

Month Report June 2023

Investment Objective and investor profile

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 June 30, 2023

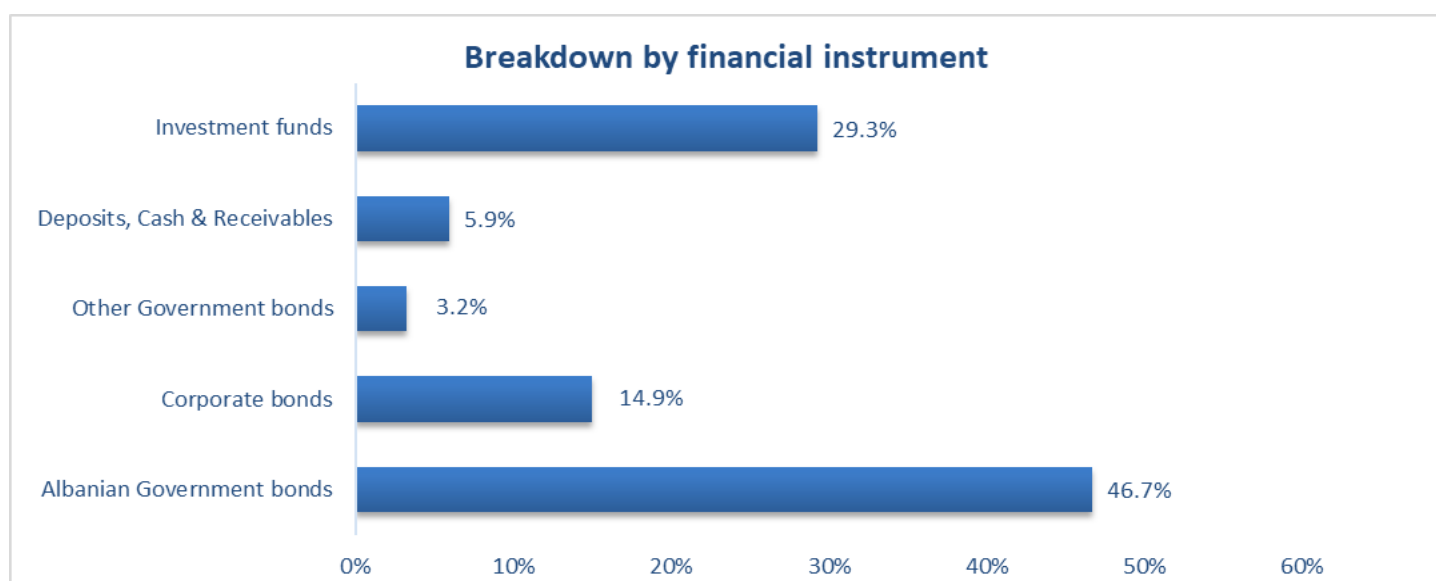
Net Asset Value	31,237,484
Number of Investors	1,486
Unit Value	107.8148
*Net Annual Return (30.06.2022 - 30.06.2023)	3.01%

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

Investment Portfolio Structure as of 30 June 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 a 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 30 June 2023, the percentage of fund assets invested in government bonds stands at 49.9% of assets, and 46.7% of them belong to the Albanian Government bonds.

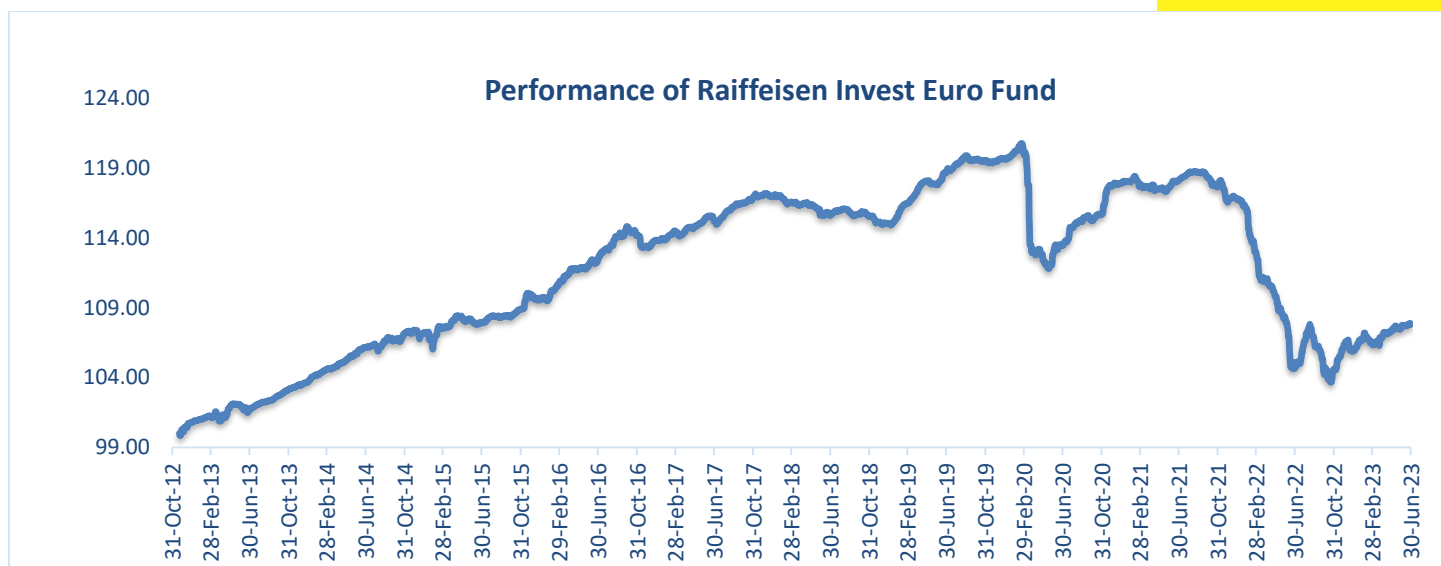
The fund may balance the exposure to different instruments depending on market conditions to achieve its long-term objectives. The assets of the fund invested in corporate bonds and investment funds with investment-grade ratings stand at 44.2% of the assets. The liquidity held as cash and deposits has increased to 5.9% of total assets.

The net asset value of the fund stands at the level of EUR 31.24 million at the end of June 2023.

The performance of the fund in June 2023

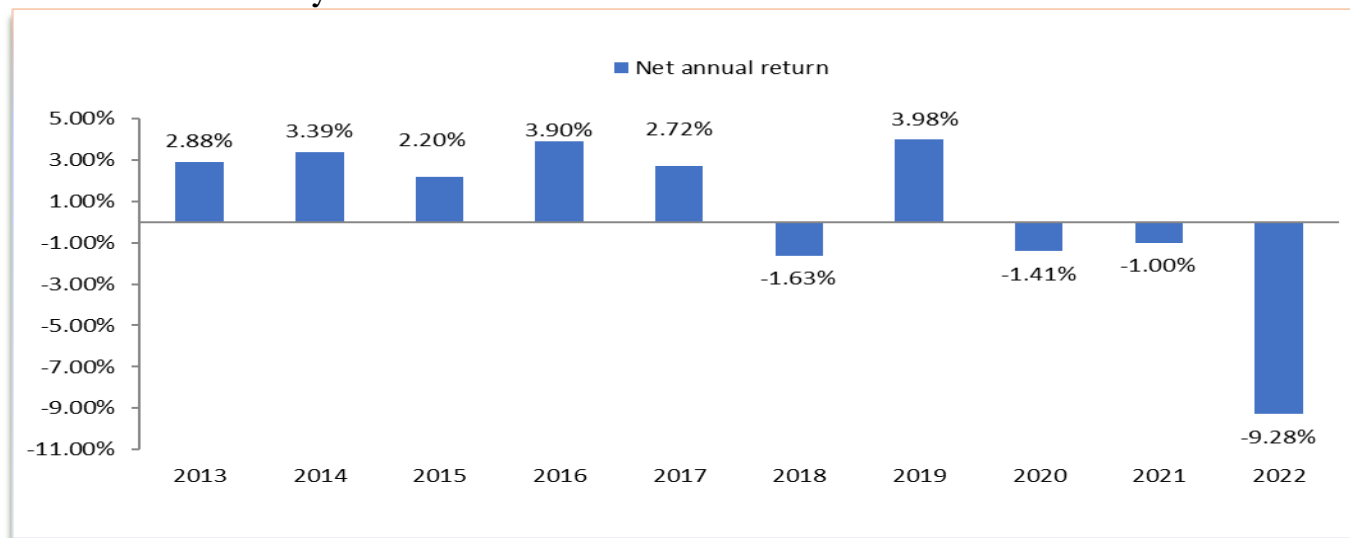
During June the unit value increased by **0.14%** compared to the previous month.

Bond market was volatile and bond yields edged higher after constant hawkish comments by Central Banks gave a clear signal that the tightening cycle is not over. However, they stabilized by the end of the month. This caused a positive reevaluating of the investment portfolio of Euro fund, which posted small gains throughout June. **The net annual return turned positive at 3.01% on June 30, 2023.**



On 30 June, 2023	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception (Nov. 22, 2012)
Return in % p.a. for the period	3.01%	-1.69%	-1.39%	-0.60%	0.58%	0.71%

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 June

The annual inflation rate in the US fell to 4% in May 2023, the lowest since April 2021, and slightly below market forecasts of 4.1%, driven by a decline in energy prices. In addition, the core rate, which excludes volatile items such as food and energy, has slowed to 5.3%, supporting the argument for the Federal Reserve to pause its current cycle of monetary tightening.

Euro zone inflation hit 5.5% in June, coming in lower than analyst expectations — but core inflation, which excludes energy and food, remains stubbornly high and rose to 5.4%. Headline inflation is now at its lowest point since January but remains well above the European Central Bank's 2% target.

The Fed put its rate hiking cycle on pause but, in a hawkish shift, its new projections showed the median fed funds rate rising to 5.6% by year-end, which is consistent with 50bp of additional tightening. It was made clear in the accompanying statement that the pause was only to allow officials to “assess additional information and its implications for monetary policy”. Markets now anticipate a 25 bp Fed hike, probably in July, while seeing a 30% chance of another 25bp by November and have reduced the number of cuts they expect next year.

The ECB's decision to raise its base rate by 25bp to 4% in June was in line with market expectations and at least 1 further hike by 25bp is expected in July. ECB also confirmed that it would discontinue its reinvestments under the APP in July. According to ECB, inflation is expected “to remain too high for too long”, and has revised up its projections for headline and, more importantly, core inflation over the coming years.

Bond market was volatile, with bond yields edging higher after persistent hawkish comments by Central Banks signaled the tightening cycle is not over, but they stabilized by the end of the month. Long-term bond yields were relatively stable in June. Long term corporate rates remain 60 basis points below last year's October peak.

Yield curve inversion - where shorter-dated bonds offer higher yields than longer-dated ones, seen as a good sign that investors expect a recession - has deepened as yields on shorter maturities surge. U.S. 10-year Treasuries are yielding 104 bps less than two-year peers, the most since March's banking sector mayhem and almost their deepest inversion since the 1980s. Similar patterns can be seen in German and British debt.

On another note, Albania issued a new 5-year maturity Eurobond for a total amount of 600 million euro during June. The bond had a coupon rate of 5.9% and a 6.125% yield, as investor demand for the issue reached 1.3 billion euro.

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, or at Raiffeisen Bank branches in Albania.