Raiffeisen Private Pension Fund

Monthly Newsletter
August 2024

Basic Information

Management company	**Raiffeisen INVEST**
Currency	**LEK**
The initial value of one unit	**1,000**
The minimum investment	**1,000**
Subsequent investment amount not less than	**1,000**
Entry fee	**0%**
Exit fee	**0%**
Penalties in case of premature withdrawal	**According to Law on Pension funds**
Management fee per year	**1.50%**
Fee for funds transfer, from third parties	**Refer to the information on RBAL branches**

Investment objective and Investor profile

Fund assets will be invested according to the principle of long-term security and an adequate return on investment, while maintaining an optimum ratio between the growth of pension savings and risk assumed.

Raiffeisen INVEST intends to build a portfolio consisting primarily of long-term bonds (with maturities greater than one year) issued and guaranteed by the Government of the Republic of Albania

The fund is suitable for conservative clients, individuals and legal entities who have as priority the security of the investment assets of the Fund in relation to the profitability of the investment.

Risk and Reward Profile

Low Risk   High Risk
Low Return   High Return

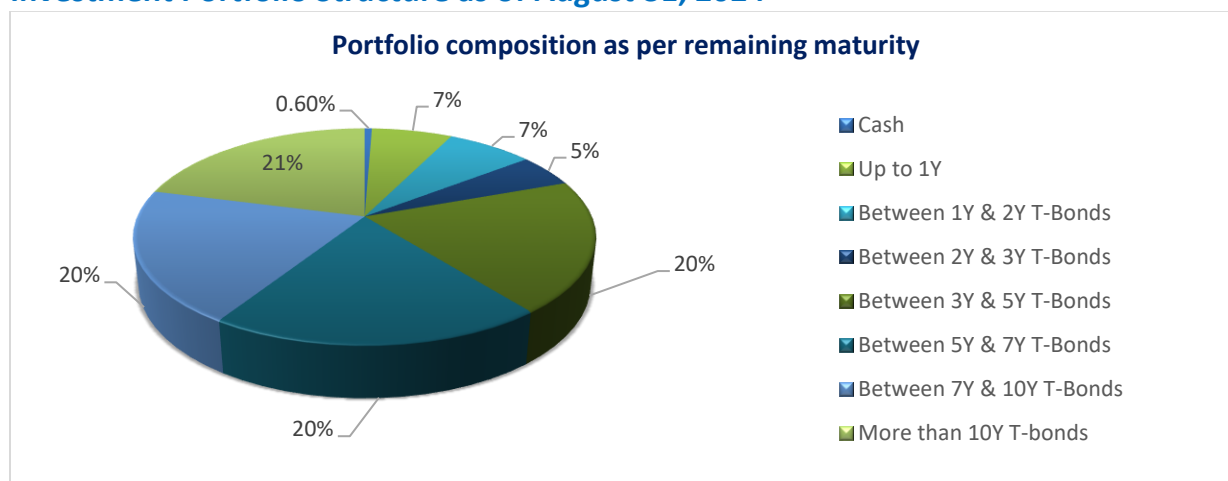| **1**	2	3	4	5	6	7
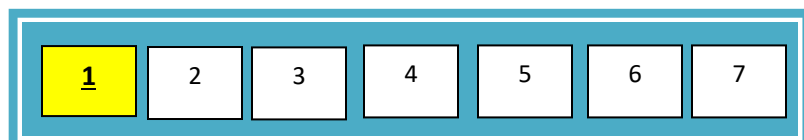
The fund is under the first risk category.

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 August 31, 2024

Net Asset Value	1,558,953,693
Number of Investors	4,318
Unit Value	2,210.3855
*Annual rate of return (31.08.2023 – 31.08.2024)	4.56%

*Management fee is deducted before calculating the rate of return

Investment Portfolio Structure as of August 31, 2024

Portfolio composition as per remaining maturity

- Cash
- Up to 1Y
- Between 1Y & 2Y T-Bonds
- Between 2Y & 3Y T-Bonds
- Between 3Y & 5Y T-Bonds
- Between 5Y & 7Y T-Bonds
- Between 7Y & 10Y T-Bonds
- More than 10Y T-bonds

In the framework of its investment policy, Pension fund invests in treasury bills and bonds issued by the government of Republic of Albania, taking into account the fact that trading activity in the fixed income secondary market is very limited.

Instrument	In % of Fund's assets
Treasury Bonds	99.4%
Deposits / Current account	0.6%

Auctions of the securities issued in ALL from the Government of the Republic of Albania are relatively frequent: 12M Treasury Bills are issued twice a month; 2-year bonds once a month; 7 and 10-year bonds are issued on a quarterly basis.

The government organizes the auctions of 5- and 3-year reference bonds with a frequency every 2 months, for each maturity. The investment strategy remains focused on long-term investments.

Net asset value is roughly ALL 1.56 billion as of August 31, 2024.

## Developments and information on the performance of financial markets in August

The assets of Pension Fund are invested only in T-bills and T-bonds issued by Albania Government and as a result the fund is exposed to changes in the interest rates of these securities. Thus, the Investments Funds are not directly related to international markets but are mainly affected by developments in the domestic market, such as changes in the interest rates of Albanian Government securities.

The Albanian Government securities interest rates have followed a downward trend during August.
The yield of the 12 months Treasury Bill resulted at 3.151% decreasing by 0.04% compared to auction rate in July.

Regarding the treasury bonds, the 2-years bond auction resulted at 3.89% remaining unchanged compared to the last auction. The 3 and 5-years benchmark bond auction yield resulted at 4.095% and 4.79%, decreasing respectively by 0.08% and 0.09% compared to the last auctions. Also the auction of 15 years bonds was organised and yield resulted at 6.98% decreasing by 0.47%.

The chart below gives an overview of interest rate evolution of Treasury Bills and Bonds issued by the Albanian government during the 1-year period August 2023 – August 2024. For the 3 and 5 years reference bonds are presented the fixing yields, calculated from contributors' quotations at the end of August.

Interest Rate Trend of Albanian Government Securities
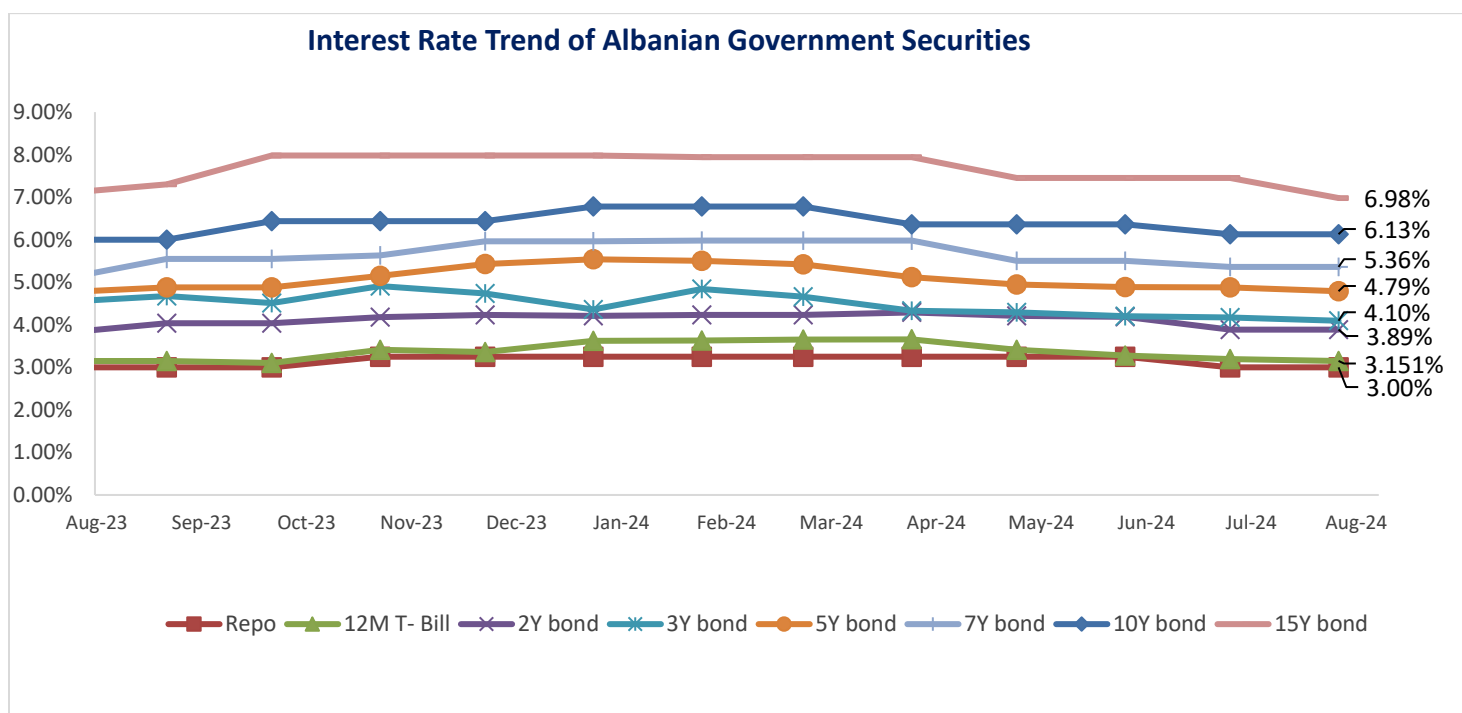
## Fund Performance and unit value development August 31, 2024

Net annual return for the period 31 August 2023 – 31 August 2024 is 4.56%.
The fund's 10-year return on an annual basis is 5.27%, while the return since launch is 5.97% on an annual basis.

The unit value of Pension Fund has kept following an upward trend, increasing by **+0.37%** during the month of August. The return of the fund depends on market conditions, such as changes in the interest rates of Government securities.
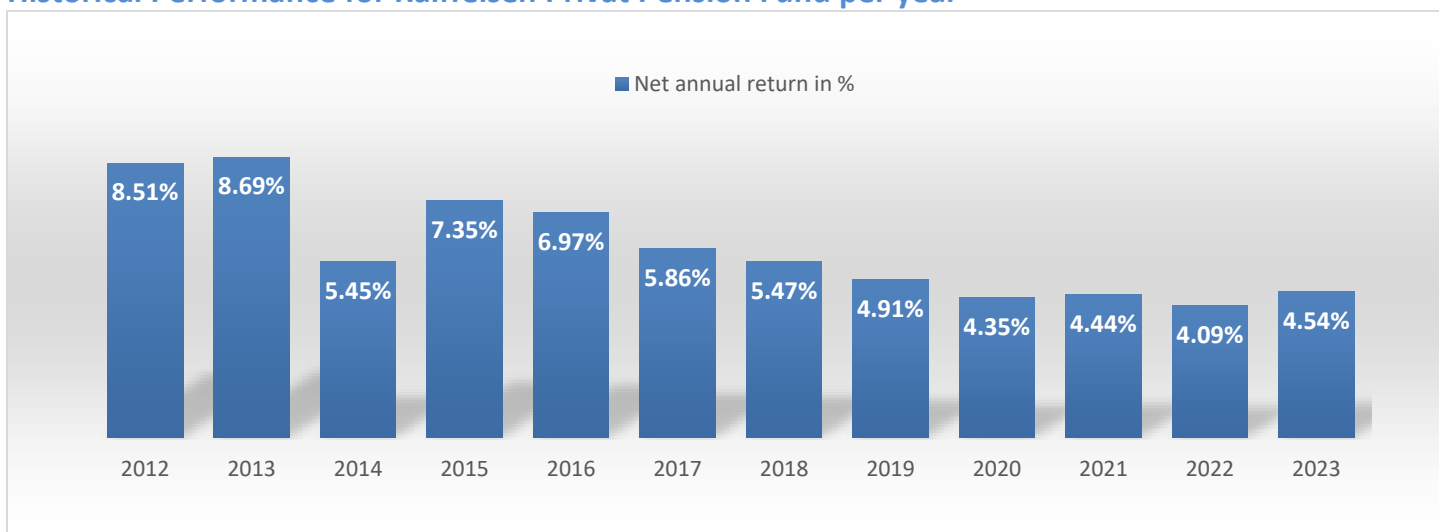
The increase in the Government securities interest rates will positively affect the performance of the Pension fund, which can invest at higher rates, increasing the return of the investment portfolio in the future.

Unit price development of Raiffeisen Privat Pension Fund
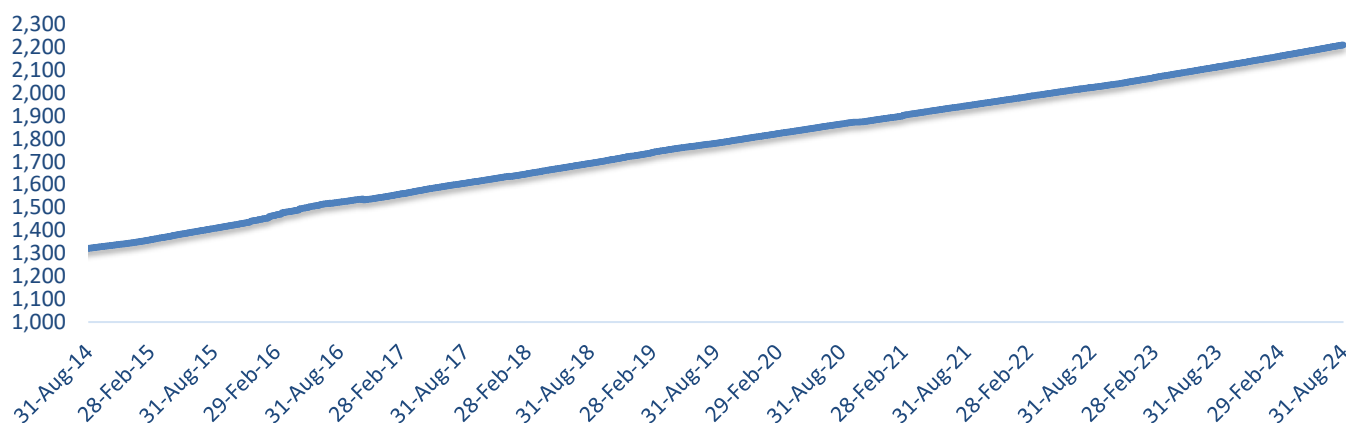
On 31 August 2024	1 Year	3 Year	5 Year	7 Year	8 Vjet	10 Year	Since launch (31 December 2010)
In % annual return of the period (p.a.)	4.56%	4.36%	4.42%	4.66%	4.76%	5.27%	5.97%

Historical Performance for Raiffeisen Privat Pension Fund per year

■ Net annual return in %

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
8.51%	8.69%	5.45%	7.35%	6.97%	5.86%	5.47%	4.91%	4.35%	4.44%	4.09%	4.54%

Investors of Raiffeisen Pension Fund are advised to have a longer horizon investment (possibly until retirement age, five years before the age specified in law) in order to obtain a maximum return on investment, to improve the standard of living in retirement age and to avoid penalties in case of premature withdrawal.