

Month Report December 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 December 31, 2023

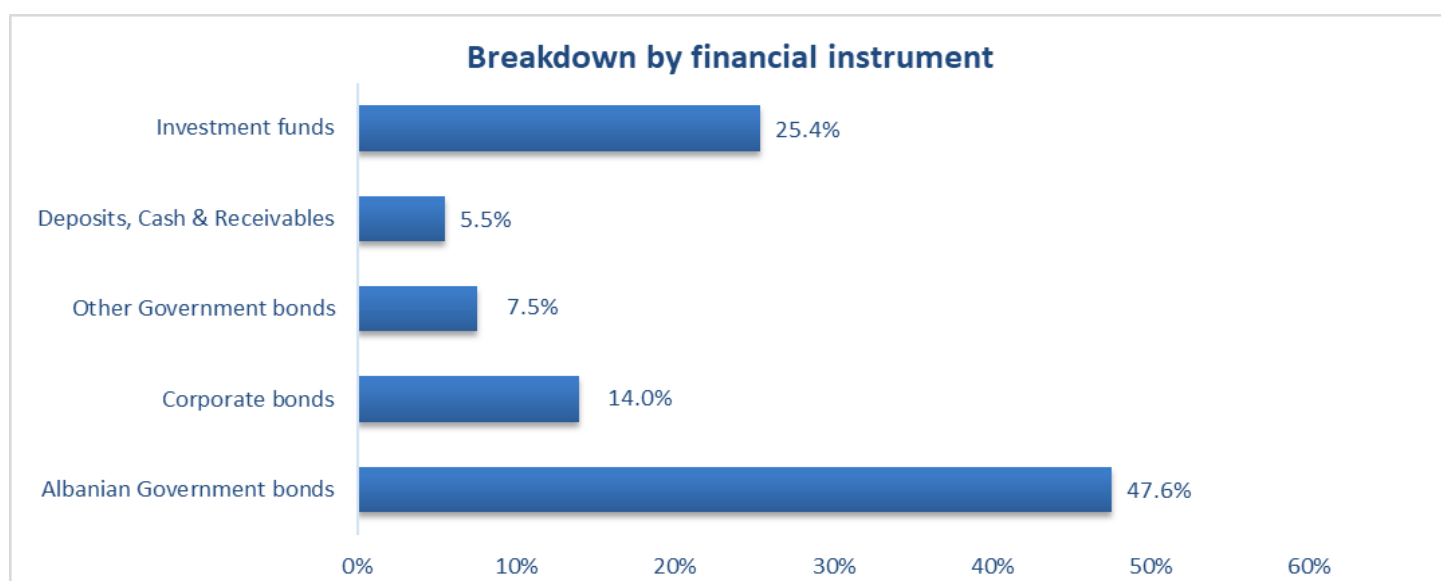
Net Asset Value	31,933,225
Number of Investors	1,415
Unit Value	111.5094
*Net Annual Return (31.12.2022 - 31.12.2023)	5.29%

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

Investment Portfolio Structure as of 31 December 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 31 December 2023, the percentage of fund assets invested in government bonds has increased at 55.1% of assets and 47.6% 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 now stand at 46.9% of the assets. The liquidity held as cash and deposits has decreased to 5.5% of total assets.

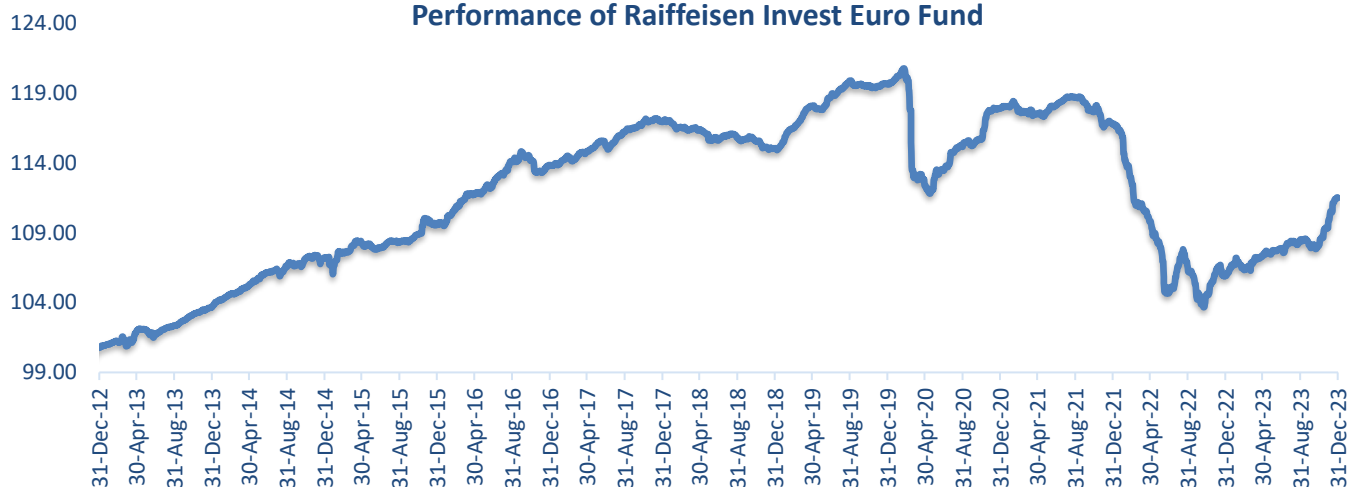
The net asset value of the fund stands at the level of EUR 31.9 million at the end of December 2023.

The performance of the fund in December 2023

The unit value increased by **+1.54%** during month of December.

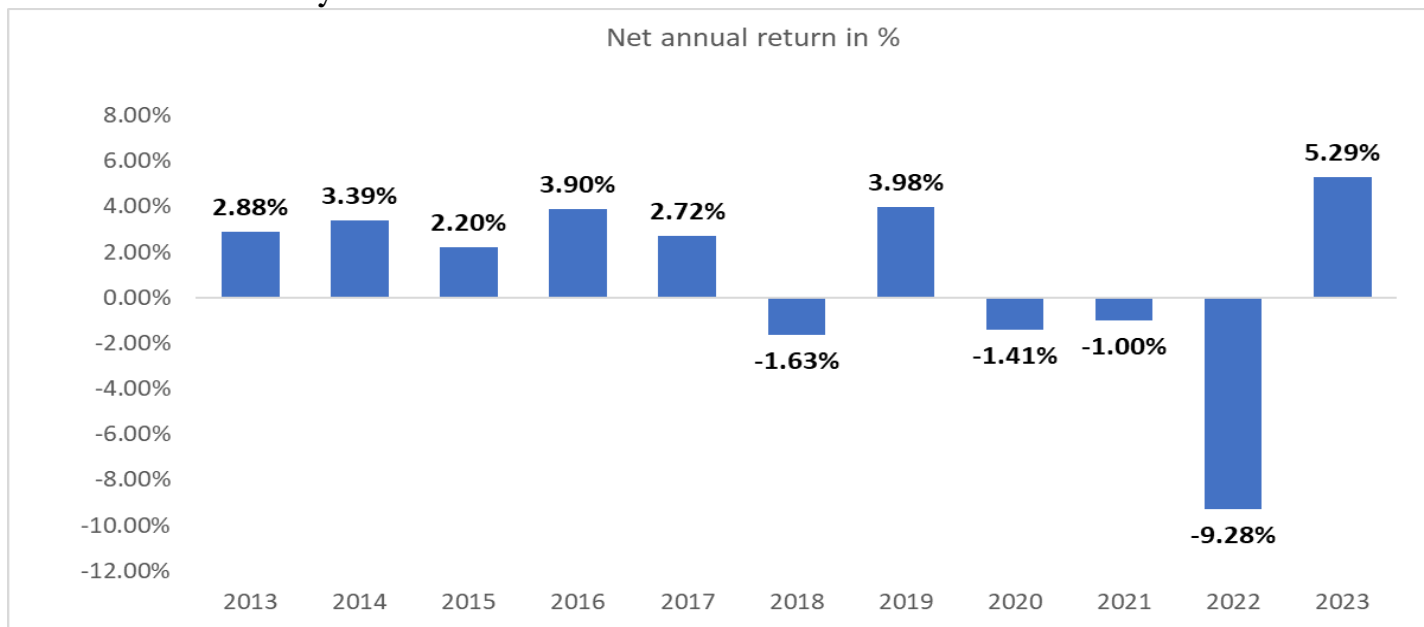
Bond markets continued to rally in December, providing positive returns across the fixed income spectrum. Traders are betting that slowing inflation and softening economic growth will urge Central Banks to start easing rates next year. As a result, December yields' development had a positive impact on the investment portfolio of Invest Euro fund, which posted gains through the month. **The net annual return was +5.29% on December 31, 2023.**

Performance of Raiffeisen Invest Euro Fund



On 31 December, 2023	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception (Nov. 22, 2012)
Return in % p.a. for the period	+5.29%	-1.84%	-0.62%	-0.29%	+0.73%	+0.99%

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.

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Developments and information on the performance of financial markets during December

Euro-zone consumer prices rose 2.9% in December, up from 2.4% in November. The burden from energy eased by much less than in the previous month, driven in large part by Germany's decision to cover households' heating bills in the final month of 2022. The measure of core prices omitting such volatile elements fell for a fifth month, to 3.4%.

The consumer price index in the US increased 0.1% in November and was up 3.1% from a year ago. While the monthly rate indicated a pickup from the flat CPI reading in October, the annual rate showed another decline after hitting 3.2% a month earlier. Excluding volatile food and energy prices, the core CPI increased 0.3% on the month and 4% from a year ago. Both numbers were in line with estimates, and little changed since October.

The ECB decided to leave its base rate unchanged and made only limited changes to the policy statement, pushing back against market expectations for rate cuts to begin in March next year. However, the statement also includes new and lower inflation forecasts for 2024 with both headline and core inflation now expected to fall to 2.7% (previously 3.2% and 2.9%).

FED also kept its funds rate unchanged but is showing reluctance to acknowledge that it will need to begin cutting its policy rate soon. The median forecast for the rates at both end-2024 and end-2025 were revised down by a modest 50bp each to 4.6% and 3.6% respectively.

Traders are betting that slowing inflation and softening economic growth, especially in the EU, will prompt Central Banks to start easing rates next year. Money markets are pricing in close to a 50% chance of rate cuts by March next year.

Bond markets continued to rally in December, once again providing positive returns across the fixed income spectrum. In fact, the 5.0% return in November followed by a further 4.2% gain in December makes it the strongest two-month return for the Bloomberg Global Aggregate Index in the last 30 years. Bond returns were negative for the year as recently as early November, but the turnaround in the last two months has led to positive returns across fixed income for the 2023 calendar year. With rates likely to come down during the year ahead, bonds are likely to remain in demand.

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.