

QUARTERLY NEWSLETTER

No. 44 - YEAR XI - Q4 2018

KOSOVO PENSION SAVINGS TRUST

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	1Y	3Y	5Y	SINCE INCEPTION
RESULT	-3.19%	-6.17%	-5.28%	5.35%	14.51%	38.75%
BENCHMARK*	0.87%	1.65%	2.95%	4.80%	4.14%	37.39%

*KOSOVO CONSUMER PRICE INDEX AS PUBLISHED BY THE KOSOVO AGENCY FOR STATISTICS

MONTHLY CHANGES

UNIT PRICE:

OCTOBER	▼ -3.49%
NOVEMBER	▲ +0.42%
DECEMBER	▼ -3.19%
QUARTER	▼ -6.17%

GROSS RETURN (euro)

OCTOBER	-60.50m
NOVEMBER	7.74m
DECEMBER	-54.38m
QUARTER	-107.14m

NET RETURN (euro)

OCTOBER	-61.16m
NOVEMBER	7.11m
DECEMBER	-55.03m
QUARTER	-109.08m

CONTRIBUTION

NEW CONTRIBUTION (euro)

OCTOBER	16.62m
NOVEMBER	14.16m
DECEMBER	15.09m
QUARTER	45.87m

NEW ACCOUNTS

OCTOBER	2,945
NOVEMBER	2,634
DECEMBER	3,406
QUARTER	8,985

ACTIVE ACCOUNTS

OCTOBER	331,537
NOVEMBER	337,355
DECEMBER	344,453
QUARTER	306,475

PENSIONS

PENSION BENEFICIARY

OCTOBER	425
NOVEMBER	372
DECEMBER	273
QUARTER	1,070

WITHDRAWN AMOUNT

OCTOBER	€1.81m
NOVEMBER	€1.67m
DECEMBER	€2.58m
QUARTER	€6.06m

REASONS

AGE PENSION	DEATH CASES	OTHER
€1.43m	€0.34m	€0.04m
€1.23m	€0.42m	€0.02m
€2.36m	€0.18m	€0.04m
€5.02m	€0.94m	€0.10m

SUMMARY

	Q4	Q3
UNIT PRICE	€1.3875	€1.4788
AUM	€1,682,023,592	€1,753,263,931
INVESTMENT FEE	€1.64m	€1.66m
OPERATION FEE	€0.31m	€0.31m
INVESTMENTS IN KOSOVO	€328.45m	€248.53m
INVESTMENTS OUTSIDE	€1,353.58m	€1,496.93m
UNINVESTED (CASH AT CBK)	€126.26m	€7.80m
eTRUSTI ACCOUNTS	102,727	96,667
SERVICES DELIVERED	21,767	21,543



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ALLOCATION AND PERFORMANCE

MANAGER / ISSUER / BANK	FUND NAME / BANK	ALLOCATION Q4 END(€)	AVERAGE ALLOCATION	AVERAGE PERFORMANCE	GROSS INVESTMENT RETURN (€)
Vanguard	Global Stock Index Fund - Euro	€363,676,626	23.54%	-15.23%	-57.84m
Nordea	1-Stable Return Fund	€124,005,629	7.91%	-3.16%	-4.88m
Nordea	1-Global Stable Equity Fund	€162,607,446	6.70%	-11.01%	-15.33m
BNY Mellon	Global Real Return Fund	€145,256,365	6.59%	-1.29%	-1.02m
AXA	Global Inflation Linked Bonds	€97,593,865	5.89%	-0.71%	-0.22m
AXA	WF Optimal Income I EUR	€53,906,903	6.50%	-9.16%	-10.08m
Schroders	ISF Global Diversified Growth	€55,893,343	6.65%	-8.16%	-8.35m
Amundi	Rendement Plus Part I2	€102,509,778	6.92%	-3.58%	-3.98m
Amundi 3M	Amundi 3M - I	€59,847,864	3.60%	-0.07%	-0.04m
BNP Parvest	Diversified Dynamic	€52,220,239	6.47%	-6.49%	-6.96m
Schroders	Strategic Bond - Euro Hedged	€9,812,299	0.61%	-3.01%	-0.03m
Treasury of Kosovo*	Bills	€168,156,013	9.55%	0.54%	0.86m
Treasury of Kosovo*	Bonds	€40,888,274	2.71%	0.11%	0.05m
BKT, BPB, TEB, NLB*	Term deposits	€119,403,795	4.04%	1.45%	0.27m
Cash at CBK	Uninvested	€126,245,153	2.31%	-0.07%	-0.03m
N/A	N/A				**0.70m
TOTAL		€1,682,023,592	100.00%	-6.17%	-107.14m

* The performance is based on fixed interest rates.

** Other income.

NEWS

NEGATIVE PERFORMANCE FOR 2018 INVESTMENTS; BUT IN A LONG TERM DOES NOT AFFECT THE CONTRIBUTORS

KPST started 2018 with 1,634,648,056 euro under management and finished it with 1,681,148,925 Euros, or with 46,500,869 Euros more. During this year KPST also paid the amount of about 31.2 million to retired contributors.

Investment performance during 2018 was -5.2%, which came after return on investment of + 6.48% for 2017. It should also be clarified that until 2018 there were 9 successive years of positive results from investments with a gross accumulated return of 464.8 million Euros.

FIVER MEMBERS OF THE GOVERNING BOARD HAVE BEEN APPOINTED

The Assembly of Kosovo, in the session held on 2 November 2018, has appointed five members of the Governing Board of the Kosovo Pension Savings Trust. Four of these positions were professional and one was for the representation and counseling of employees. The mandate of the appointed members is 4 years, with the possibility of reelection, and their mandate will start from 1st of December 2018.

Mr. Ruzhdi Morina was appointed as Chairman of the Board, thus being appointed as professional member of the Board. For the three other professional positions, the Assembly has appointed: Mr. Frederick Artesani, Mr. Behxhet Haliti, and Mr. Driton Qehaja. Whereas Mr. Ymer Ymeri was appointed in the position of representation and counseling of employees.

THE BOARD HELD FOUR MEETINGS DURING THE Q4: ONE IN OCTOBER, ONE IN NOVEMBER AND TWO IN DECEMBER

The Managing Board in its meeting in October 2018 reviewed the situation with all investments and investment funds, and due to the unstable situation in the financial markets and the expected developments decided to undertake measures to reduce its investment risk by directing the funds towards more conservative funds. In this line were withdrawn: €21m from Nordea SRF; €42m from Amundi RP; €43m from Schroders GDG; €47m from AXA-OI; and €50m from BNP Parvest. On the other hand, these withdrawn funds was decided to be invested as follows: €21m in Nordea GSE; €85m in BNY Mellon and €97m in Amundi 3M-I.

In its November meeting, the Board decided to increase KPST's funds in the bank deposits in the country, by depositing €88m, including those that mature. Also, the Board approved the proposal to continue participation in the auctions of the Government of Kosovo securities.

In its 13 December 2018 meeting, the Board was confirmed in the new composition, whereby five members were mandated by the Assembly of Kosovo. On this occasion, the Board committees and their respective chairpersons and members were determined.

On 27 December 2018, the Board unanimously approved the decisions for withdrawal of the following funds: from BNP Parvest €40m; from Schroders GDG €40m and from AXA OI €40m. On the other hand, it has been decided to place these withdrawals as follows: in Amundi 3M €45m; in BNY Mellon €30m; in Nordea GSE €30m and €15m will be returned to CBK.

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