AMD'000	2023 AMD'000
<b>Assets</b>			
Cash and cash equivalents		30,233	17,941
Financial assets at fair value through profit or loss	9	793,370	570,380
<b>Total assets</b>		<b>823,603</b>	<b>588,321</b>
<b>Liabilities</b>			
Income tax liability		68	54
Other liabilities		1,000	645
<b>Total liabilities</b>		<b>1,068</b>	<b>699</b>
 <b>Net assets attributable to unit holders</b>	 10	 822,535	 587,622
 <b>Total net assets and liabilities attributable to Unit holders</b>		 <b>823,603</b>	 <b>588,321</b>

CAM Government Securities Investment Fund

Statement of cash flows  
for the year ended 31 December 2024

	2024 AMD'000	2023 AMD'000
<i><b>Cash flows from operating activities</b></i>		
Interest received	64,437	54,787
Interest paid	(4,955)	(7,617)
Purchase of financial assets at fair value through profit or loss (Purchase)/ Proceeds from sale of financial assets at fair value through profit or loss	196,470	(4,458)
Net flows from foreign exchange purchase and sale	(389,471)	131,588
Operating expenses paid	(29)	-
Income tax paid	(7,671)	(5,687)
Net cash from/used for reverse repurchase agreements	(54)	(15)
<b>Net cash flows from operating activities</b>	<b>(141,273)</b>	<b>2,538</b>
<i><b>Cash flows from financing activities</b></i>		
Proceeds from issue of units	185,692	15,096
Payments on redemptions of units	(32,128)	(3,633)
<b>Net cash flows from financing activities</b>	<b>153,564</b>	<b>11,463</b>
Net increase in cash and cash equivalents	12,291	14,001
Cash at the beginning of the year	17,941	3,940
Effect of changes in exchange rates on cash and cash equivalents	1	-
<b>Cash at the end of the year</b>	<b>30,233</b>	<b>17,941</b>



**CAM Government Securities Investment Fund**

**Statement of changes in net assets attributable to unit holders  
for the year ended 31 December 2024**

	Note	Net assets attributable to unit holders AMD'000
<b>Balance as at 1 January 2024</b>		<b>587,622</b>
<b>Issuance and redemptions of units</b>		
Issuance of units	10	185,692
Redemption of units	10	(32,128)
<b>Net increase from unit transactions</b>		<b>153,564</b>
Increase in net assets attributable to unit holders for the year		<b>81,357</b>
<b>Balance as at 31 December 2024</b>	<b>10</b>	<b>822,535</b>

  

	Note	Net assets attributable to unit holders AMD'000
<b>Balance as at 1 January 2023</b>		<b>495,902</b>
<b>Issuance and redemptions of units</b>		
Issuance of units	10	15,096
Redemption of units	10	(3,651)
<b>Net decrease from unit transactions</b>		<b>11,445</b>
Decrease in net assets attributable to unit holders for the year		<b>80,275</b>
<b>Balance as at 31 December 2023</b>	<b>10</b>	<b>587,622</b>

CAM Government Securities Investment Fund

Index to notes forming part of the financial statements  
For the year ended 31 December 2024

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## 1. About the Fund

CAM Government Securities Investment Fund (the CAM GSF or the Fund) is an open-ended contractual investment fund. The Fund represents an investment fund which has a short and long-term growth objective. The Fund was incorporated on the 30 April 2013 for an unlimited duration as an open-ended investment company under the laws of RA and under the decision 123-A of Central Bank of Armenia (CBA). The Fund's investment activities are managed by "Capital Asset Management" cjsc (the Manager) which was founded on 18 October 2012 and registered with CBA as an investment fund manager with granted license number 1. The Fund's registered office is 7 Argishti, 1st floor office 101, Yerevan, Republic of Armenia. The only shareholder of the "Capital Asset Management" CJSC is Tigran Karapetyan.

The Fund's main objective is to provide current income and stable growth of capital in Government Bonds and Central Bank Securities, as well as Standard & Poor's BBB Group (BBB), Moody's Baa Group (Baa3) or Fitch's BBB Group (BBB), by investing in Securities backed by guarantees or guarantees issued by foreign governments, central banks or other government entities rated BBB or higher, provided that the transactions are executed with regulated counterparties and the instrument provides sufficient liquidity and fair value determination.

The Fund's units are redeemable at the holder's option. The units cannot be traded on the stock exchange.

### Armenian business environment

The Fund's operations are located in Armenia. Consequently, the Fund is exposed to the effects of changes of economic and financial markets of Armenia. The legal, tax, and regulatory frameworks continue to develop, although are subject to different interpretations and frequent changes, which, together with other legal and financial obstacles, creates extra difficulties for companies operating in Armenia.

In February 2022, due to the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict continues to affect not only the economic activity of both countries, but also the global economy. As a result of the sanctions, commodity prices have risen in many countries of the world, established links between resource supplies have been disrupted, inflation is also affecting prices, and analysts are also predicting economic consequences for global industry.

The level of business activity in the Russian Federation also has a significant impact on the economic environment of the Republic of Armenia, as there are significant flows of funds from the Russian Federation to the Republic of Armenia. Therefore, the political tension in the region, international sanctions, stock market instability, acute inflation and other risks the Russian Federation is facing may have a negative impact on the RA economy.

Armenian economy has successfully resisted existing global turbulences and managed to register impressive macroeconomic indicators both in 2024 and 2023, mainly due to tourism, reallocation of number of companies into Armenia and significant increase of remittances. All the mentioned factors have resulted in an 8.1% increase in GDP during the period of January-October 2024. The government's 2021-2026 economic program seeks to advance an export-oriented and investment-driven growth model through a broad-based reform effort.

Such an environment has a significant impact on the Fund's operations and its financial situation. The Fund undertakes the necessary activities to ensure the stability of its operations. Nevertheless, given the unpredictable nature of events, the Management does not have the ability to give a reliable assessment of the impact such circumstances will have on the Fund's financial position for the coming years.

The future effects of the current economic situation and the actions to be taken by the Government are difficult to predict, and the Fund's management's current expectations and estimates may differ from actual results.

## Investment structure

Bonds' description	Currency	Coupon yield	Repayment schedule	Maturity date	31 December 2024		31 December 2023	
					Nominal value AMD'000	Fair value AMD'000	Nominal value AMD'000	Fair value AMD'000
Government bonds	AMD	13.00%	semi-annual	17/02/2032	200,000	241,961	200,000	236,583
Government bonds	AMD	9.00%	semi-annual	29/10/2029	-	-	8,000	7,519
Government bonds	AMD	13.00%	semi-annual	29/10/2036	20,000	24,783	20,000	23,797
Government bonds	AMD	8.00%	semi-annual	29/10/2031	50,000	45,534	165,000	147,416
Government bonds	USD	3.95%	semi-annual	26/09/2029	79,312	71,175	80,958	68,222
Government bonds	AMD	7.00%	semi-annual	29/04/2026	30,000	29,631	30,000	28,108
Government bonds	AMD	9.40%	semi-annual	29/04/2027	60,000	60,750	60,000	58,735
Government bonds	AMD	9.25%	semi-annual	29/04/2028	100,000	100,201	-	-
Government bonds	AMD	9.60%	semi-annual	29/10/2033	220,000	219,335	-	-
						<u>793,370</u>		<u>570,380</u>



## 2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

The principal accounting policies adopted in the preparation of the financial statements are set out in note 11. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in Armenian Drams (AMD), which is also the Fund's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and judgments. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

### *Basis of measurement*

The financial statements have been prepared on historical cost basis, except for financial instruments measured at fair value through other comprehensive income.

### *Changes in accounting policies*

#### *a) New standards, interpretations and amendments effective from 1 January 2024*

The following changes apply to the periods starting from 1 January 2024:

- *Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)*
- *Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)*
- *Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)*
- *Non-current Liabilities with Covenants (Amendment to IAS 1).*

These amendments did not have a material impact on the Fund in the current or future reporting periods.

#### *(b) Standards, interpretations and amendments, issued but not yet effective*

There are a number of standards, amendments to standards and interpretations issued by the IASB that are effective for future reporting periods, which the Company has elected not to adopt early.

*The following amendments are effective for annual periods beginning on or after 1 January 2025:*

- *Lack of Exchangeability (Amendment to IAS 21)*

*The following changes will enter into force for the period starting on 1 January 2026:*

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*
- *Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)*

## CAM Government Securities Investment Fund

### Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

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*The following changes will enter into force for the periods starting on 1 January 2027:*

- *IFRS 18 Presentation and Disclosure in Financial Statements*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosure.*

Certain amendments to IFRSs and Accounting Standards, issued that are not mandatory for reporting periods ending December 31, 2024 have not been early adopted by the Fund.

### 3. Critical accounting estimates and judgements

The Fund makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual outcome may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Fair value measurement*

The fair value measurement of the Fund's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- *Level 1:* Quoted prices in active markets for identical items (unadjusted);
- *Level 2:* Observable direct or indirect inputs other than Level 1 inputs;
- *Level 3:* Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. The Fund measures certain assets at fair value (Note 9).

### 4. Financial instruments - Risk Management

The Fund is exposed through its operations to the following financial risks:

- Credit risk,
- Interest rate risk,
- Liquidity risk,
- Foreign exchange risk.

The Fund is exposed to risks that arise from its use of financial instruments. This note describes the Fund's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Fund may maintain positions in a variety of derivative and non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio consists entirely of debt government securities. The restrictions on the investment portfolio of the Fund are also regulated by the decision 337-N of the Board of CBA dated 6 December 2011.

There have been no substantive changes in the Fund's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from previous periods.

# CAM Government Securities Investment Fund

## Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

### (a) Principal financial instruments

The principal financial instruments used by the Fund, from which financial instrument risks arise, are as follows:

- Financial assets at fair value through profit or loss;
- Receivables on reverse repurchase agreements;
- Cash and cash equivalents;
- Payables on repurchase agreements;
- Other payables.

### (b) Financial instruments by category

	Fair value		Amortized cost	
Financial assets	2024	2023	2024	2023
	AMD'000	AMD'000	AMD'000	AMD'000
Cash and cash equivalents	-	-	30,233	17,941
Financial assets at fair value through profit or loss	793,370	570,380	-	-
<b>Total</b>	<b>793,370</b>	<b>570,380</b>	<b>30,233</b>	<b>17,941</b>
Financial liabilities	2024	2023	2024	2023
	AMD'000	AMD'000	AMD'000	AMD'000
Other liabilities	-	-	1,000	645
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>645</b>

### (c) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents and other liabilities, whose carrying amount equals fair value due to their short-term nature.

### (d) Financial instruments measured at fair value

Financial Instruments fair value hierarchy is presented below:

December 31	Level 2	
	2024 AMD'000	2023 AMD'000
Financial assets at fair value through profit or loss	793,370	570,380

Appendix A details the fair value hierarchy and significant unobservable inputs relating to valuation techniques that are included in Level 3 of the fair value hierarchy.

## CAM Government Securities Investment Fund

### Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

#### *Credit Risk*

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Fund bears credit risk primarily on investing activities and bank balances. The Fund seeks to control its credit risks by applying monitored investment strategy as well as sound selecting of servicing banking partners. The Fund may enter into secured financing transactions such as sale and repurchase agreements or purchase and resale agreements. For secured transactions involving repurchase and resale agreements, the Fund is permitted to sell or repledge the securities held as collateral and use these securities to enter into securities lending arrangements or to deliver to counterparties to cover any short positions.

The Fund has developed policies and procedures to manage credit risk (both for recognized financial assets and unrecognized contractual liabilities).

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and in unrecognized contractual commitments. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The amount of exposure of financial assets to credit risk as of the reporting date is presented below:

	2024 AMD'000	2023 AMD'000
Cash and cash equivalents	30,233	17,941
Financial assets at fair value through profit or loss	793,370	570,380
<b>Total</b>	<b>823,603</b>	<b>588,321</b>

#### *Cash at bank*

The Fund believes that the loss risk of cash at bank can be deemed as insignificant, since the financial institutions selected for investment of the funds are reliable and authoritative. Cash and cash equivalents are kept in one financial institution.

#### *Liquidity risk*

Liquidity risk arises from the Fund's finance charges and principal repayments on its debt instruments. It is the risk that the Fund will encounter difficulty in meeting its financial obligations as they fall due.

The factors which influence the position of the cash and cash flows include investment activities with securities, temps of subscriptions, and maturity of shares. The combination of other factors can cause essential fluctuations in the cash position of a certain period.

The Fund's policy is to ensure that it will always have sufficient cash available to meet its liabilities when they become due.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities

	31 December 2024 AMD'000	31 December 2023 AMD'000
Up to 3 months		
Other liabilities	1,000	645
	<b>1,000</b>	<b>645</b>

#### *Interest rate risk*

The Fund is exposed to the risk of fluctuations in the fair value or income/future cash flows of a



# CAM Government Securities Investment Fund

## Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

portfolio of financial instruments as a result of fluctuations in market interest rates. The Fund's policy for interest-bearing financial instruments is to transact with financial instruments with maturities that best correspond to the maturities of financial liabilities. However, exposure to interest rate risk can be high as a result of fluctuations in interest rates prevailing in the market.

### Foreign exchange risk

Foreign exchange risk arises from recognized financial assets and liabilities that are not denominated in the Fund's functional currency. As of the reporting date, the Fund's exposure to foreign currency risk is due to its USD-denominated funds.

The table below shows the effect of changes in foreign exchange rates as of the reporting date:

	31.12.2024	31.12.2023
Financial assets measured at fair value through profit and loss	AMD'000	AMD'000
USD	71,174	68,222
Net currency position	<u>71,174</u>	<u>68,222</u>

As of the reporting date, the impact of a 10% strengthening of the US dollar against the AMD on financial instruments denominated in US dollars (if other data remain unchanged) would lead to an increase in the profit for the year (after tax) and net assets by 7,117 thousand AMD (6,822 thousand AMD in 2023), while a 10 % weakening would lead to a decrease in the profit for the year (after tax) and net assets by the same amounts.

### 5. Interest income

	2024 AMD'000	2023 AMD'000
Government treasury bonds	67,594	56,366
Interest income on bank accounts	63	92
	<u>67,657</u>	<u>56,458</u>

### 6. Interest expense

	2024 AMD'000	2023 AMD'000
Repurchase agreements	4,955	7,036
	<u>4,955</u>	<u>7,036</u>

### 7. Net gain/(loss) from financial assets at fair value through profit or loss

	2024 AMD'000	2023 AMD'000
Government treasury bonds	26,772	36,683
	<u>26,772</u>	<u>36,683</u>

## CAM Government Securities Investment Fund

### Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

#### 8. Investment management fees

The Manager is entitled to receive an annual bonus of 0.4% for Class A, 1.0% for Class B and 1.85% for Class C of the net asset value of the Fund calculated and accrued for each operating day, payable in monthly installments. The manager's bonus calculated for the reporting year was AMD 6,830 thousand (2023: AMD 4,919 thousand), of which AMD 718 thousand was payable as of December 31, 2024 (2023: AMD 430 thousand).

#### 9. Financial assets at fair value through profit or loss

	2024	2023
	AMD'000	AMD'000
Government treasury bonds	793,370	570,380
	<u>793,370</u>	<u>570,380</u>

#### 10. Net assets attributable to unit holders

The Fund has issued units of Class A, Class B, and Class C. Net asset values per class of units are determined on a daily basis (after deduction of general expenses from total fund assets) in proportionate to net asset values of the prior day and application of management fees at rates attributable to each class of units. Redeemable shares can be put back to the fund at any time for cash equal to a proportionate share of the Fund's net asset value attributable to the unit. The redeemable shares are classified as financial liabilities and are measured at the redemption amounts.

The movements in the number of units and net assets attributable to unitholders were as follows:

2024				
	Class			
<u>Number of units</u>	A	B	C	Total
Balance at January 1	45,681	104,691	21,972	172,344
Issue of units	583	-	53,004	53,587
Redemption of units	(6,100)	(150)	(1,691)	(7,941)
Balance at December 31	40,164	104,541	73,285	217,990

  

2023				
	Class			
<u>Number of units</u>	A	B	C	Total
Balance at January 1	46,400	103,538	18,653	168,591
Issue of units	31	1,501	3,319	4,851
Redemption of units	(750)	(348)	-	(1,098)
Balance at December 31	45,681	104,691	21,972	172,344

**CAM Government Securities Investment Fund**

**Notes forming part of the financial statements  
for the year ended 31 December 2024 (continued)**

<b>2024</b>				
<i>in thousand drams</i>	<b>A</b>	<b>Class B</b>	<b>C</b>	<b>Total</b>
Balance at January 1	164,899	354,548	68,175	587,622
Issue of units	2,192	-	183,500	185,692
Redemption of units	(24,046)	(573)	(7,518)	(32,136)
Increase in net assets attributable to unit holders	22,355	47,499	11,504	81,357
<b>Balance at December 31</b>	<b>165,400</b>	<b>401,474</b>	<b>255,661</b>	<b>822,535</b>

  

<b>2023</b>				
<i>in thousand drams</i>	<b>A</b>	<b>Class B</b>	<b>C</b>	<b>Total</b>
Balance at January 1	143,465	302,140	50,297	495,902
Issue of units	96	5,000	10,000	15,096
Redemption of units	(2,551)	(1,100)	-	(3,651)
Increase in net assets attributable to unit holders	23,889	48,508	7,878	80,275
<b>Balance at December 31</b>	<b>164,899</b>	<b>354,548</b>	<b>68,175</b>	<b>587,622</b>

Units in the Fund are offered at their net asset value per Unit ("NAV") on each business day, information available at 15.00 of the preceding day ("NAV Determination Time"). A business day shall mean a day on which the Armenian Stock Exchange is open. Units will be redeemed at the NAV as of the relevant NAV Determination Time. Investment income earned by the Fund is accumulated and reinvested in the Fund and included in the determination of unit values.

As of the closing of the last operating day of 2024 the NAVs per unit at which redemptions and subscriptions were available for transactions were as follows:

<b>Class</b>	<b>2024</b>	<b>2023</b>
	<b>AMD</b>	<b>AMD</b>
A	4,118.18	3,609.86
B	3,840.32	3,386.61
C	3,488.53	3,102.72

## **11. Accounting policy**

### ***Foreign currency transactions***

Transactions in foreign currency are converted into the functional currency at the closing exchange rate as of the day of the transaction, and at the average exchange rate announced by the CBA in case of closing price absence.

Monetary assets and liabilities in foreign currency are converted into the functional currency at the exchange rate as of the last day of the reporting period. Non-monetary assets and liabilities in foreign currencies that are measured at fair value are recalculated at the current exchange rate, on the date the fair value of the functional currency is determined.

Exchange differences resulting from the recalculation (revaluation) of foreign currency items are recognized in profit or loss as a net gain (loss) from foreign exchange differences, except for financial instruments measured at fair value through profit or loss, which are recognized as element of the net gain or loss arising from the remeasurement of financial instruments measured at fair value through profit or loss.

## CAM Government Securities Investment Fund

### Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

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#### *Stock transactions and investment income*

Stock transactions are accounted for at the date of the transaction (sale or purchase of securities). Interest income is accounted on an accrual basis. Dividends are accounted on the date of the previous dividends. The value of securities is calculated based on a weighted average cost.

Short-term and fixed return investments, discounts and commission charges are amortised and classified as investment income. Cost of sold securities is measured by amortised value.

#### *Expenses*

All expenses, proper charges, and disbursements of the Manager in the performance of its duties under the CAM Government Securities Investment Fund Rules may be charged to the Fund. The management fee charged from the Fund is set out in Note 8.

#### *Financial instruments*

The Fund recognizes the financial assets and liabilities in the statement of financial position when it becomes a party to the financial instrument contract. Regular way purchases and sales of financial assets and liabilities are accounted for at the end of the reporting period. Regular way purchases or sales of financial instruments are the purchase or sale of financial assets that require delivery of the assets within the time frame established generally by regulation or convention, in the marketplace concerned.

Financial assets or liabilities are initially measured at fair value. In the case of financial assets or liabilities that are not classified in the group of financial instruments measured at fair value through profit or loss, the transaction costs are added (or removed) to the fair value, which are directly attributable to the purchase or issue of a financial asset or liability. Transaction costs that are directly attributable to acquisition of financial assets or financial liabilities "measured at fair value through profit or loss" are recognized immediately in profit or loss.

#### *Financial assets*

Financial assets are classified in the following categories: (a) financial assets measured at fair value through profit or loss (FVTPL); (b) financial assets measured at fair value through other comprehensive income (FVOCI); c) financial assets measured at amortized cost. The classification depends on the nature of the cash flows resulting from the financial assets and the business model, under which the asset is held and designated at the time of initial recognition.

Financial asset is classified as "measured at fair value through profit or loss" if it is classified neither as measured at amortized cost (as described below) nor as measured at FVOCI (as described below). Additionally, at initial recognition, the Fund may irrevocably designate any financial asset (which meets the criteria for being measured at amortized cost or at FVOCI), as measured at FVTPL, if this eliminates or essentially reduces the accounting mismatch that could otherwise have arisen.

A financial asset is classified as measured "at fair value through other comprehensive income" (FVOCI) if:

- It is held under a business model, which aims at collecting contractual cash flows and selling financial assets; and
- At initial recognition, it forms a part of the portfolio of certain financial instruments managed jointly by the Fund and has a realistic possibility of short-term profit making; or
- Its contractual terms give rise to cash flows on specified dates, which are solely interest payments on principal and outstanding principal.



## CAM Government Securities Investment Fund

### Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

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A financial asset is classified as measured "at amortized cost" if it complies with the following two conditions and has not been designated as measured at FVTPL:

- It is held under a business model, which aims at holding assets to collect contractual cash flows; and
- Its contractual terms give rise to cash flows on the specified dates, which are solely interest payments on principal and outstanding principal.

Financial assets, which are debt instruments and are not classified as measured at FVPOL, are subject to impairment test using the expected credit loss model. According to this model, a credit loss provision should be recognized in the amount of expected credit losses (ECL) during 12 months after the reporting date. However, if the instrument's credit risk has significantly increased since its initial recognition, the provision should be recognized for the whole life of the instrument in the amount of ECL.

#### *Derecognition of financial assets*

The Fund derecognises financial assets when the contractual rights with respect to cash flows resulting from the financial asset become void, or when these rights are transferred to a third party. If the Fund substantially neither transfers nor retains all the risks and returns related to ownership of the financial asset, but retains control over the transferred asset, the Fund continues to recognize the financial asset, as well as its associated liability to the extent that its involvement in the financial asset is kept. If the Fund substantially retains all the risks and returns related to ownership of the financial asset, the Fund shall continue to recognize the financial asset, as well as the borrowing pledged as collateral for the received return.

#### *Financial liabilities*

Financial liabilities are classified as measured "at fair value through profit or loss" (FVTPL) or as measured "at amortized cost".

#### *Financial liabilities measured at fair value through profit or loss*

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for sale or classified as measured at fair value through profit or loss.

A financial liability is classified as held for sale if:

- it has been acquired primarily for a short-term repurchase; or
- at initial recognition, it forms a part of the portfolio of certain financial instruments managed jointly by the Fund and has a realistic possibility of short-term profit making; or
- it is a derivative instrument that is not intended or used as a hedging tool.

A financial liability not held for trading purposes may be classified as measured at FVTPL at the time of recognition, if:

- such classification excludes or significantly reduces the measurement or recognition mismatch that would otherwise have occurred; or
- a financial liability forms a part of financial assets, financial liabilities, or the group of assets and liabilities, all of which is managed and whose performance is evaluated on a fair value basis in accordance with the Fund's documented risk management or investment strategy, and the grouping information is provided internally on these grounds; or
- It is a part of the contract, that contains one or more of the embedded derivatives, and the entire contract (assets or liabilities) is classified as measured at FVTPL.

## CAM Government Securities Investment Fund

### Notes forming part of the financial statements for the year ended 31 December 2024 (continued)

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Financial liabilities measured at FVTPL are presented at fair value, and the gain or loss arising from their remeasurement is recognized in profit or loss except for the change in the fair value from the part attributable to the credit risk, which is presented in other comprehensive income.

#### *Financial liabilities measured at amortized cost*

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, recognizing the interest expense on the basis of efficiency.

#### *Derecognition of financial liabilities*

The Fund derecognizes a financial liability only when the Fund's obligations are repaid, canceled, or become void. When a financial liability to the same lender is replaced by another financial liability (the terms of which substantially vary from the previous one), or there has been a material change in the terms of the present liability, such replacement or change is recognized as derecognition of the original liability and recognition of a new liability. The difference between the carrying amount of the derecognized financial liability, and compensation paid and payable is recognized in the statement of comprehensive income.

#### *Redeemable units and net assets attributable to holders of redeemable units*

The Fund offers the following three classes of units: Class A, Class B and Class C, which are equal in material respects and have the same terms, except for the manager's bonus rate, issuance and redemption fees and investment policy. Redeemable units may be returned to the Fund for monetization at any time, provided they are held for at least two years and are equal to the Fund's pro rata amount of the net asset value attributable to the unit.

Redeemable units are issued and redeemed based on the Fund's net asset value per unit, calculated by dividing the Fund's net assets in accordance with the Fund's rules. Proceeds received and payments made for units issued and redeemed are recorded as movement in the statement of changes in net assets attributable to unit holders.

#### *Repurchase and reverse repurchase transactions with securities*

The Fund has contracts for the sale and repurchase of financial assets, as well as contracts for the purchase and resale of financial assets. The Fund uses repurchase and reverse repurchase agreements as an element of its treasury management. A repo agreement is a transfer of a financial asset to another party for a fee or other consideration and a corresponding obligation to repurchase that financial asset at a future date for the amount of cash or other consideration used in the exchange, plus interest. These contracts are accounted for as financial transactions. Financial assets that are sold under repurchase agreements continue to be presented in the financial statements, and the consideration received for these agreements is recorded as a security deposit in deposit instruments with banks.

The Fund enters repurchase agreements under which it receives or transfers collateral in accordance with market practice. A transfer of securities to counterparties is only reflected in the statement of financial position if the risks and rewards of ownership are also transferred.

#### *Taxation*

Under the present law governing the Investment Funds in Armenia, the Fund is not subject to tax on income, profits or capital gains or other taxes payable. The Fund is taxed at 0.01% based on total net assets annually.

**CAM Government Securities Investment Fund**

**Notes forming part of the financial statements**  
**for the year ended 31 December 2024 (continued)**

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**Annex A. Fair Value measurement disclosures**

The following table sets out the valuation techniques used in the determination of fair values including the key unobservable inputs used and the relationship between unobservable inputs to fair value as of 2024 and 2023:

Item	Fair value, AMD'000	2024	Fair value hierarchy level	Significant unobservable inputs
		Valuation technique		
Financial assets at fair value through profit or loss	793,370	Quoted price or value of contractual cash flows discounted at market interest rates	Level 2	Not applicable
Other liabilities	1,000	The carrying amount of short term (less than 12 months) payable approximates its fair value.	Level 3	None
Item	Fair value, AMD'000	2023	Fair value hierarchy level	Significant unobservable inputs
		Valuation technique		
Financial assets at fair value through profit or loss	570,380	Quoted price or value of contractual cash flows discounted at market interest rates	Level 2	Not applicable
Other liabilities	645	The carrying amount of short term (less than 12 months) payable approximates its fair value.	Level 3	None