



Month Report May 2024

Basic Information

Management Company	Raiffeisen Invest sh.a
Currency	Euro
Fund Launch date	22 Nov. 2012
Initial value of one unit	100
Minimum Investment	250
Subsequent minimum amount not less than	50

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

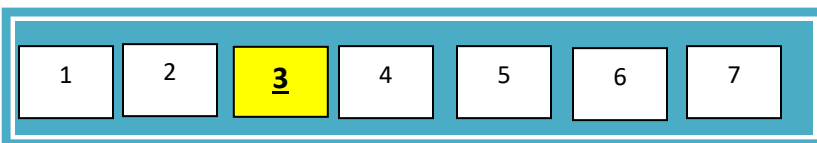
Entry fee	0.00%
Exit fee	0.00%
Management fee per year	Up to 1.30% p.a
Other ongoing fees	Refer to the prospectus of the fund
Total ongoing fees	1.50% for year 2023
Fee for funds transfer, from third parties	Refer to the information on RBAL branches

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.

Risk and Reward Profile

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 May 31, 2024

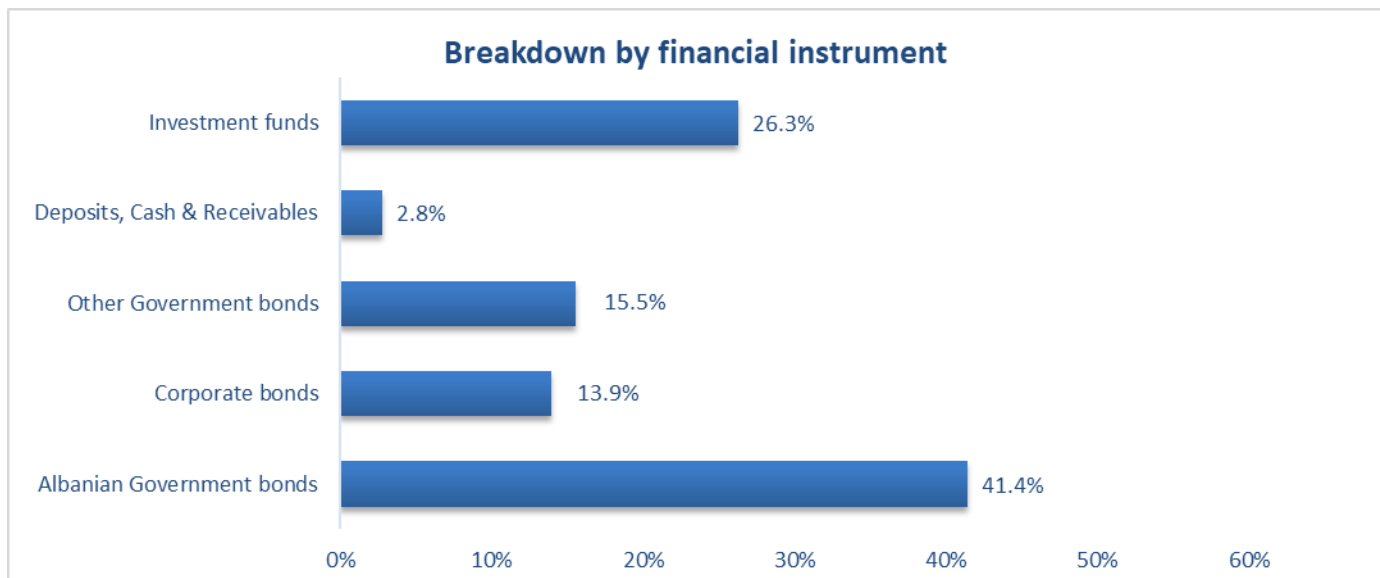
Net Asset Value	€ 32,826,373
Number of Investors	1,477
Unit Value	111.7044
*Net Annual Return (31.05.2023 - 31.05.2024)	3.75%

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

Investment Portfolio Structure as of 31 May 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 31 May 2024, the percentage of fund assets invested in government bonds stands at 57% of assets and 41.45% 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 with investment-grade ratings and investment funds now stand at 40.2% of the assets. The liquidity held as cash and deposits has decreased to 2.8% of total assets.

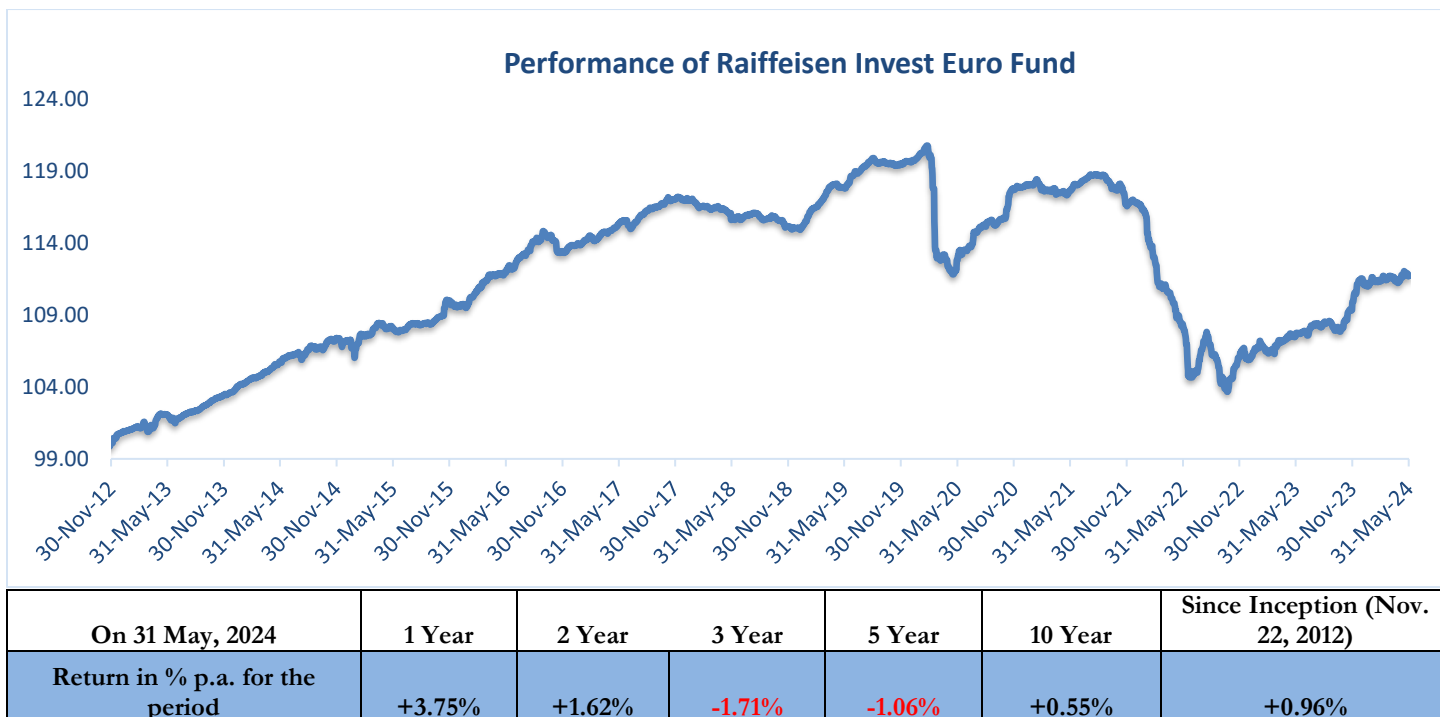
The net asset value of the fund stands at the level of EUR 32.83 million at the end of May 2024.

The performance of the fund in May 2024

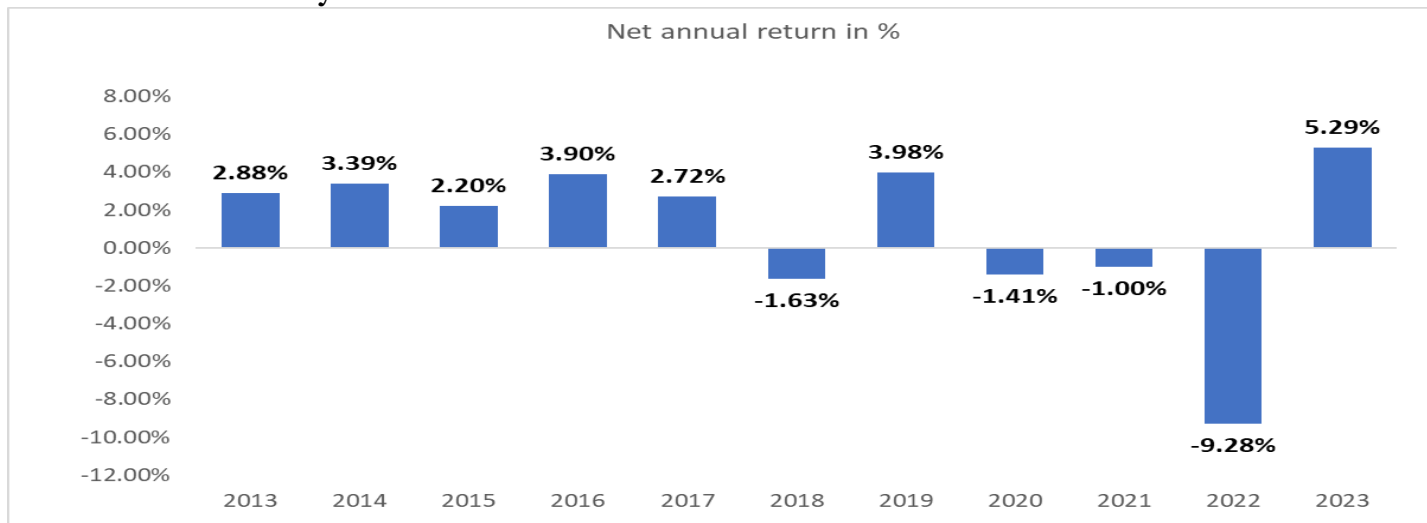
The unit value increased by **+0.34%** during month of May.

After relatively strong yield increases for euro government bonds since the start of the year, in May these bonds recorded a downward trend in yields. Support came from yield declines for US government bonds, where retreating inflation eased concerns. This fueled speculation about interest rate cuts by the Fed, which was reflected in positive risk sentiment.

As a result, May yields' development for corporate and government bonds had a positive impact on the investment portfolio of Raiffeisen Invest Euro fund, which posted profits through the month. Albanian Eurobonds had a positive monthly performance, and their prices rose by 20 – 70 bp during May. The average yield of the investment portfolio was 4.21% for an average duration of 3.54 years in May. **The net annual return was +3.75% on May 31, 2024.**



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 May

The annual US inflation cooled in April, which was a small step in the right direction for Federal Reserve to start cutting interest rates this year. As expected, the consumer price index in the US fell to 3.4% in April, from 3.5% that was in March, while core inflation down to 3.6%, from 3.8% in March.

The lower inflation in the US was positive for market sentiment and government bond yields generally edged down in May. Bonds posted gains in May, with “risky” bonds generally outperforming “safe” ones.

On the other side, Euro-area inflation accelerated more than anticipated in May. The inflation figures were disappointing, resulting in a surprised upward trend, higher than the estimated market consensus. The rise in headline inflation from 2.4% in April to 2.6% in May left it above the consensus estimate of 2.5%. The core inflation rate rose by more than was anticipated, from 2.7% to 2.9%, while the consensus estimate was 2.8%.

Anyway, the increase in inflation won't stop the European Central Bank (ECB) from cutting interest rates in its next meeting in June by 25 bp, but another reduction in July is now looking unlikely. The Economic business and consumer survey for May is consistent with weak growth in euro-zone GDP, while price pressures are still strong but are continuing to ease.

The ECB will cut rates at its next meeting of June 6, moving before either the Federal Reserve or the Bank of England, but then the outlook of interest rates will depend on inflation and economic data development. The continued strength of wage pressures reduces the chance of the ECB cutting rates rapidly in the second half of the year.

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.