

Monthly Report - Credins Premium Fund

The investment objective is to maximize income, by preserving the principal and holding liquidity. The Fund's portfolio will mainly consist in Lek denominated bonds and Treasury bills, issued by the Government of the Republic of Albania, as well as cash and cash equivalents deposited at commercial banks.

Report Date: 30.06.2021

Fund Information

Fund's Management Company:	Credins Invest
Fund's launch date:	1 July, 2016
Fund's currency	Lek

The Fund is addressed to investors in search of:

- ✓ a higher rate of return compared to products offered by banks,
- ✓ the liquidity lacking from these products.

Risk and return profile

The Fund's return depends on interest rate changes of Albanian Governments' bonds and T-bills. Historically, these interest rates have shown low volatility.

Low risk Lower typical benefits			High risk Higher typical benefits			
1	2	3	4	5	6	7

The Fund has a level 2 risk profile which denotes low risk.

Key Fund indicators

Net Asset Value	3,470,283,045.01
Unit Price	1,341.2127
Modified Duration	3.45 years
Return on investment (30.06.2020 - 30.06.2021)*	3.83 %

*The return on investment was calculated net of management fee.

Risk characteristics of Fund's assets

Bank deposits

A bank deposit, as an asset class, includes bank's credit risk and repricing risk at maturity. Repricing risk implies a decrease in interest rate when the deposit is rolled-over with the same maturity.

Government Bonds and Treasury Bills

These assets are issued by the Government, agencies or government sponsored enterprises (GSE). However, governments do not fully guarantee the interest payment or the principal.

Government bonds and T-bills are subject to interest rate risk and have different credit ratings. T-bills have higher interest rate risk than bonds with the same maturity.

**For additional information regarding the risks of the Fund, please refer to the respective section of the fund's Prospectus.*

Costs and Payments

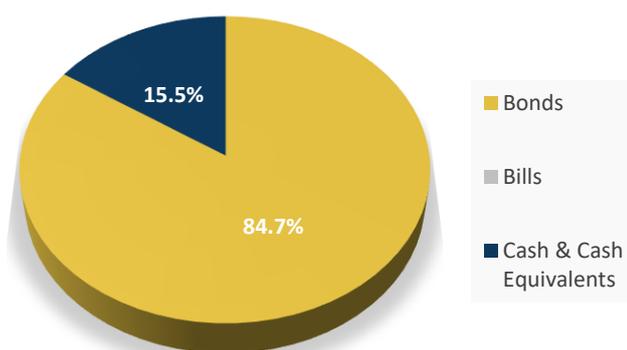
Payments are used to pay for Fund's management costs, including the costs of marketing and unit allocation. Payments may lead to a potential decrease of investment growth.

Entry or Exit Fee:	0%
Management Fee:	1% of NAV (per annum)
Commissions for unit	0 Lek
Other costs:	
Transaction costs for the investment of assets in the fund:	according to counterparty working conditions
Annual audit fee for the fund:	according to audit company working conditions
Depository fee:	0.1836% of NAV (per annum)
Albanian Financial Supervisory Authority fee:	0.05% of NAV (per annum)

Asset Allocations as percentage of Net Asset Value (NAV)

Asset Allocation	ALL	%NAV
Bonds	2,939,465,602.61	84.7%
Cash and cash equivalents	537,750,403.27	15.5%

Asset Allocation according to their type



Auctions of government securities and interest rate

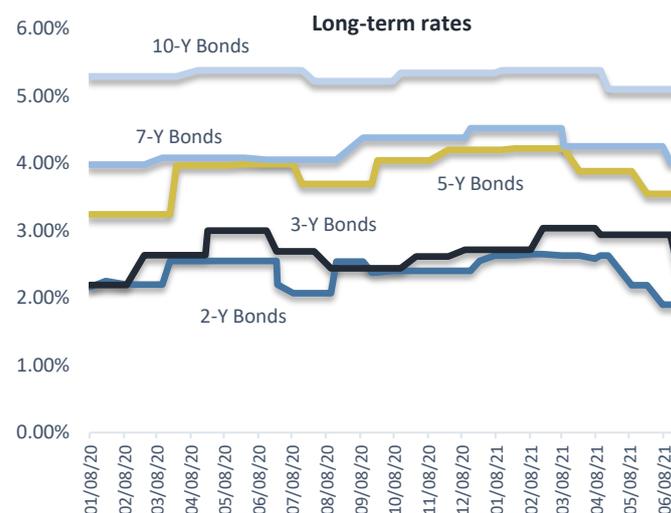
The Government of the Republic of Albania issues securities in relatively frequent and regular periods. According to the reports published by the Ministry of Finances, the auctions for 3-month and 6-month T-bills are held once a month, whereas the auctions for the 12-month T-bills are held every two weeks. Except for the auctions of the 2-year bonds which are held monthly, auctions for all other bonds (3,5,7,10-year) are held approximately quarterly.

Performance of 6- and 12-month Treasury Bills' yields



The result of the 3-month bill auction held on the 15th of June, increased from 0.89% to 0.96%. During June, two auctions were held for 12-month bills. The result of the 1st of June auction for the 12-month bill decreased from 1.64% to 1.52%, while the result of 15th of June auction further decreased to 1.46%.

Performance of Bonds' yields



During the month of June, the yield of the 2-year bond decreased from 2.19% to 1.90%. The result of the auction of the 3-year bond decreased from 2.94% in April 2021 to 2.44%, while the result of the auction of the 7-year bond decreased from 4.25% in March 2021 to 4.02%. During the month of June, no auctions were held for the 5-year and 10-year bonds.

Annual historical net returns

The assets of the fund are all invested in securities issued by the Government of the Republic of Albania. Consequently, the return rate of the Fund and the price of the quota is affected by the movement of interest rates in auctions of securities issued by the Albanian Government.

The Fund has to recognize all securities at fair value which implies calculating their values daily. The price of every bond or bill has an inverse relationship with interest rates. When interest rates increase, the price of bonds issued in the past decreases leading to a decrease of their period rate of return. The opposite happens when there is a fall in interest rates.

The net returns of the Fund, from establishment to 30 June 2021, are presented in the table below:

Investment Period	Annualized return for the investment period
1 year	3.83% per annum
2 years	2.73% per annum
3 years	4.62% per annum
4 years	4.81% per annum
Since establishment	5.38% per annum

The health pandemic caused by the spread of the COVID-19 virus has affected the economic context of the country, causing an increase in demand of the Albanian Government debt. As a result, the volatility of government bond’s interest rates increased during the year 2020, which has negatively impacted the Fund's return for 2020 compared to 2019.

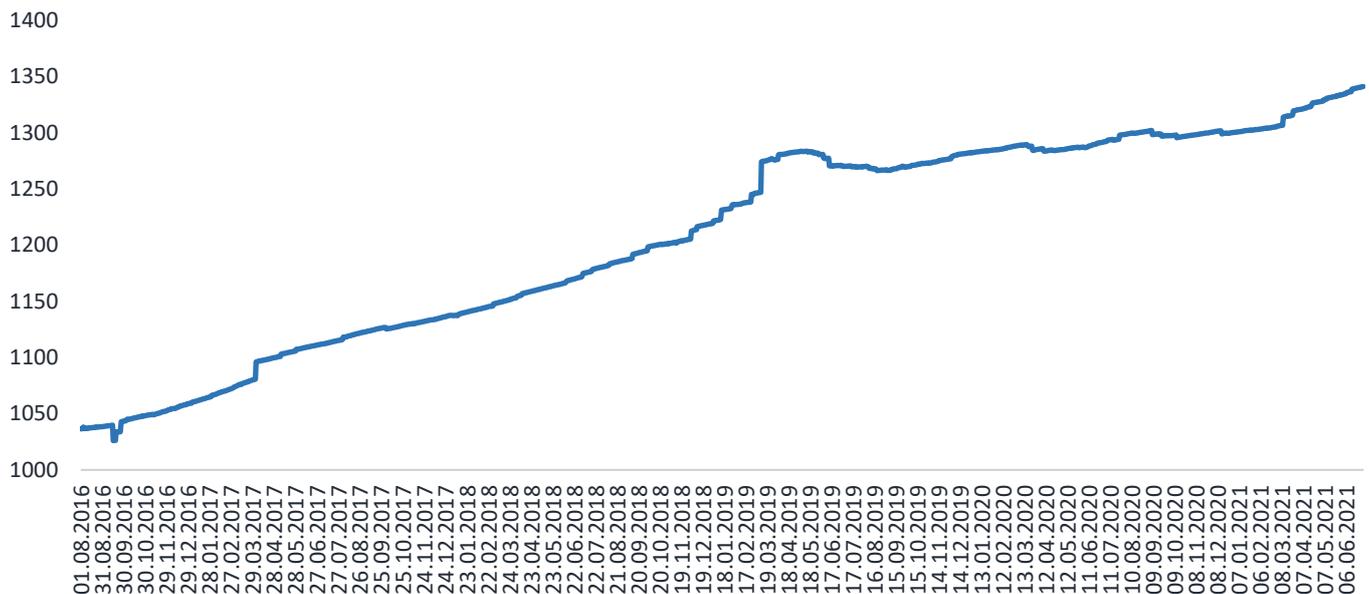
Under these conditions, the Bank of Albania has intervened in the market by taking measures to alleviate the needs for capital and to reduce liquidity costs. These measures together with the restarting of the economic activity in the country delivered a stabilization of the interest rates.

The measures taken by the Bank of Albania:

- Reduction of the policy interest rate, from 1.0% to 0.5%;
- Reduction the interest rate for the overnight lending facility from 1.9% to 0.9%
- Maintain the interest rate for the overnight deposit facility unchanged, at 0.1%
- Liquidity injection through changing the form of auctions

The enhancement of the financial indicators of the Albanian Government during the first 6 months of 2021 has brought positive effects in the financial market, reducing the interest rates of government debt and increasing the return of the Premium Fund. The continuation of the process of mass vaccination of the population is expected to relief anti-COVID measures and further open the economy in the upcoming months. The growth of economic activity is expected to have a positive effect on the revenues accumulated by the government and financial stability in Albania, consequently reducing the volatility of domestic debt rates.

Unit Price



Past performance is not a guide, a promise or a guarantee of future performance and it should not be the only factor taken under consideration during the selection of a fund. All financial investments involve risk. Hence, the value of your investment and the returns from it will change. Levels and tax basis change from time to time. For additional information, you are kindly invited to read the Fund's Prospectus, as well as visit our company's website: www.credinsinvest.com.