

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: 30.06.2024

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 | 628,233,778.70 |
| Unit Price | 1,338.7905 |
| Modified Duration | 3.46 vjet |
| Return on investment (30.06.2023-30.06.2024)* | 4.28% |

*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.

Corporate Bonds

Corporate Bonds are debt instruments issued by private organizations. These instruments have the credit risk of the respective organization. These debt instruments are rated with higher credit risk than the debt instruments issued by the Republic of Albania. In addition, these instruments are exposed to interest rate risk and liquidity risk. The Fund may invest only in corporate bonds that are issued on regulated markets such as the Albanian Stock Exchange 'ALSE'.

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

Costs and Fees

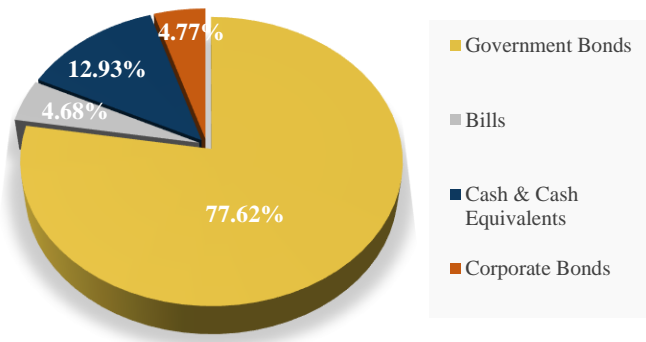
The Fund's Management fees are used to pay for Fund's management costs, including the costs of marketing and unit allocation. Fund Fees may lead to a potential decrease in investment growth.

| | |
|--|---|
| 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 Total Assets

| Asset Allocation | ALL | %Assets |
|---------------------------|----------------|---------|
| Government Bonds | 489,594,667.86 | 77.62% |
| Bills | 29,513,111.65 | 4.68% |
| Corporate Bonds | 30,101,929.22 | 4.77% |
| Cash and cash equivalents | 81,571,757.13 | 12.93% |

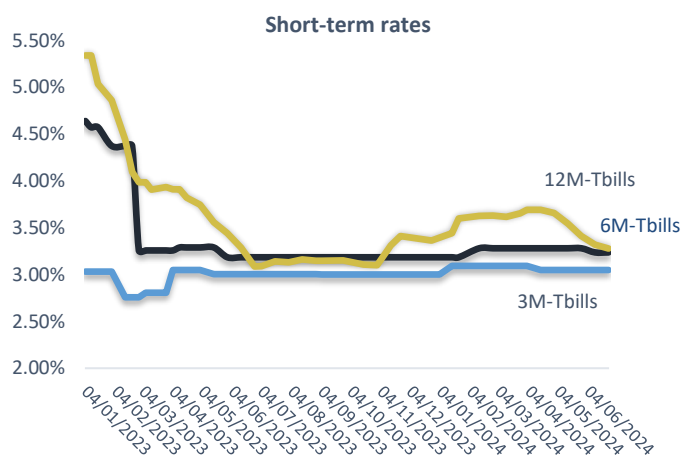
Asset Allocation according to their type



Auctions of government securities and interest rate

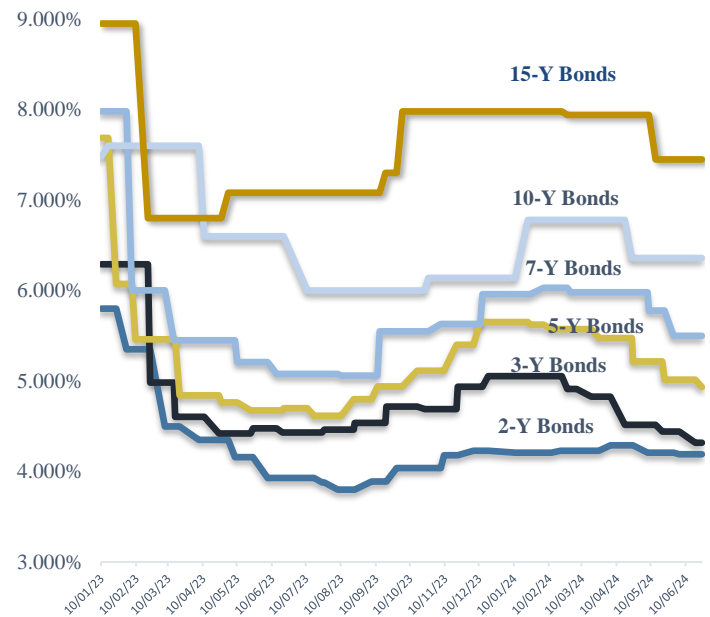
The Government of the Republic of Albania issues securities in relatively frequent and regular periods. According to the reports published by the Ministry of Finances, the auctions for 3-month and 6-month T-bills are held once a month, whereas the auctions for the 12-month T-bills are held every two weeks. During the year 2024, the frequency of the bond auctions are expected to be as follows: once every month for the 2-year, 3-year and 5-year bond, twice every three months for the 7-year bond, and approximately quarterly for the 10-year bond and the 15-year bond.

Performance of Treasury Bills' yields



During the month of June, there were two auctions held for the 12M-Tbill, on 11th and 25th of June that pursued a decreasing trend from 3.409% to 3.319% and 3.278% respectively. Meanwhile, the auction for the 6M-Tbills decreased from the result of January 2024 of 3.28% to 3.236%. There were no auctions held for the 3M-Tbills.

Performance of Bonds' yields



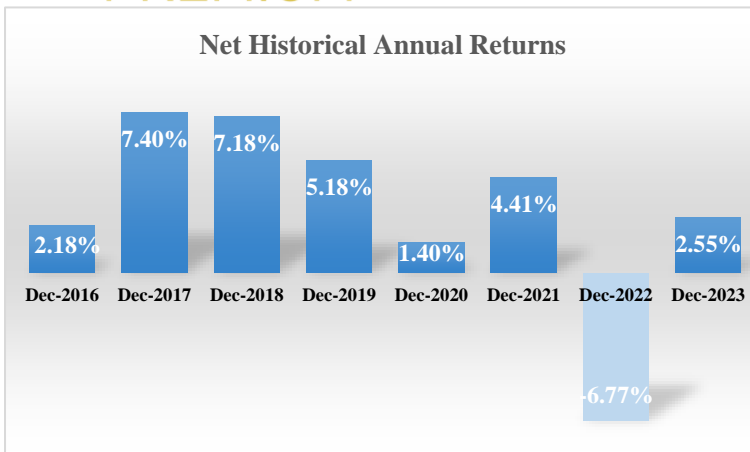
The auction of the 2-year bond, held on 4th of June, resulted at 4.19% from 4.21% in May. The auction of the benchmark 3-year bond, held on 18th of June, resulted at 4.318% from 4.442% in May. The auction of the benchmark 5-year bond held on 24th of June, resulted at 4.993% from 5.016% in May. During the month of June, no auctions were held for the 7-year, 10-year and 15-year bonds. The yield changes of the benchmark bonds 3-5 years, from May 31st to June 30th are as follows: for the 3-year bond the average of the bids decreased from 4.44% to 4.35%, for the 4-year bond from 4.61% to 4.53% and for 5-year bond from 5.10% to 5.04%.

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. In case the Fund invests in bonds with maturities shorter than 90 days or in bills with maturities up to 90 days, the instrument will be recognized at purchase value and will be measured at amortized cost. The net returns of the Fund, from establishment to June 30th 2024, are presented in the table below:

| Investment Period | Annualized return for the investment period |
|---------------------|---|
| 1 year | 4.28% per annum |
| 2 years | -0.04% per annum |
| 3 years | -0.06% per annum |
| 4 years | 0.90% per annum |
| 5 years | 1.04% per annum |
| 6 years | 2.25% per annum |
| 7 years | 2.69% per annum |
| Since establishment | 3.28% per annum |



The fund was initiated on **July 1st, 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 financial market in Albania faced high inflationary pressures during the year 2022, which have had a negative impact on the return of the Fund. These pressures have followed a downward trend during the year 2023 and the year 2024 and as predicted by the Bank of Albania in their monetary policy strategy, the inflation reached the set target during the year 2024, moreover it below target of 3% since February 2024. According to the publication by INSTAT, the inflation at the end of May resulted at the level of 2.2%, a high decrease from the of 4% in December 2023. Considering a downward trend of inflation during the last 4 months, the Board of the Bank of Albania decreased the interest policy rate by 0.25 basis points from 3.25% to 3% in the meeting held on the 3rd of July 2024.

At the end of March 2024, the international agency, Standard & Poor's, upgraded Albania's long-term sovereign credit rating to 'BB-' from long standing 'B+'. In addition, the agency has previously revised Albania's perspective from "stable" to "positive". Albania has reached this level of credit rating for the first time, which is expected to bring down the interests of the sovereign debt in the future.

Considering the above, the Fund Management has undertaken a conservative allocation strategy during 2023, while increasing gradually the duration of the portfolio during the year 2024, aiming to increase the return of the Fund.

In June 2023, a corporate bond was issued for the first time on the Albanian stock exchange "ALSE". Taking into consideration the objectives of the strategic allocation, stated in the Prospectus of the “Credins Premium” Fund, as well as the best interest of the investors for increasing the return of the Fund in relation to the risk, 4.77% of the Fund’s total assets are allocated in this corporate bond as of 30th of June 2024.



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.