

QUARTERLY NEWSLETTER

No. 47 - YEAR XII - Q3 2019

KOSOVO PENSION SAVINGS TRUST

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULTS	0.15%	0.15%	7.69%	9.15%	18.07%	49.42%
BENCHMARK*	-0.09%	0.28%	0.76%	5.71%	4.94%	38.44%

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

MONTHLY CHANGES

UNIT PRICE:

JULY	▲ +0.63%
AUGUST	▲ +0.27%
SEPTEMBER	▲ +0.15%
QUARTER	▲ +1.06%

GROSS RETURN [euro]

JULY	12.41m
AUGUST	5.87m
SEPTEMBER	3.54m
QUARTER	21.82m

NET RETURN [euro]

JULY	11.70m
AUGUST	5.17m
SEPTEMBER	2.86m
QUARTER	19.73m

CONTRIBUTION

NEW CONTRIBUTION [euro]

JULY	16.72m
AUGUST	14.61m
SEPTEMBER	14.55m
QUARTER	45.95m

NEW ACCOUNTS

JULY	4,329
AUGUST	4,137
SEPTEMBER	3,561
QUARTER	12,027

ACTIVE ACCOUNTS

JULY	328,746
AUGUST	337,859
SEPTEMBER	344,652
QUARTERLY AVERAGE	337,086

RETIREMENTS

PENSION BENEFICIARIES

JULY	1,385
AUGUST	857
SEPTEMBER	664
QUARTER	2,906

WITHDRAWN AMOUNT

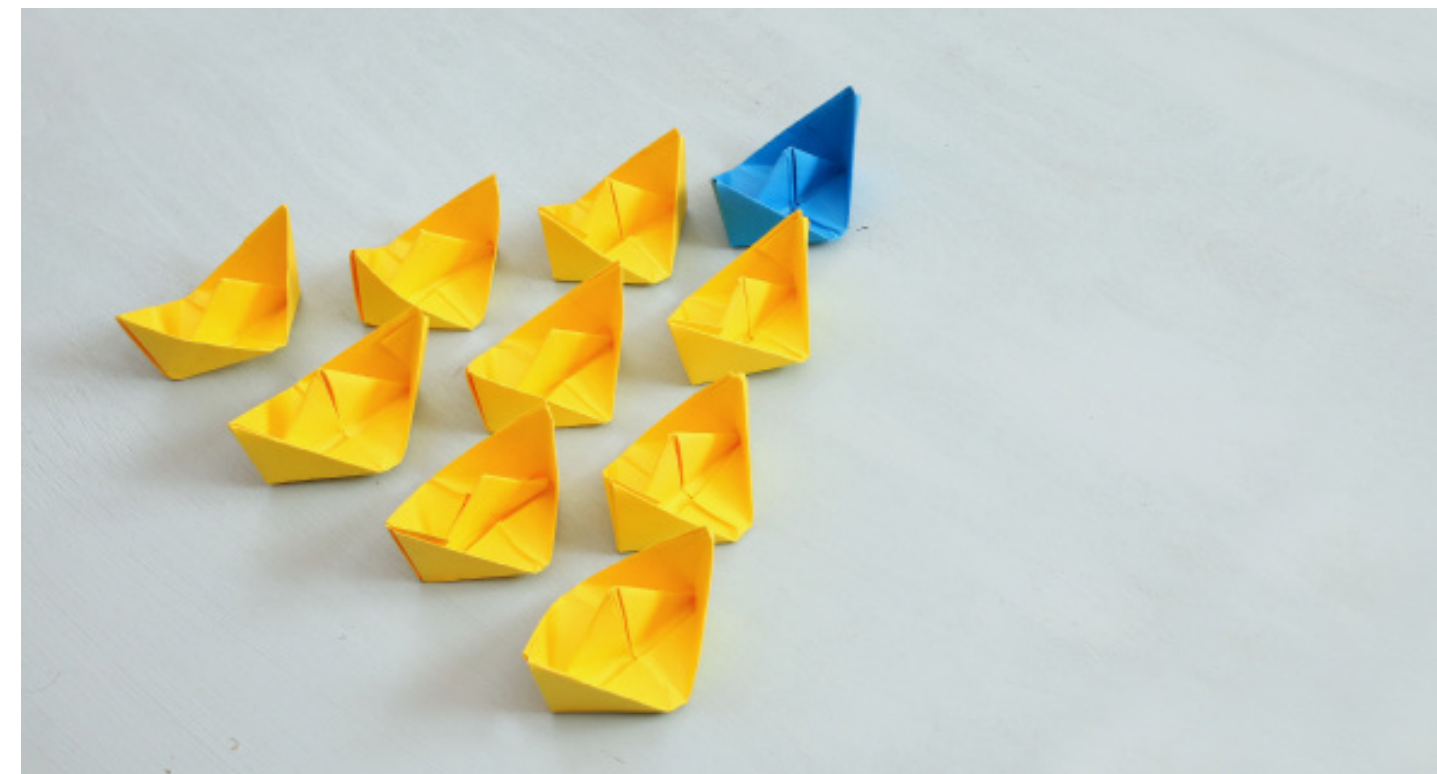
JULY	€11.01m
AUGUST	€6.37m
SEPTEMBER	€4.33m
QUARTER	€21.71m

REASONS

AGE PENSION	DEATH CASES	INVALIDITY	OTHER
€3.61m	€0.40m	€6.99m	€0.01m
€2.42m	€0.29m	€3.66m	€0.00m
€2.22m	€0.47m	€1.60m	€0.04m
€8.25m	€1.16m	€12.25m	€0.05m

SUMMARY

	Q3 2019	Q2 2019
UNIT PRICE	€1.4942	€1.4786
AUM	€1,905,906,729	€1,863,348,584
INVESTMENT FEE	€1.76m	€1.72m
OPERATION FEE	€0.33m	€0.32m
INVESTMENTS IN KOSOVO	€473.55m	€410.81m
INVESTMENTS OUTSIDE	€1433.47m	€1423.78m
UN-INVESTED [CASH AT CBK]	€5.67m	€28.75m
e-TRUSTI ACCOUNTS	123,649	118,909
SERVICES DELIVERED BY KPST OFFICE	21,689	25,199



ALLOCATION AND PERFORMANCE

MANAGER / ISSUER / BANK	FUND NAME	ALLOCATION Q3 END(€)	AVERAGE ALLOCATION	AVERAGE PERFORMANCE	GROSS INVESTMENT RETURN (€)
Vanguard	Global Stock Index Fund - Euro	44,402,134	3.12%	2.41%	1.42m
Nordea	1-Stable Return Fund	226,278,302	11.90%	2.21%	4.96m
Nordea	1-Global Stable Equity Fund	65,757,116	3.38%	6.65%	4.24m
BNY Mellon	Global Real Return Fund	227,625,805	11.99%	1.88%	4.26m
AXA	Global Inflation Linked Bonds	30,493,386	1.60%	3.14%	0.95m
AXA	WF Optimal Income I EUR	40,816,299	2.15%	1.06%	0.43m
Schroders	ISF Global Diversified Growth	42,380,333	2.24%	1.12%	0.47m
Amundi	Rendement Plus Part I2	84,623,282	4.46%	1.62%	1.37m
Amundi 3M	Amundi 3M - I	435,159,537	23.77%	-0.04%	-0.20m
BNP Parvest	Diversified Dynamic	59,392,086	3.11%	2.86%	1.68m
BlackRock	S&P 500 Minimum Volatility	47,816,679	2.50%	3.26%	1.54m
BlackRock	Euro Corp Bonds ETF	61,624,165	1.60%	-1.18%	-0.36m
Amundi	Euro Corp Bonds ETF	61,432,041	1.60%	-1.84%	-0.55m
Schroders ¹⁾	Strategic Bond Euro Hedged	--	--	--	-0.42m
Treasury of Kosovo ²⁾	Bonds	270,855,678	13.68%	0.54%	1.40m
Treasury of Kosovo ²⁾	Bills	28,602,131	1.77%	0.13%	0.04m
BKT, BPB, TEB, NLB ³⁾	Term deposits	174,088,521	8.45%	0.38%	0.61m
Cash at CBK	Un-invested	5,666,624	1.09%	-0.09%	-0.02m
TOTAL		1,907,014,119	100.00%	1.16% ²⁾	21.82m

¹⁾The performance is based on fixed interest rates.

²⁾The unit price here does not include the fees or the surplus

³⁾ All investment from this fund has been withdrawn and the effect for this quarter has been negative.

NEWS

OVER €100m RETURN ON INVESTMENTS FOR THE H1 2019

KPST has concluded the first half-year of 2019 with a gross return of over €100 million from investments. Markets during this six-month period have stood at positive quotas, although there were some strong volatility in the financial markets, especially in May. Economic and corporate business indicators were encouraging for investors.

Meanwhile, there was also a softening in the market war between the great powers. However, the risk of deteriorating political tensions continues to be actual, which will require increased vigilance to maintain the level of value raised in the second half of the year – which will be challenging due to volatility in financial markets. Under these conditions, the Governing Board is actively following the moves and, depending on expectations, will make tactical allocation of invested funds. The Board has also added a new investment fund (BlackRock – iShares Edge S & P 500 Minimum Volatility Euro Hedged) to better manage fluctuations in financial markets.

Meanwhile, the Board continues to be committed to increasing investments in Kosovo, within the established legal possibilities. Investing more funds in bank deposits in Kosovo is underway, while participation in all Kosovo government securities auctions continues.

BOARD DECISIONS IN THE THIRD QUARTER

Based on the recommendations of the Investment Commission, the Governing Board of the Kosovo Pension Savings Trust approved the following pension funds transfer: €62.0 million shall be invested in the fund of Amundi Euro Corporate C ETF; and €62.0 million in the fund of iShares Core Euro Corp Bond ETF. Also, the Board has approved the recommendation to withdraw the entire investment (of €62.4 million) from the Schroders Strategic Bond fund, as well as to withdraw €62.0 million from the Amundi 3M money market fund.

These decisions were implemented on August 16, 2019.

KPST WILL SOON LAUNCH THE e-KIOSK

KPST management and staff have made all preparations during the third quarter to install an automatic device (e-kiosk) whereby the contributors are provided with self-service 24 hours a day, seven days a week. By using the ID card, contributors will be able to print their pension savings account statement. All procedures have already been completed and the e-kiosk will be installed outside the KPST office during the following quarter. This project aims at facilitating services for contributors and providing a service for printing statements even after the official business hours.

PUBLISHER:

Kosovo Pension Savings Trust
October 2019

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