

## Month Report February 2023

## Investment Objective and investor profile

Management Company	<b>Raiffeisen Invest sh.a</b>
Currency	<b>Euro</b>
Fund Launch date	<b>22 Nov. 2012</b>
Initial value of one unit	<b>100</b>
Minimum Investment	<b>250</b>
Subsequent minimum amount not less than	<b>50</b>

The Fund's objective is to be able to provide investors with a return on investment in accordance with prudent portfolio management while maintaining the level of capital and liquidity.

A significant portion of the assets of the fund may be invested in bonds and treasury bonds of the Republic of Albania Government issued in the euro currency. However, the issuance frequency in euro by the Government of the Republic of Albania will determine the extent to which the Fund will invest in these instruments.

The fund is suitable for legal entities and individuals who believe that the investment objective of the Fund meets the requirements and expectations.

Entry fee	0.00%
Exit fee	0.00%
Management fee per year	Up to 1.30% p.a
Other ongoing fees	Refer to the prospectus of the fund
Total ongoing fees	1.48% for year 2022
Fee for funds transfer, from third parties	Refer to the information on RBAL branches

The figure of ongoing fees 1.48% is based on the expenses for the year ended 31.12.2022. This figure may vary from year to year. The total ongoing fee can not exceed the maximum of 1.6% per year of the net asset value of the fund.

Transaction costs are according to the working conditions of the intermediary parties and are not included in the calculation of commissions and ongoing fees, but they are charged to the Fund.

Low Risk	High Risk
Low Return	High Return

**The fund Raiffeisen Invest Euro is under the third risk category.**

The synthetic risk and reward indicator corresponds to an integer, used to rank the Fund's risk profile on a scale of 1 to 7, based on increasing level of volatility. The lowest category does not mean that the investment is riskless.

This indicator aims to offer the investor an overview of the fluctuations in Fund unit price based on historical performance. Historical data used to generate the indicator cannot constitute a guarantee on future risk profile.



## Fund data on February 28, 2023

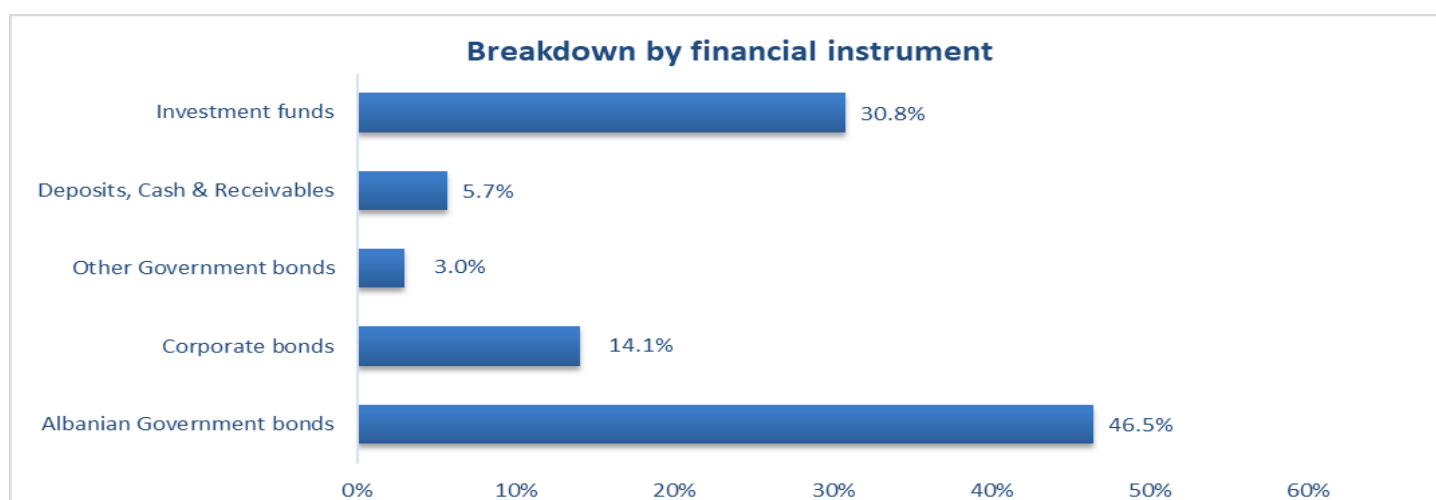
Net Asset Value	32,528,378
Number of Investors	1,570
Unit Value	106.4129
<b>*Net Annual Return (28.02.2022 - 28.02.2023)</b>	<b>-5.81%</b>

\* Management fee and other ongoing charges are deducted before calculating the rate of return

## Investment Portfolio Structure as of 28 February 2023

The Euro fund portfolio is constructed in such a way as to benefit from balancing the various categories of investment in government and corporate bonds. This is done to diversify the portfolio and reduce the risk of widespread exposure to few instruments. The percentage of asset allocation is made in accordance with the investment policy and the criteria specified in the fund prospectus. The distribution of assets may be off target due to changes in market conditions.

The Fund's assets are invested in financial instruments belonging to issuers that perform in various industries of the economy enabling the portfolio diversification to increase.



Referring to the structure of the fund's investment portfolio on 28 February 2023, the percentage of fund assets invested in government bonds stands at 49.5% of assets, and 46.5% of them belong to the Albanian Government bonds.

The fund may balance the exposure to different instruments depending on market conditions to achieve its long-term objectives. The assets of the fund invested in corporate bonds and investment funds with investment-grade ratings stand at 44.9% of the assets. The liquidity held as cash and deposits has increased to 5.7% of total assets.

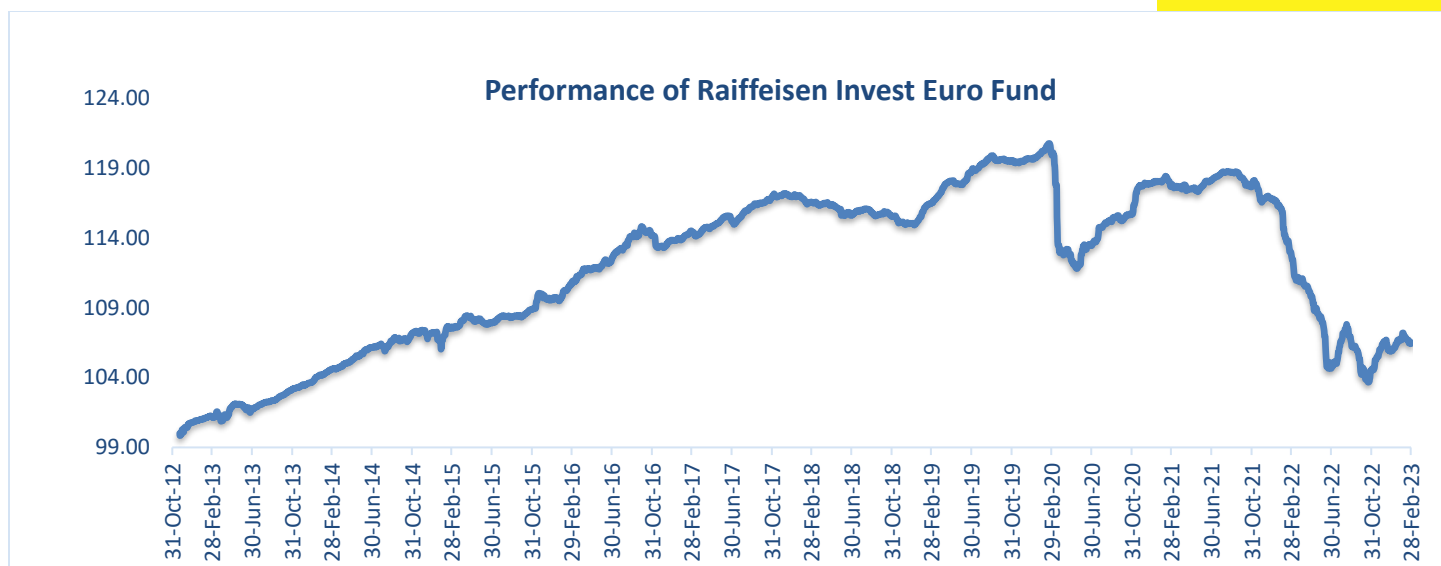
The net asset value of the fund stands at the level of EUR 32.53 million at the end of February 2023.

## The performance of the fund in February 2023

During February the unit value decreased by **-0.26%** compared to the previous month.

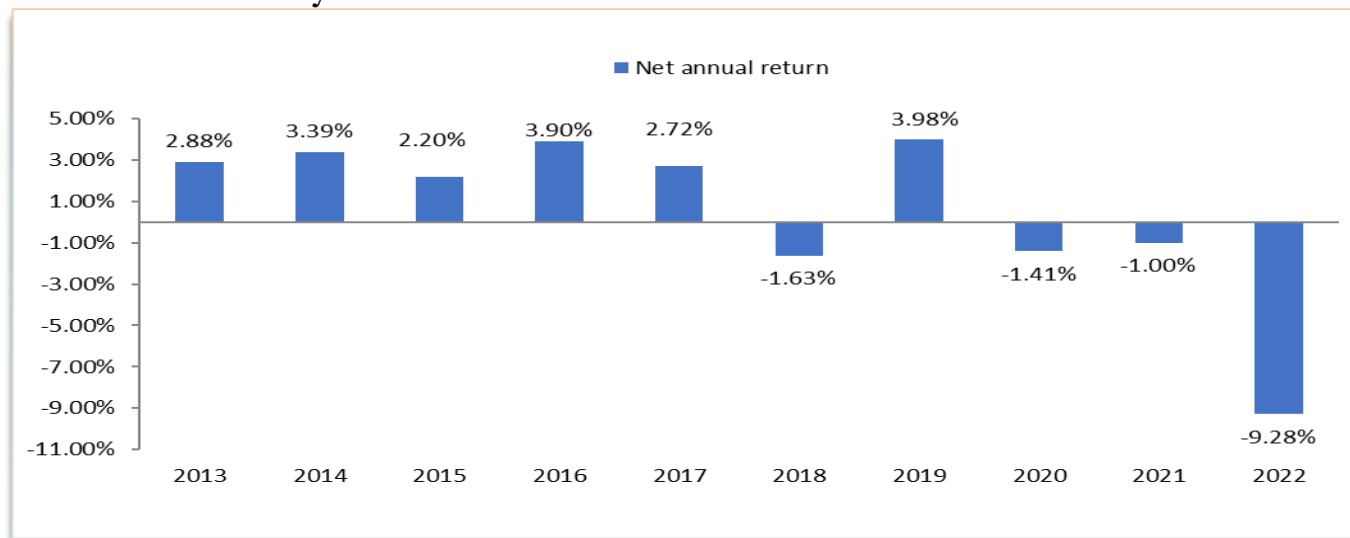
Bond market delivered a negative performance, due to the risk that inflation is becoming embedded, and that Central Banks could keep raising interest rates well into this year. This caused a negative reevaluating of the investment portfolio of Euro fund, which posted small losses throughout February. **The net annual return resulted at -5.81% on February 28, 2023.**





On 28 February, 2023	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception (Nov. 22, 2012)
Return in % p.a. for the period	-5.81%	-3.95%	-1.81%	-0.56%	0.51%	0.61%

### Net return for each year for Euro fund



It should be noted that the rate of return varies depending on market conditions and the unit value may be volatile, so it is not static or always increasing, but may also fall because of changes in market conditions. Volatility is a natural part of investment funds, and its total elimination is impossible.

The investors of Raiffeisen Invest Euro fund and all funds managed by Raiffeisen Invest are advised to have the longest possible investment horizon to benefit from an optimal return on investment and thus in the medium or long term to be able to recover the negative effects, which are created in short-term.

We do encourage investors to maintain their investment by not changing their investment objective of staying in fund driven by the unusual situation created by market developments caused by the geopolitical risks and high inflation, because in this way they will not risk getting out of the fund at the wrong time for their investment.



## Developments and information on the performance of financial markets during February

Inflation in Europe fell again in February, though not as sharply as expected, dipping to 8.5%, from 8.6% the previous month. Worryingly, “core” inflation, a closely watched measure that strips out volatile food and energy prices, jumped to 5.6% from 5.3% in the eurozone. That raises the risk that inflation is becoming embedded more deeply across the European economy, even as pressure from high energy prices eases.

The annual inflation rate in the US slowed only slightly to 6.4% in January of 2023 from 6.5% in December, less than market forecasts of 6.2%. This was an alarming sign that price pressures remain entrenched in the U.S. economy and could lead the Fed to keep raising interest rates well into this year.

In a widely anticipated move, Fed raised the interest rate by 25 basis points, to a new range of between 4.50% and 4.75%, stating that the disinflation process had started, but ongoing interest hikes are appropriate in order to return inflation to the target. Further 25bp hikes at the March and May FOMC meetings and most probably at the mid-June meeting too are expected, which would take the fed funds rate to a peak of 5.25%-5.50%.

The European Central Bank lifted interest rates by a half-point, raising the deposit rate to 2.5%, the highest since 2008. They warned that the most aggressive bout of monetary tightening in ECB history isn't done and pledged that borrowing costs will rise by that amount again in March.

Exchange-traded funds that buy U.S. government and corporate bonds took a hit in February, as Treasury yields rose amid fears over stubbornly high inflation. Shorter-duration Treasury bonds fared better than longer-term U.S. government debt in February as investors adjusted their rate expectations. The yield curve remains inverted, with the spread between 2 years and 10 years US Treasury yields reaching a maximum of 89 bp by the end of the month.

On another note, the latest survey data for February suggest that the economy is holding up better than expected. However, a contraction is still well within the realm of possibility.

Data on fund return referring to the past is only indicative and does not represent a promise or guarantee of the fund return in the future. All other numerical examples are used for illustrative purposes and analysis of historical data and should not be used by investors to draw conclusions for the future.

The potential investors should read the Prospectus and Fund Rules. Raiffeisen Invest and the fund's sales force do not guarantee a certain return on the fund. The updated information on the fund unit value, the Fund's Prospectus and Fund Rules are available at Raiffeisen INVEST sh.a. head office, on the web site [www.raiffeisen-invest.al](http://www.raiffeisen-invest.al), or at Raiffeisen Bank branches in Albania.