

## Month Report February 2024

## 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.

| Commissions and fees                       |   |
|--|---|
| 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                         | 1.50% for year 2023                       |
| Fee for funds transfer, from third parties | Refer to the information on RBAL branches |

The figure of ongoing fees 1.50% is based on the expenses for the year ended 31.12.2023. 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 29, 2024

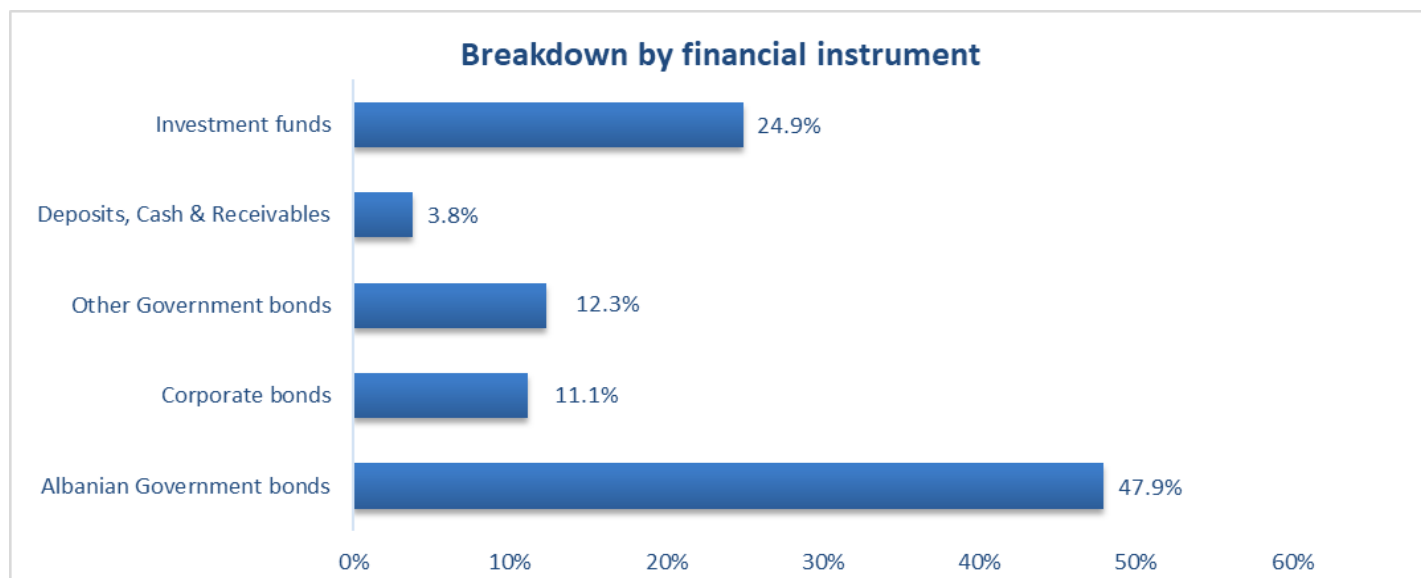
|   |              |
|---|--------------|
| Net Asset Value                                     | 31,975,511   |
| Number of Investors                                 | 1,432        |
| Unit Value  | 111.3600     |
| <b>*Net Annual Return (28.02.2023 - 29.02.2024)</b> | <b>4.65%</b> |

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

## Investment Portfolio Structure as of 29 February 2024

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 29 February 2024, the percentage of fund assets invested in government bonds has increased at 60.2% of assets and 47.9% 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 42.4% of the assets. The liquidity held as cash and deposits has decreased to 3.8% of total assets.

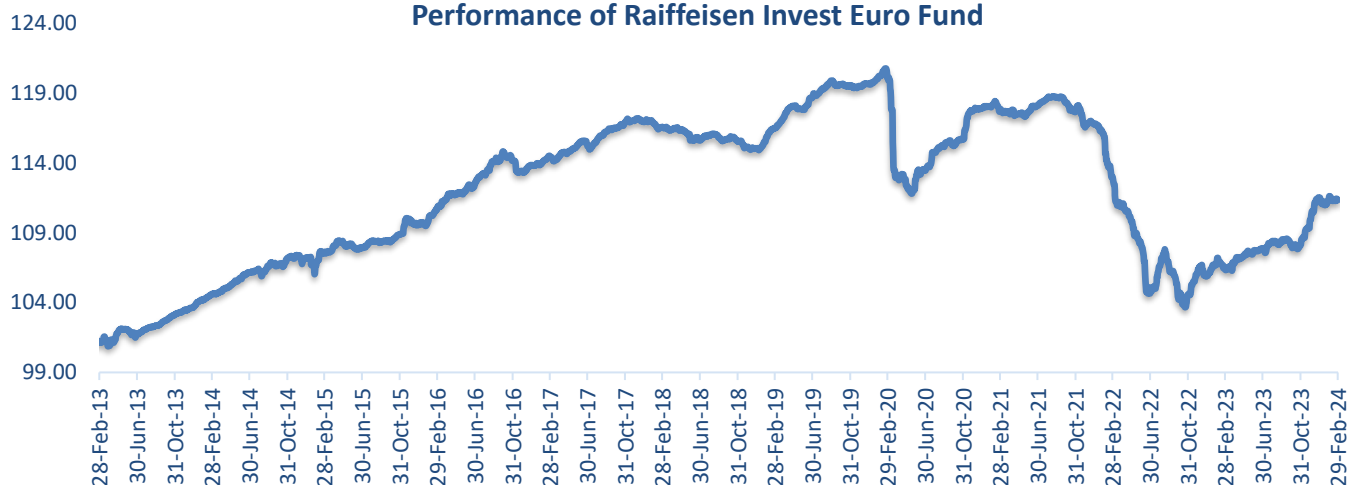
The net asset value of the fund stands at the level of EUR 31.98 million at the end of February 2024.

## The performance of the fund in February 2024

The unit value decreased by a slight **-0.09%** during month of February.

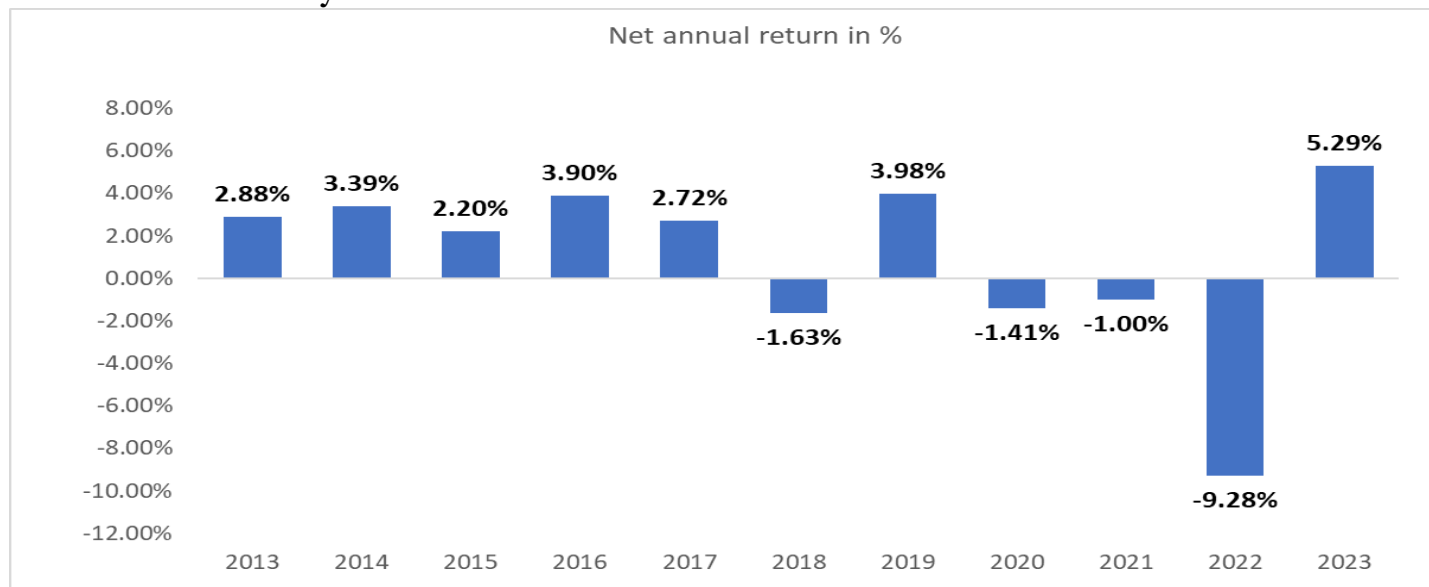
Fixed income generally suffered in February due to stronger economic data pushing back rate cut expectations and putting upward pressure on bond yields. Investment grade credit suffered slightly negative returns while lower rated credit markets performed better. As a result, February yields' development had a negative impact on the investment portfolio of Invest Euro fund, which posted small losses through the month. **The net annual return was +4.65% on February 29, 2024.**

### Performance of Raiffeisen Invest Euro Fund



| On 29 February, 2024            | 1 Year | 3 Year | 5 Year | 8 Year | 10 Year | Since Inception (Nov. 22, 2012) |
|---------------------------------|--------|--------|--------|--------|---------|---------------------------------|
| Return in % p.a. for the period | +4.65% | -1.82% | -0.90% | +0.07% | +0.63%  | +0.96%                          |

### 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, 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

In the US the annual inflation resulted at 3.1% for January, a slight deceleration from the 3.4% in December. Market participants had been optimistic about a faster decline in inflation, aiming for a headline rate below 3%. However, the core CPI accelerated 3.9% year-over-year, exceeding expectations that had anticipated a 3.7% annual increase.

Inflation in the euro zone eased to 2.6% in February, but both the headline and core figures were disappointing and higher than expected.

Investors are hunting for clues on when the European Central Bank will make the 1<sup>st</sup> interest rate cut, with market pricing pointing to a June cut. Yet many ECB officials still stress that they need spring wage negotiations to conclude before they have a clearer picture of domestic inflationary pressures.

With employment report during the month showing strong gains in payrolls and strong earnings data, it seems that FED is in no rush to lower borrowing costs from current levels of 5.25% - 5.5% until it is confident price pressures have sustainably returned to the 2% target. However, policymakers are well aware of the risks of cutting too late.

Having stalled in January, fixed income generally suffered in February due to stronger economic data pushing back rate cut expectations and putting upward pressure on bond yields. There was a divergence in returns between higher and lower quality bond markets with higher quality asset classes such as government bonds and investment grade credit suffering slightly negative returns as yields rose. US (4.3%), UK (4.2%) and German (2.5%) 10-year government bond yields rose to year-to-date highs. Lower rated credit markets performed better, supported by their lower duration and higher yield while also benefiting from spread tightening during the month (USD- and EUR-denominated indices tightening by 31bp and 30bp respectively).

Nevertheless, the backdrop for fixed income remains broadly supportive with interest rates likely to start coming down in the middle of the year. It therefore seems likely that investors will see pullbacks, like markets have experienced so far this year, as opportunities to put cash to work in bond markets, increasing duration to lock in yields before central banks start easing policy.

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.