

QUARTERLY NEWSLETTER

No. 48 - YEAR XII - Q4 2019

KOSOVO PENSION SAVINGS TRUST

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESTULTS	0.06%	1.10%	8.87%	9.81%	17.29%	51.06%
BENCHMARK*	0.28%	0.38%	1.15%	4.64%	5.83%	38.96%

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

MONTHLY CHANGES

UNIT PRICE:

OCTOBER	▲ +0.06%
NOVEMBER	▲ +0.47%
DECEMBER	▲ +0.57%
QUARTER	▲ +1.10%

GROSS RETURN (euro)

OCTOBER	1.81m
NOVEMBER	9.79m
DECEMBER	11.76m
QUARTER	23.36m

NET RETURN (euro)

OCTOBER	1.10m
NOVEMBER	9.10m
DECEMBER	11.03m
QUARTER	21.22m

CONTRIBUTION

NEW CONTRIBUTIONS (euro)

OCTOBER	18.04m
NOVEMBER	15.38m
DECEMBER	16.64m
QUARTER	50.09m

NEW ACCOUNTS

OCTOBER	3,410
NOVEMBER	6,262
DECEMBER	5,923
QUARTER	15,595

ACTIVE ACCOUNTS

OCTOBER	352,653
NOVEMBER	366,797
DECEMBER	379,833
QUARTERLY AVERAGE	366,428

RETIREMENT

PENSION BENEFICIARIES

OCTOBER	555
NOVEMBER	481
DECEMBER	432
QUARTER	1,468

WITHDRAWN AMOUNT

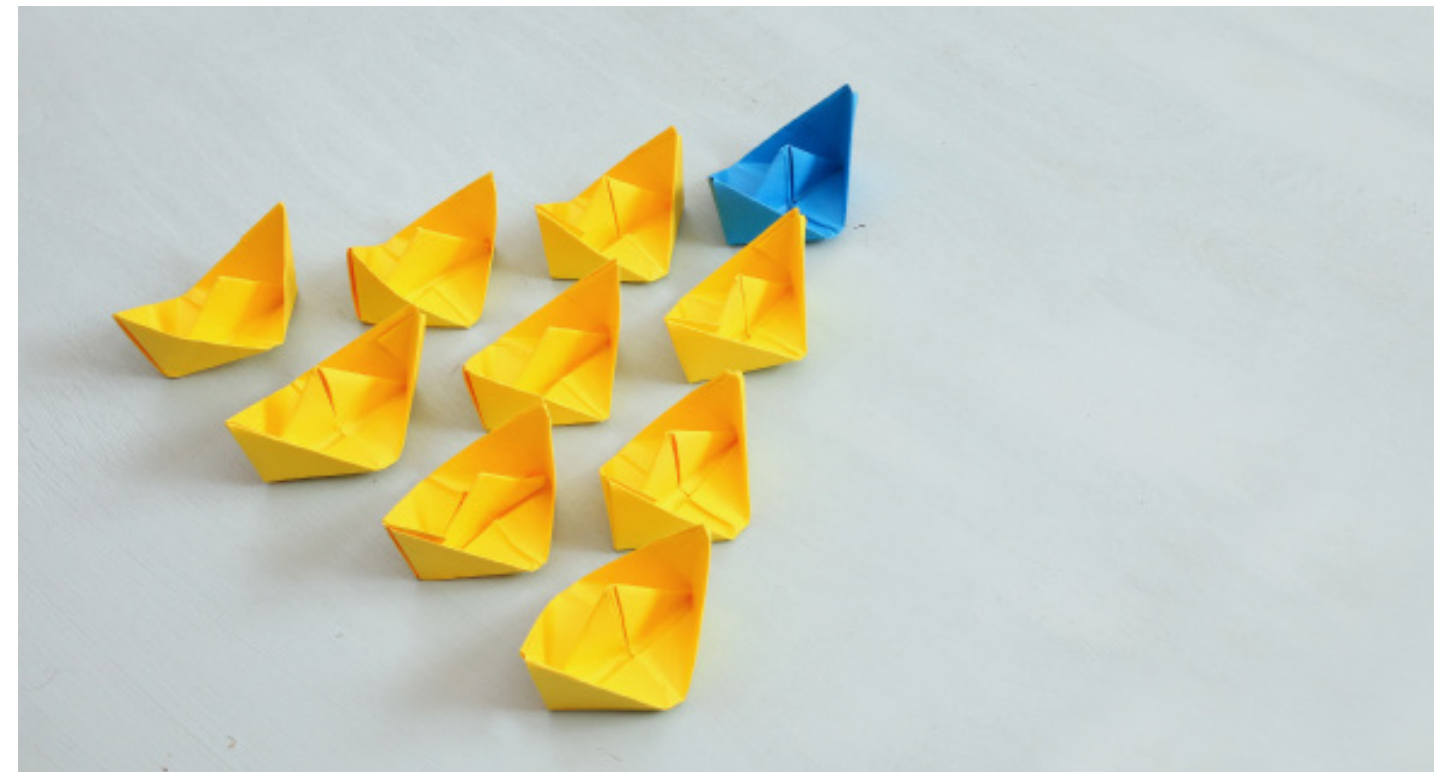
OCTOBER	€3.27m
NOVEMBER	€3.03m
DECEMBER	€3.70m
QUARTER	€10.00m

REASONS

AGE PENSION	DEATH CASES	INVALIDITY	OTHER
€2.28m	€0.47m	€0.51m	€0.01m
€2.15m	€0.35m	€0.52m	€0.01m
€2.42m	€0.41m	€0.86m	€0.01m
€6.85m	€1.23m	€1.89m	€0.03m

SUMMARY

	Q4 2019	Q3 2019
UNIT PRICE	€1.4942	€1.4942
AUM	€1,905,906,729	€1,905,906,729
INVESTMENT FEE	€1.80m	€1.76m
OPERATION FEE	€0.34m	€0.33m
INVESTMENT IN KOSOVO	€484.88m	€473.55m
INVESTMENT OUTSIDE	€1,480.06m	€1,433.47m
UN-INVESTED (CASH AT CBK)	€3.28m	€6.67m
eTRUSTI ACCOUNTS	129,960	123,649
SERVICES DELIVERED BY KPST OFFICE	23,001	21,689



ALLOCATION AND PERFORMANCE

MANAGER / ISSUER / BANK	FUND NAME	ALLOCATION Q4 END(€)	AVERAGE ALLOCATION	AVERAGE PERFORMANCE	GROSS INVESTMENT RETURN (€)
Vanguard	Global Stock Index Fund - Euro	47,484,683	2.37%	6.78%	3.10m
Nordea	1-Stable Return Fund	229,047,644	11.76%	1.22%	2.77m
Nordea	1-Global Stable Equity Fund	126,488,567	3.73%	3.79%	2.73m
BNY Mellon	Global Real Return Fund	270,436,971	12.08%	1.63%	3.81m
AXA	Global Inflation Linked Bonds	29,528,301	1.54%	-3.14%	-0.94m
AXA	WF Optimal Income I EUR	41,948,628	2.14%	2.88%	1.19m
Schroders	ISF Global Diversified Growth	43,638,302	2.22%	2.94%	1.26m
Amundi	Rendement Plus Part I2	85,540,345	4.40%	1.13%	0.96m
Amundi 3M	Amundi 3M - I	273,862,765	21.32%	-0.07%	-0.29m
BNP Parvest	Diversified Dynamic	111,532,837	3.45%	3.40%	2.27m
BlackRock	SP500 Minimum Volatility	50,394,634	2.50%	5.40%	2.61m
BlackRock	iShares Corp	61,306,550	3.17%	-0.47%	-0.29m
Amundi	Euro Corp Bonds ETF	61,168,064	3.16%	-0.39%	-0.24m
BlackRock	iShares MSCI US Quality ETF	47,680,019	0.35%	-0.43%	-0.03m
Treasury of Kosovo ¹⁾	Bonds	273,232,777	14.07%	0.54%	1.46m
Treasury of Kosovo ¹⁾	Bills	25,929,328	1.44%	0.13%	0.04m
BKT, BPB, TEB, NLB ¹⁾	Term deposits	185,713,008	9.36%	1.64%	0.68m
Cash at CBK	Un-invested	3,279,603	0.94%	-0.15%	-0.03m
Return/Other interest ²⁾					2.30m
TOTAL		1,907,014,119	100.00%	1.21%	23.36m

¹⁾The performance is based on fixed interest rates.

²⁾Return/Other interest include incomes from the sufficit of investments budget returned to pension fund.

NEWS

€161M KPST RETURN ON INVESTMENTS FOR THE YEAR 2019

During the year 2019 assets under the management of KPST saw a relative high increase, with total fund reaching nearly 2 billion euros at the end of 2019, which is an annual increase of 300 million euros.

As required by the legislation, the Governing Board makes investment decisions based on the four principles set out in the Law on Pension Funds, which are: 1) the security of the Pension Fund; 2) investment diversification; 3) maximum profit in line with the safety of the Pension Fund and 4) maintenance of adequate liquidity.

Based on these principles, for 2019, KPST has achieved a positive investment performance of 8.9%, while maintaining low volatility. Gross returns amounted to approximately +161 million euros in total, this being the highest ever in nominal value.

Almost 75% of KPST assets during 2019 were invested in international financial markets. Although the year has ended with a strong positive performance of financial markets, throughout the year many risks and uncertainties surrounded the markets: with price multiples being very high, corporate profits being revised downwards, the trade war unresolved till year-end and geopolitical tensions across the globe.

GOVERNING BOARD'S DECISION IN THE MEETING OF DECEMBER 2019

Based on the recommendations of the Investment Commission, the Governing Board of the Kosovo Pension Savings Trust approved the following pension funds transfer:

1. To make the following new investments after December 15 and confirmation from the Board: BNY Mellon (€39m); BNP Parvest (€50m); S&P 500 Quality ETF (new) (€48m); d. Nordea GSE (€58m), executed in three phases, or all at once, depending on the markets value.

2. These Investments to be financed from cash at CBK and the rest from Amundi-3M.

THE USE OF E-KIOSK BEGINS

As of the second half of December 2019, for electronic printing of statements, e-kiosk has been put into operation. Through this device, located outside the Trust's office in Prishtina, contributors will be able to print their account statements 24 hours a day and throughout the week. For this, all you need to have is Biometric ID.

The device is part of the project of enhancement of service to contributors, simplifying and simplifying the process of obtaining the statement.

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