



capital
asset
management

CAMavor 2 Pension 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.

CAMavor 2 Pension Fund

Contents

4	Independent Auditor's Report
6	Statement of profit or loss and other comprehensive income
7	Statement of financial position
8	Statement of cash flows
9	Statement of changes in net assets attributable to unit holders
10	Index to notes forming part of the financial statements
11	Notes forming part of the financial statements

INDEPENDENT AUDITOR'S REPORT

To the unit holders of CAMavor 2 Pension Fund

Opinion

We have audited the accompanying financial statements of CAMavor 2 Pension 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

CAMavor 2 Pension 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	4,965	9,750
Net gain from financial assets at fair value through profit or loss		700	2,933
Total operating gain/(loss)		5,665	12,683
Investment management fees	6	(1,180)	(2,699)
Gain (loss) from foreign exchange purchase and sale transactions		(332)	(155)
Custodian fees		(88)	(202)
Commission expense		(44)	(12)
Total operating expenses		(1,644)	(3,068)
Profit for the year		4,021	9,615
Other comprehensive financial result		-	-
Comprehensive financial result		4,021	9,615
Increase in net assets attributable to unit holders		4,021	9,615

The financial statements from pages 6 to 22 were approved by the Management on 25 April 2025 and signed by:

Alik Arakelyan
Chief Executive Officer

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

CAMavor 2 Pension Fund
Statement of financial position
As at 31 December 2024

	Note	2024 AMD'000	2023 AMD'000
Assets			
Cash and cash equivalents		3,635	10,524
Financial assets at fair value through profit or loss	7	41,575	109,505
Total assets		<u>45,210</u>	<u>120,029</u>
Liabilities			
Payables		163	1,265
Total liabilities		<u>163</u>	<u>1,265</u>
Net assets attributable to unit holders	8	45,047	118,764
Total liabilities and net assets attributable to unit holders		<u>45,210</u>	<u>120,029</u>

CAMavor 2 Pension Fund
Statement of cash flows
for the year ended 31 December 2024

	2024 AMD'000	2023 AMD'000
<i>Cash flows from operating activities</i>		
Interest received	4,530	9,482
Proceeds from sale of financial assets at fair value through profit or loss	78,698	29,819
Outflows from the acquisition of financial assets measured at fair value through profit or loss	(9,639)	-
Gain (loss) from foreign exchange purchase and sale transactions	(332)	(155)
Operating expenses paid	(2,238)	(11,730)
Net cash flows from operating activities	71,019	27,416
<i>Cash flows from financing activities</i>		
Proceeds from issue of units	2,348	13,862
Payments on redemptions of units	(80,260)	(36,656)
Net cash flows from financing activities	(77,912)	(22,794)
Net (decrease)/increase in cash and cash equivalents	(6,893)	4,622
Cash at the beginning of the year	10,524	5,912
Effect of change in exchange rate on cash and cash equivalents	4	(10)
Cash at the end of the year	3,635	10,524

CAMavor 2 Pension 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
Balance at 1 January 2024		<u>118,764</u>
Issuance and redemptions of units		
Issuance of units	8	2,348
Redemption of units	8	(80,086)
Net increase from unit transactions		<u>(77,738)</u>
Increase in net assets attributable to unit holders for the year		<u>4,021</u>
Balance at 31 December 2024	8	<u>45,047</u>

	Note	Net assets attributable to unit holders AMD'000
Balance at 1 January 2023		<u>141,463</u>
Issuance and redemptions of units		
Issuance of units	8	13,740
Redemption of units	8	(46,054)
Net increase from unit transactions		<u>(32,314)</u>
Increase in net assets attributable to unit holders for the year		<u>9,615</u>
Balance at 31 December 2023	8	<u>118,764</u>

CAMavor 2 Pension Fund
Index to notes forming part of the financial statements
For the year ended 31 December 2024

Contents

INDEPENDENT AUDITOR'S REPORT	4
1. About the Fund	11
2. Basis of preparation	13
3. Critical accounting estimates and judgements	14
4. Financial instruments - Risk Management	14
5. Interest income	17
6. Investment management fees	17
7. Financial assets at fair value through profit or loss	17
8. Net assets attributable to unit holders	17
9. Accounting policy	18
Annex A. Fair value measurement disclosures	22

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

1. About the Fund

CAMavor 2 Pension Fund (the CAMavor 2 or the Fund) is an open-ended contractual investment fund. The Fund was incorporated on 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 the Central Bank of Armenia (CBA).

The Fund's investment activities are managed by "Capital Asset Management" CJSC (the Manager) 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 Manager is Tigran Karapetyan.

The custodian of the Fund is VTB Bank (Armenia) CJSC.

The investment objective of the Fund is to achieve consistent medium-term returns while safeguarding capital by investing in a diversified portfolio of equity securities, interest bearing securities and related derivatives in several currencies.

Fund assets may be invested in fixed-income securities including bonds issued by governments, corporations, and municipalities, as well as in equity securities up to 25% of fund assets. Fund investments may also include bank deposits up to 20% of the Fund assets, investment fund units up to 25% of fund assets, derivative instruments only for hedging purposes. Fund investments may include foreign securities up to 50% of the Fund assets, and foreign currency-denominated securities up to 50% of the Fund assets.

The Fund's units are redeemable at the holder's discretion, subject to a minimum holding period of two years. 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 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.

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

Investment's structure

Bond's description	Currency	Coupon yield annual	Repayments 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 bond	AMD	11.00 %	semi-annual	29/10/25	8,000	8,295	12,000	12,283
Government bond	AMD	10.00 %	semi-annual	29/10/27	12,000	12,348	12,000	11,922
Government bond	AMD	13.00 %	semi-annual	17/02/32	9,000	10,888	9,000	10,646
Government bond	AMD	9.00 %	semi-annual	29/10/29	-	-	15,000	14,098
Government bond	AMD	7.00 %	semi-annual	29/04/25	-	-	14,000	13,549
Armswiss bank CJSC	USD	6.75 %	semi-annual	15/06/24	-	-	8,096	8,287
Evocabank CJSC	USD	5.00 %	quarterly	28/09/24	-	-	12,144	12,157
Unibank CJSC	USD	5.30 %	quarterly	05/02/24	-	-	10,120	10,202
Conversebank CJSC	USD	5.25 %	semi-annual	20/04/24	-	-	6,072	6,144
Ararat bank OJSC	USD	5.50 %	quarterly	29/01/24	-	-	10,120	10,217
Farm Credit Armenia UCO	AMD	12.25%	quarterly	02/11/26	5,000	5,292	-	-
Evocabank CJSC	USD	5.00%	quarterly	25/09/23	4,759	4,752	-	-
						<u>41,575</u>		<u>109,505</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 9. 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) New 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)*

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.

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 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,
- Funds receivable under reverse repurchase agreements,
- Cash and cash equivalents,
- Liabilities under repurchase agreements,
- Other liabilities.

(b) Financial instruments by category

Financial assets	Measured at fair value		Measured at amortized cost	
	2024 AMD'000	2023 AMD'000	2024 AMD'000	2023 AMD'000
Cash and cash equivalents	-	-	3,635	10,524
Financial assets at fair value through profit or loss	41,575	109,505	-	-
Total	41,575	109,505	3,635	10,524
Financial liabilities	2024 AMD'000	2023 AMD'000	2024 AMD'000	2023 AMD'000
Accounts payable	-	-	163	1,265
Total	-	-	163	1,265

(c) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents and payables.

Due to their short-term nature, the carrying value of cash and cash equivalents and payables approximates their fair value.

(d) Financial instruments measured at fair value

Financial Instruments' fair value hierarchy is presented below:

	Level 2	
	2024 AMD'000	2023 AMD'000
Financial assets at fair value through profit or loss	41,575	109,505

Annex 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.

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 reasonable judgement in selection of servicing banking partners. The Company may enter secured financing transactions such as sale and repurchase agreements or purchase and resale agreements. For secured transactions involving repurchase and resale agreements, the Company is permitted to sell or repledge the securities held as collateral and use

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

these securities to enter securities lending arrangements or to deliver to counterparties to cover any short positions.

The Fund has policies and procedures for the management of credit exposures (for recognized financial assets and unrecognized contractual commitments).

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.

Credit risk exposure of financial assets as of the reporting date is presented in the table below:

	2024	2023
	AMD'000	AMD'000
Cash and cash equivalents	3,635	10,524
Financial assets at fair value through profit or loss	41,575	109,505
Total	45,210	120,029

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.

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:

	2024	2023
	AMD'000	AMD'000
Up to 3 months		
Payables	163	1,265

Fair value and cash flow interest rate risk

The Fund is exposed to the risk of fluctuations in the fair value or income/future cash flows of a 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 currency risk arises from those recognized financial assets and liabilities that are not denominated in the functional currency of the Fund. The Manager has a defined policy to manage

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

the exposure of the Fund to foreign exchange risk in accordance with the currency diversification requirements set out in the Fund Rules. As at the reporting date, the Fund's exposure to foreign exchange risk is due to the US dollar-denominated corporate securities held in the investment portfolio.

The table below shows the impact of exchange rate fluctuations as of the reporting date:

	2024	2023
	AMD'000	AMD'000
Financial assets measured at fair value through profit and loss		
USD	4,752	47,007
Net currency position	4,752	47,007

As of the reporting date, the effect of a 10% strengthening of US dollar against AMD on financial instruments denominated in US dollars (if other data remained unchanged) would result in an increase in profit for the year (after tax) and net assets by 475 thousand drams (2023: 4,700 thousand drams), while a 10% weakening would result in an increase in profit for the year (after tax) and net assets in the same amount.

5. Interest income

	2024	2023
	AMD'000	AMD'000
Amounts held in bank accounts	5	47
Government treasury bonds	3,916	6,252
Corporate bonds	1,044	3,451
	4,965	9,750

6. Investment management fees

The Manager is entitled to receive a management fee of up to 2% per annum of the net asset value of the Fund, calculated and accrued on each dealing day and payable monthly in arrears. Management fee charged for the year was AMD 1,180 thousand (2023: AMD 2,699 thousand) of which AMD 76 thousand was outstanding at December 31, 2024 (December 31, 2023: AMD 194 thousand).

7. Financial assets at fair value through profit or loss

	2024	2023
	AMD'000	AMD'000
Government bonds	31,531	62,498
Non-government securities	10,044	47,007
	41,575	109,505

8. Net assets attributable to unit holders

The movement in the number of units and net assets attributable to unitholders was as follows:

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

	2024		2023	
	Number of units	Units' amount AMD'000	Number of units	Units' amount AMD'000
Balance at January 1	60,616	118,764	77,441	141,463
Issuance of units	1,155	2,348	7,401	13,740
Redemption of units	(40,324)	(80,086)	(24,226)	(46,054)
Increase/decrease in net assets attributable to unit holders for the year	-	4,021	-	9,615
Balance at December 31	21,447	45,047	60,616	118,764
Value per unit in AMD		<u>2,100.33</u>		<u>1,959.25</u>

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.

9. 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.

Interest income and expense

Interest income and expense, including interest income from non-derivative financial assets measured at fair value through profit or loss, are recognized in profit or loss as interest income or expense respectively. The Fund estimates future cash flows when calculating an effective interest rate, taking into account all contractual terms of the financial instruments but not future debt losses. Interest received or receivable, interest paid or payable, is recognized in profit or loss, respectively, as interest income or interest expense.

Stock transactions and investment income

Stock transactions are accounted for at the transaction date (sale or purchase of securities). Interest income is accounted for on an accrual basis. Dividend income is recognized on the date of the previous dividend. Value of securities is calculated based on a weighted average cost. As for short-term and fixed-yield investments discounts and issue income are amortized and are accounted for in investment income. The value of the securities sold is calculated on the basis of amortized cost.

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

Expenses

All expenses, as well as management costs and fees related to the performance of obligations under the CAMavor 2 Pension Fund, may be charged to the Fund. The management fee charged to the Fund is 2% of net assets per annum.

Management fees charged from the Fund are set out in Note 6.

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 assets at fair value through profit or loss

A 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.

Financial assets measured at amortized cost

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 FVTPL, 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.

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

Derecognition of financial assets

The Fund derecognizes 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 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 part of financial assets or financial liabilities or the group of assets and liabilities, 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.

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 part attributable to the credit risk, which is presented in other comprehensive income.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured using the effective interest method, with interest expense recognized on an efficiency basis.

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 a 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.

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 Fund in Armenia, the Fund is not subject to tax on income, profits or capital gains or other taxes payable. The unit holders of the Fund are individually liable for their share of the Funds' income.

CAMavor 2 Pension Fund
Notes forming part of the financial statements
for the year ended December 31, 2024 (continued)

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:

2024				
Item	Fair value, AMD'000	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Financial assets at fair value through profit or loss	41,575	Quoted price or value of contractual cash flows discounted at market interest rates	Level 2	Not applicable
Payables	163	The carrying amount of short- term payable approximates its fair value.	Level 3	None
2023				
Item	Fair value, AMD'000	Valuation technique	Fair value hierarchy level	Significant unobservable inputs
Financial assets at fair value through profit or loss	109,505	Quoted price or value of contractual cash flows discounted at market interest rates	Level 2	Not applicable
Payables	1,265	The carrying amount of short- term payable approximates its fair value.	Level 3	None