

QUARTERLY NEWSLETTER

NO. 46 - YEAR XII - Q2 2019

KOSOVO PENSION SAVINGS TRUST

# TRUSTORY

## PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULT	1.18%	0.96%	6.57%	9.70%	18.35%	47.86%
BENCHMARK*	-0.38%	-0.38%	0.48%	5.72%	4.96%	38.04%

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

## MONTHLY CHANGES

### UNIT PRICE:

APRIL	▲ +0.47%
MAY	▼ -0.69%
JUNE	▲ +1.18%
QUARTER	▲ <b>+0.96%</b>

### GROSS RETURN [euro]

APRIL	9.22m
MAY	-11.99m
JUNE	22.32m
QUARTER	<b>19.55m</b>

### NET RETURN [euro]

APRIL	8.54m
MAY	-12.68m
JUNE	21.65m
QUARTER	<b>17.51m</b>

## CONTRIBUTION

### NEW CONTRIBUTION [euro]

APRIL	16.65m
MAY	14.86m
JUNE	14.67m
QUARTER	<b>46.18m</b>

### NEW ACCOUNTS

APRIL	2,606
MAY	2,599
JUNE	2,791
QUARTER	<b>7,996</b>

### ACTIVE ACCOUNTS

APRIL	298,846
MAY	309,239
JUNE	317,408
QUARTERLY AVERAGE	<b>308,498</b>

## PENSIONS

### PENSION BENEFICIARY

APRIL	627
MAY	743
JUNE	453
QUARTER	<b>1,824</b>

### WITHDRAWN AMOUNT

APRIL	€3.69m
MAY	€4.39m
JUNE	€3.02m
QUARTER	<b>€11.10m</b>

### REASONS

AGE PENSION	DEATH CASES	OTHER
€3.36m	€0.25m	€0.08m
€3.90m	€0.39m	€0.10m
€2.65m	€0.25m	€0.12m
<b>€9.91m</b>	<b>€0.89m</b>	<b>€0.30m</b>

## SUMMARY

	Q2 2019	Q1 2019
UNIT PRICE	€1.4786	€1.4646
AUM	€1,863,348,584	€1,811,435,558
INVESTMENT FEE	€1.72m	€1.66m
OPERATION FEE	€0.32m	€0.31m
INVESTMENTS IN KOSOVO	€410.81m	€374.82m
INVESTMENTS OUTSIDE	€1423.78m	€1426.38m
UNINVESTED [CASH AT CBK]	€28.75m	€10.24m
eTRUSTI ACCOUNTS	118,909	112,332
SERVICES DELIVERED BY KPST OFFICE	25,199	28,366



## ALLOCATION AND PERFORMANCE

MANAGER / ISSUER / BANK	FUND NAME	ALLOCATION Q2 END(€)	AVERAGE ALLOCATION	AVERAGE PERFORMANCE	GROSS INVESTMENT RETURN (€)
Vanguard	Global Stock Index Fund - Euro	122,998,012	6.76%	2.92%	3.54m
Nordea	1-Stable Return Fund	221,316,564	10.65%	0.08%	1.43m
Nordea	1-Global Stable Equity Fund	61,519,085	1.19%	0.03%	0.50m
BNY Mellon	Global Real Return Fund	223,364,229	10.59%	0.36%	6.54m
AXA	Global Inflation Linked Bonds	29,572,587	1.62%	0.04%	0.69m
AXA	WF Optimal Income I EUR	40,443,459	2.24%	0.03%	0.53m
Schroders	ISF Global Diversified Growth	41,906,173	2.31%	0.04%	0.72m
Amundi	Rendement Plus Part I2	83,298,138	3.32%	0.06%	1.04m
Amundi 3M	Amundi 3M - I	432,422,100	32.64%	-0.02%	-0.29m
BNP Parvest	Diversified Dynamic	57,823,472	3.15%	0.10%	1.83m
Schroders	Strategic Bond - Euro Hedged	62,811,359	1.66%	0.05%	0.84m
BlackRock <sup>2)</sup>	S&P 500 Minimum Volatility	46,307,989	0.32%	0.02%	0.39m
Treasury of Kosovo <sup>1)</sup>	Bonds	226,770,542	12.67%	0.07%	1.24m
Treasury of Kosovo <sup>1)</sup>	Bills	38,557,287	1.97%	0.00%	0.05m
BKT, BPB, TEB, NLB <sup>1)</sup>	Term deposits	145,484,690	7.71%	0.03%	0.52m
Cash at CBK	Uninvested	28,752,543	1.20%	-0.00%	-0.02m
<b>TOTAL</b>		<b>1,863,348,229</b>	<b>100.00%</b>	<b>1.09%<sup>1)</sup></b>	<b>19.55m</b>

<sup>1)</sup>The performance is based on fixed interest rates

<sup>2)</sup>The new investment fund, and the first investment was done on 17 June 2019

<sup>3)</sup>The unit price here does not include the fees or the surplus

## NEWS

### ADDITIONAL NEW INVESTMENT FUND

On 17 June 2019, KPST started investing through the BlackRock investment fund iShares Edge S&P 500 Minimum Volatility Euro Hedged. This passive (indexed) fund in its composition exclusively trades (and contains) the largest US-owned corporations, which have lower volatility than the wider market of US corporations' shares.

BlackRock Inc. is a US corporation of global investment management, with its headquarters in New York, USA. BlackRock manages over 800 investment funds and, as of 31 March 2019, it had \$6.5 trillion of assets under management, and around 13,000 globally employed in 30 countries. This fund is a class of shares that aims to achieve return on investment as a combination of capital growth and income with a relatively low volatility.

### BOARD DECISIONS IN THE SECOND QUARTER

The KPST Governing Board, in its meeting held on 21 March 2019 (decisions taken in that meeting were implemented in early April 2019), reviewed the state of all investments and of the investment funds and addressed the recommendations of the Investment Commission. Based on the recommendations of the Investment Commission, the Board unanimously approved the decisions on withdrawal of the following assets: €180m from the Vanguard GSIF fund and €93m from Nordea GSE.

These withdrawn assets (of €273m) will be invested in the Amundi 3M fund. Meanwhile, in its meeting held on 13 June 2019, based on the recommendations of the Investment Commission, the Board unanimously approved the decision to withdraw assets of €175m from the Amundi 3M-I fund. It was decided to invest these withdrawn assets in the following funds: €33m in BNY Mellon; €33m in Nordea SRF; €26m in Amundi RP; €37m in Schroders SB; and €46m in "S&P 500 Minimum Volatility Euro Hedged ETF" fund (ISIN: IE00BYX8XD24).

### THE ASSEMBLY APPROVED THE REDUCED MANAGEMENT FEES FOR 2019

The Assembly of the Republic of Kosovo approved, on 15 May 2019, the reduced management fees which will be applied for the rest of 2019. The adopted fees, as proposed by the Governing Board of KPST, were reduced from 0.381% to 0.370% for investment activities and from 0.071% to 0.069% for operational activities. These fees will take effect on the date of adoption.

We recall that KPST operates with the lowest fee rates in the region and beyond.

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