

Raiffeisen Voluntary Pension Fund



Monthly Newsletter August 2020

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

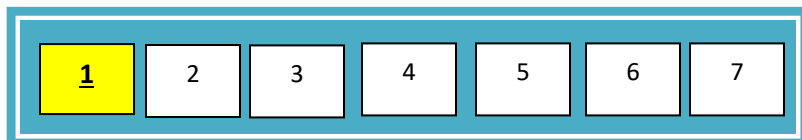
Fund assets will be invested according to the principle of long-term security and an adequate return on investment, while maintaining an optimum ratio between the growth of pension savings and risk assumed.

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



The fund is under the first risk category.

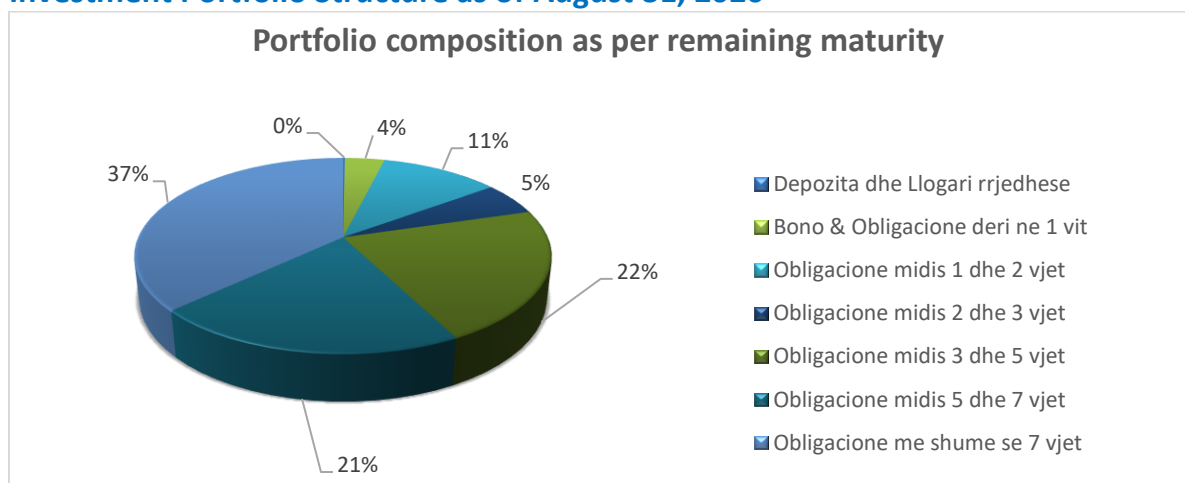
The synthetic risk and reward indicator correspond to an integer, used to rank the Fund's risk profile on a scale of 1 to 7, based on increasing level of volatility. The lowest category does not mean that the investment is riskless. This indicator aims to offer the investor an overview of the fluctuations on Fund unit price based on historical performance. Historical data used to generate the indicator cannot constitute guarantee on future risk profile.

Fund data on August 31, 2020

Net Asset Value	837,933,217
Number of Investors	3,101
Unit Value	1,864.8131
*Annual rate of return (31.08.2019 - 31.08.2020)	4.74%

*Management fee is deducted before calculating the rate of return

Investment Portfolio Structure as of August 31, 2020



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	99.82%
Deposits / Current account	0.18%

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 has surpassed the level of ALL 838 million as of August 31, 2020.

Developments and information on the performance of financial markets in August

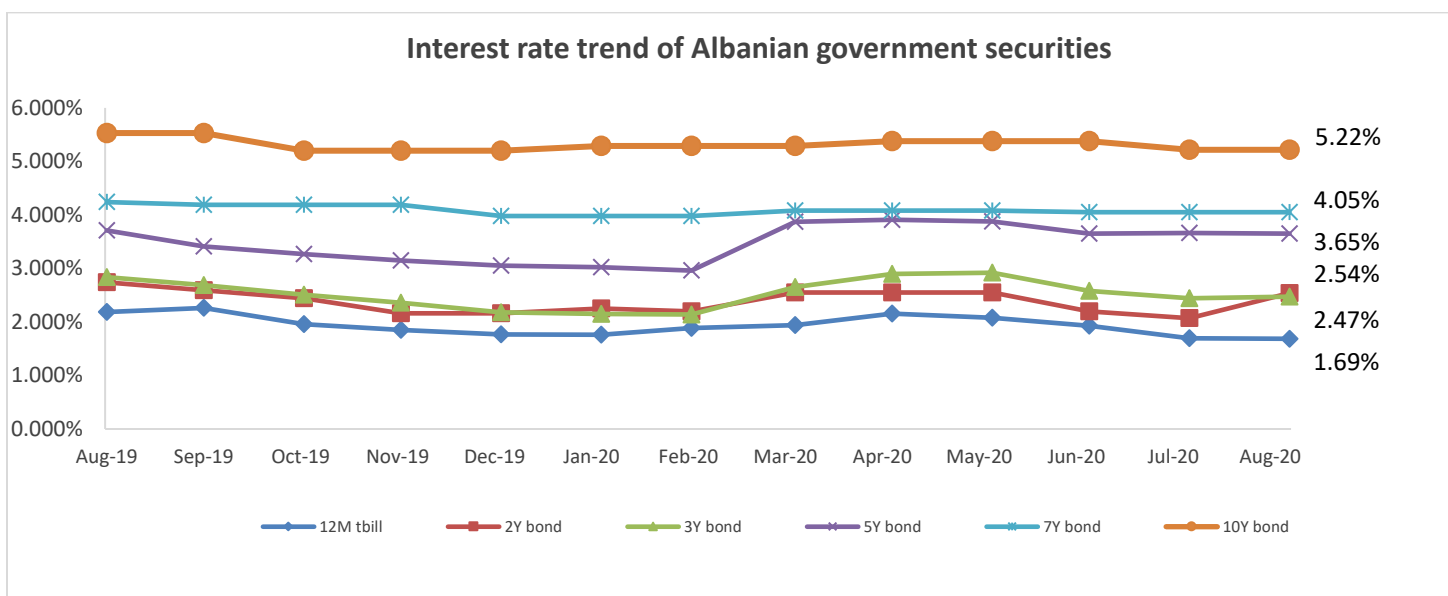
The situation caused by the global pandemic due to the virus Covid-19 has not affected the performance of the Pension Fund during August. The assets of Pension Fund are invested only in securities issued by Albania Government and as a result the fund is exposed to changes in the interest rates of these securities.

During August in the domestic market the interest rates of the Albanian Government securities had a mixed trend, with low rates during the first weeks of the month and a slight increase by the end of the month. The 2-years bond yield had the highest increase. The 12-months Treasury Bill, weighted average yield resulted in 1.686%, decreasing slightly by 0.01% in yield compared to the previous auction of end – July that was 1.695%.

Regarding the Treasury Bonds auctions, the 2-years bond auction was organized and resulted in 2.54%, increasing by 0.47% in yield compared to the previous auction end July; In this auction the bid to cover ratio was lower than 1 at 0.96% so the demand from the banks was lower, compared to other auctions that was very high.

Also, the 3-years reference bond auction issued in LEK was organized and the yield resulted in 2.439%, decreasing by 0.25% in yield in comparison to the last auction, which was held in June.

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 2019 – August 2020. For the 3 and 5 years reference bonds are presented the fixing yields, calculated from contributors' quotations at the end of August.



Unit Value Performance August 31, 2020

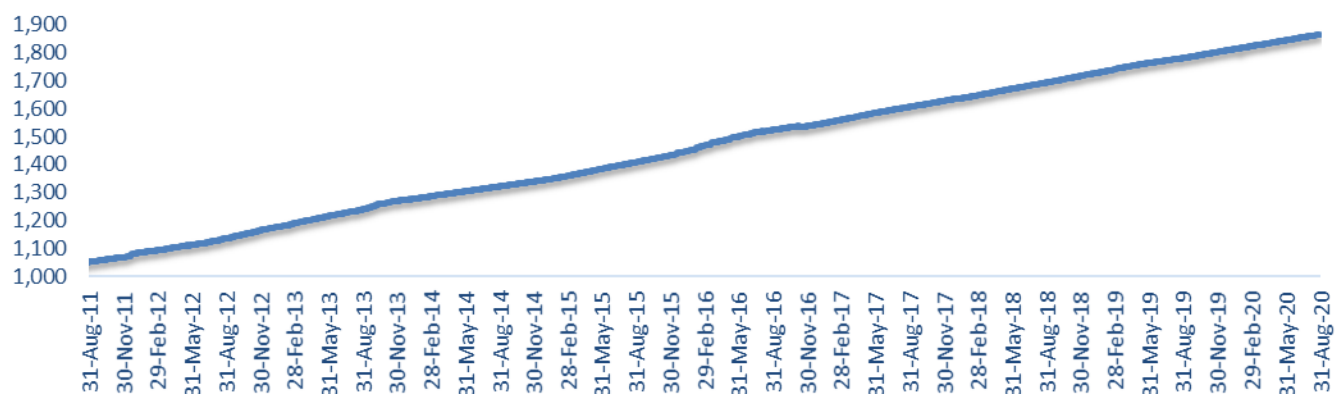
The unit value of Pension Fund has kept following an upward trend, increased by 0.37% during the month of August.

Net annual return for the period August 2019 – August 2020 is **4.74%**;

It is lower compared to the previous years because government securities interest rates, in which the fund invests, have been decreasing in the recent years.

It should be taken into account that the return varies depending on market conditions, such as changes on the interest rates of Government securities.

Unit price development of Pension Fund



Period	1 Year	3 Years	5 Years	7 Years	Since launch (31-Dec-2010)
In % annual return of the period (p.a.)	4.74%	5.10%	5.77%	5.99%	6.65%

Historical Performance for Raiffeisen Pension Fund



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.

Data on fund return referring to the past are only indicative and do 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.