

QUARTERLY NEWSLETTER

NO. 45 - YEAR XII - Q1 2019

KOSOVO PENSION SAVINGS TRUST

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULT	0.58%	5.56%	5.56%	10.84%	19.74%	46.46%
BENCHMARK*	0.09%	0.86%	0.86%	4.86%	4.55%	38.57%

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

MONTHLY CHANGES

UNIT PRICE:

JANUARY	▲ +3.22%
FEBRUARY	▲ +1.67%
MARCH	▲ +0.58%
QUARTER	▲ +5.56%

GROSS RETURN (EURO)

JANUARY	54.95m
FEBRUARY	29.84m
MARCH	11.14m
QUARTER	95.93m

NET RETURN [euro]

JANUARY	54.29m
FEBRUARY	29.22m
MARCH	10.45m
QUARTER	93.96m

CONTRIBUTION

NEW CONTRIBUTION [euro]

JANUARY	16.64m
FEBRUARY	13.70m
MARCH	14.06m
QUARTER	44.40m

NEW ACCOUNTS

JANUARY	3,406
FEBRUARY	2,843
MARCH	2,700
QUARTER	7,717

ACTIVE ACCOUNTS

JANUARY	344,376
FEBRUARY	245,376
MARCH	267,092
QUARTERLY AVERAGE	287,010

PENSIONS

PENSION BENEFICIARY

JANUARY	730
FEBRUARY	456
MARCH	471
QUARTER	1,657

WITHDRAWN AMOUNT

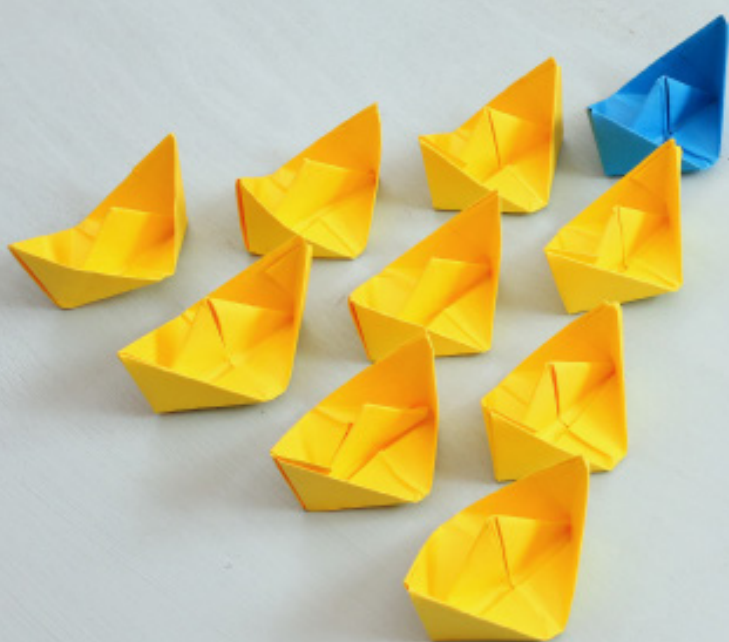
JANUARY	€3.94m
FEBRUARY	€2.82m
MARCH	€2.91m
QUARTER	€9.67m

REASONS

AGE PENSION	DEATH CASES	OTHER
€3.59m	€0.31m	€0.04m
€2.32m	€0.45m	€0.05m
€2.44m	€0.43m	€0.04m
€8.35m	€1.19m	€0.13m

SUMMARY

	Q1 2019	Q4 2018
UNIT PRICE	€1.4646	€1.3875
AUM	€1,811,435,558	€1,682,023,592
INVESTMENT FEE	€1.66m	€1.64m
OPERATION FEE	€0.31m	€0.31m
INVESTMENTS IN KOSOVO	€374.82m	€328.45m
INVESTMENTS OUTSIDE	€1426.38m	€1,353.58m
UNINVESTED (CASH AT CBK)	€10.24m	€126.26m
eTRUSTI ACCOUNTS	112,332	102,727
SERVICES DELIVERED	28,366	21,767



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ALLOCATION AND PERFORMANCE

MANAGER / ISSUER / BANK	FUND NAME / INVESTMENT	ALLOCATION Q1 END(€)	AVERAGE ALLOCATION	AVERAGE PERFORMANCE	GROSS INVESTMENT RETURN (€)
Vanguard	Global Stock Index Fund - Euro	€119,485,937	21.16%	10.22%	40.90 mln
Nordea	1-Stable Return Fund	€186,890,671	9.11%	4.57%	7.88 mln
Nordea	1-Global Stable Equity Fund	€61,023,145	11.01%	10.68%	21.41 mln
BNY Mellon	Global Real Return Fund	€183,822,005	10.12%	4.53%	8.56 mln
AXA	Global Inflation Linked Bonds	€28,913,014	3.78%	1.56%	1.37 mln
AXA	WF Optimal Income I EUR	€39,926,401	2.95%	6.93%	3.59 mln
Schroders	ISF Global Diversified Growth	€41,183,704	3.06%	4.33%	2.79 mln
Amundi	Rendement Plus Part I2	€56,283,295	5.37%	3.76%	3.81 mln
Amundi 3M	Amundi 3M - I	€627,782,789	4.95%	-0.06%	-0.05 mln
BNP Parvest	Diversified Dynamic	€56,097,997	3.09%	6.78%	3.98 mln
Schroders	Strategic Bond - Euro Hedged	€24,969,505	1.15%	0.95%	0.15 mln
Treasury of Kosovo*	Bonds	€213,792,337	10.75%	0.52%	1.04 mln
Treasury of Kosovo*	Bills	€41,169,864	2.33%	0.12%	0.03 mln
BKT, BPB, TEB, NLB*	Term deposits	€119,857,913	6.79%	0.37%	0.45 mln
Cash at CBK	Uninvested	€10,235,467	4.39%	-0.04%	-0.03 mln
TOTAL		€1,811,434,045	100.00%	5.11%	95.93 mln

*The performance is based on fixed interest rates.

NEWS

THE CBK GOVERNOR HOSTED KPST MANAGEMENT IN A MEETING

The Governor of the Central Bank of Kosovo (CBK), Mr. Fehmi Mehmeti, hosted the management of the Kosovo Pension Savings Trust at the end of January. In this meeting, KPST was represented by the Chair of the Steering Board, Mr. Ruzhdi Morina, who was accompanied by members of the Steering Board and the Managing Director of KPST. The Governor, Mr. Mehmeti, was interested in the KPST's investment status, the outcome of 2018 and the actions that the Board is expected to take during the following year.

On the other hand, the Chair of the Board, Mr. Morina, informed the Governor about the developments related to KPST's investments in the international financial markets, pointing out that the decline recorded in the last quarter of 2018, especially with the worst December in the history of financial markets, was compensated to an extent by a positive return that KPST investments have recorded during January 2019, and that depending on the following developments, the Board will make decisions on the movement of funds.

The Governor, Mr. Mehmeti, has estimated that the Steering Board should stick to its long-term investment strategy but also look at how to manage short-term fluctuations effectively.

THE BOARD HELD THREE MEETINGS DURING Q1, ONE PER MONTH

At the January meeting, based on the recommendations of the Investment Commission, the Steering Board unanimously approved the decisions to withdraw €70m from the Amundi 3M fund. Also, the Board decided that these funds be placed as follows: €20m in Vanguard GSEF; €20m in Nordea GSE; €20m in Nordea SRF, and €10m in Schroders SB.

At the February meeting, the Board decided to withdraw €45m from AXA-GILB and withdraw €30m from Amundi 3M. Also, the Board decided that these withdrawn amounts should be placed in the following funds: €5m in the Schroders SB fund; €35m in the Vanguard GSIF fund and €35m in the Nordea SRF fund.

While at the March meeting, with the aim of tactical balancing, the Board unanimously approved the decisions for withdrawing the following funds: €160m from Vanguard GSIF, €80m from Nordea GSEF, €25m from AXA GILB, €50m from Amundi RP, €17.5m from AXA OI and €17.5m from Schroders GDG. At the same time, the Board decided that the entire withdrawn amount (i.e. €350m) be invested in the Amundi 3M-I fund.

STARTED THE DELIVERY OF ANNUAL STATEMENTS

In the 2018 cycle, a total of 382,291 statements were generated from the KPST account management system. Out of this number, 204,691 will be sent through regular post service, whereas 177,600 have been sent via e-mail. Despite the fact that the number of new accounts this year increased by about 35,000, the number of statements sent through the post decreased significantly (about 79,000 one year earlier). This is because the number of eTrusti service users increased by about 20,000, who do not need physical statements to be sent to, but also because more e-mail addresses of contributors have been provided.

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