

## 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: 31.01.2023

### 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, despite the temporary higher volatility of the current period.

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	805,326,764.71
Unit Price	1,266.7597
Modified Duration	0.23 years
Return on investment (31.01.2022 - 31.01.2023)*	-7.33%

\*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

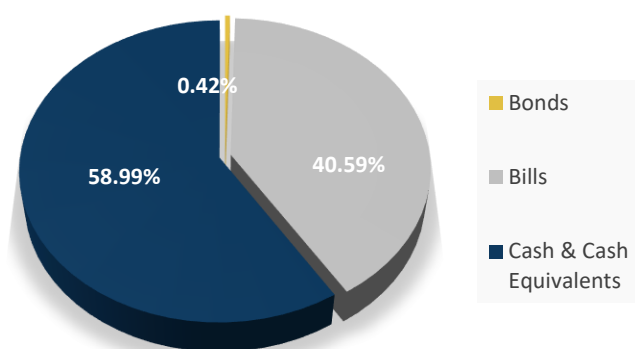
Payments are used to pay for Fund's management costs, including the costs of marketing and unit allocation. Payments may lead to a potential decrease of investment growth.

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

## Asset Allocations as percentage of Total Assets

Asset Allocation	ALL	%Assets
Bonds	4,064,802.39	0.42%
Bills	388,344,812.71	40.59%
Cash and cash equivalents	564,410,832.35	58.99%

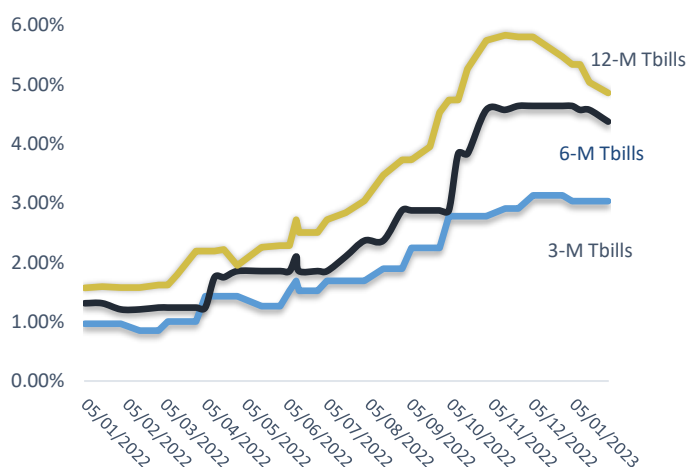
## Asset Allocation according to their type



## Auctions of government securities and interest rate

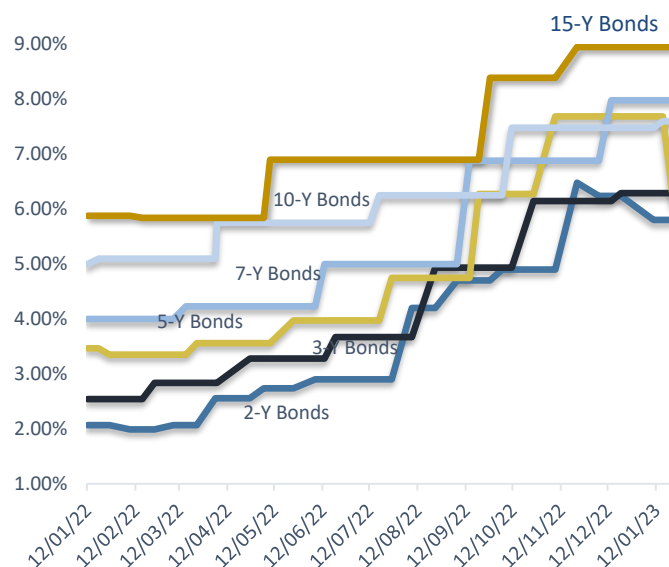
The Government of the Republic of Albania issues securities in relatively frequent and regular periods. According to the reports published by the Ministry of Finances, the auctions for 3-month and 6-month T-bills are held once a month, whereas the auctions for the 12-month T-bills are held every two weeks. Except for the auctions of the 2-year bonds which are held monthly, auctions for all other bonds (3,5,7,10 and 15-year) are held approximately quarterly.

### Performance of Treasury Bills' yields



The result of the 3-month bill auction held on 4<sup>th</sup> of January, decreased from 3.13% to 3.031%. The result of the 6-month bill auction held on 10<sup>th</sup> of January also decreased from 4.638% to 4.571%, while the result of the auction held on 31<sup>st</sup> of January decreased further to 4.373%. As for the 12-month bill, there were three auctions held on 4<sup>th</sup>, 17<sup>th</sup> and 31<sup>st</sup> of January, all of which pursued an decreasing trend from 5.465%, to 5.338%, to 5.034% and to 4.859% respectively.

### Performance of Bonds' yields



During the month of January, the yield of the 2-year bond decreased to 5.80% from 6.24% in December. The auction of the 5-year bond, held on 23<sup>rd</sup> of January, resulted at 6.073% from 7.687% in November. The auction of the new 10-year bond, held on 16<sup>th</sup> of January, resulted at 7.6%. During the month of January, no auctions were held for the 3-year, 7-year and 15-year bonds. The results of the daily changes of the referred benchmark bonds 3-5 years have pursued a decreasing trend. The yield changes from 31 December to 31 January are as follows: for the 3-year bond from 5.8% to 5.5%, for the 4-year bond from 6.39% to 5.8% and for the 5-year bond from 6.85% to 6.15%.

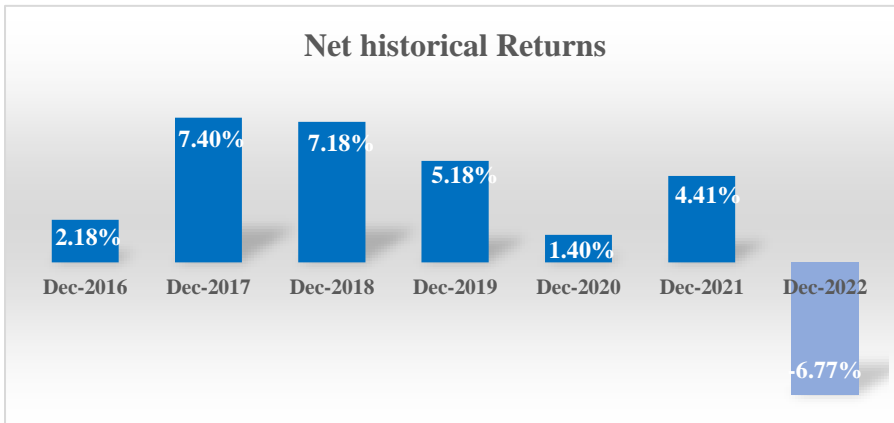
## Annual historical net returns

The assets of the fund are mainly 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 accounts for 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 31 January 2023, are presented in the table below:

Investment Period	Annualized return for the investment period
1 year	-7.33% per annum
2 years	-1.39% per annum
3 years	-0.47% per annum
4 years	0.61% per annum
5 years	2.10% per annum
6 years	2.91% per annum
Since establishment	3.13% per annum



The fund was initiated on **July 1, 2016**. The net annual return is the return of the portfolio after deducting the costs and fees held by the fund. Historical data is presented only for illustrative purposes and should not be considered as a guarantee for the future.

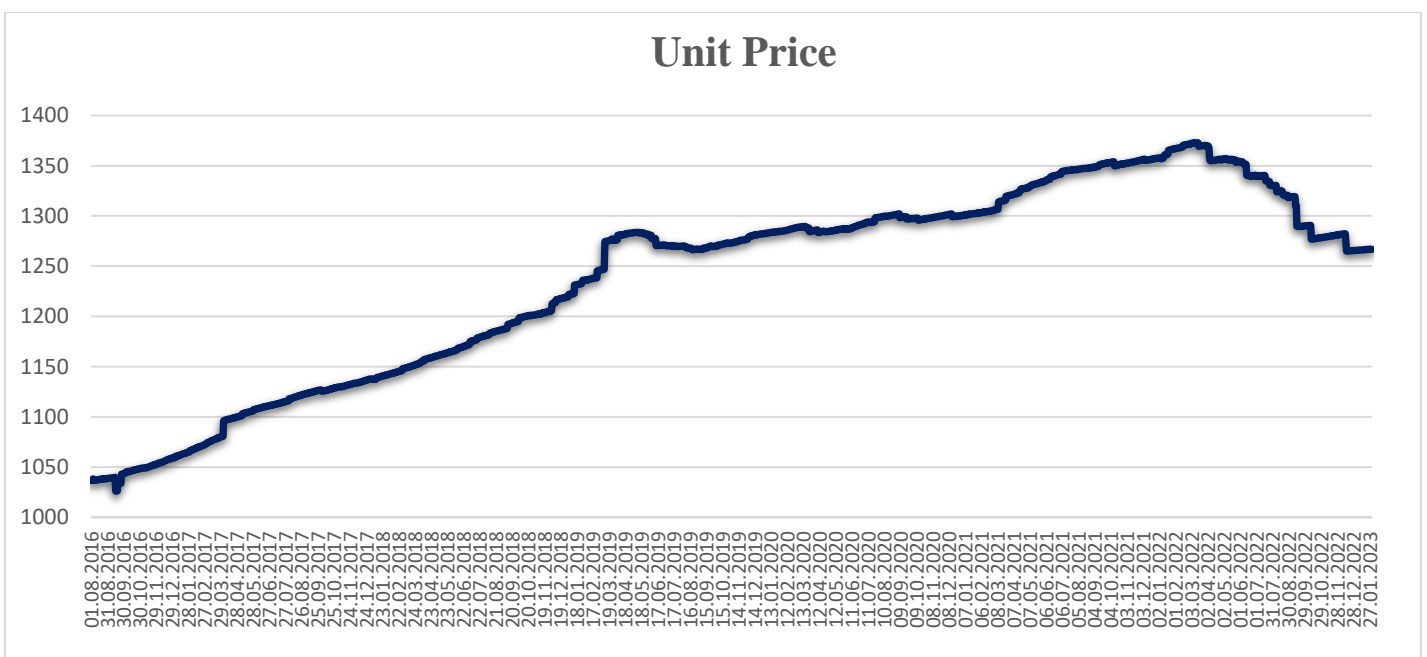
The measures taken by the Central Bank of Albania in response to inflationary pressure are expected to continue during the year 2023. According to Central Bank of Albania, the inflation is expected to pursue a decreasing trend during 2023 and reach the set objective during the year 2024.

Faced with this situation, the Fund Management has undertaken a process of tactical re-allocation of assets in short-term instruments, in order to reduce the negative impacts from the results of the auctions. This process has been developed by always taking into consideration the best interest of the investors. Following this process of tactical re-allocation of assets, the Fund has positioned more than 90% of its assets in short-term instruments (treasury bills), cash and equivalents by the end of January 2023.

The financial liquidity will be allocated in different instruments during 2023 in a conservative approach, aiming to increase the return of the Fund while reducing the negative effects from the possible rise of the interest rates during the year.

Despite the high volatility of the government bonds interest rates during the year 2022, the risk profile of Credins Premium Fund remains at the level 2.

Considering the above, the Fund's investors are encouraged to be patient, not execute disinvestments during unfavorable market conditions and to have an approach oriented towards the long-term value of their investments.



*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](http://www.credinsinvest.com).*