

QUARTERLY NEWSLETTER

No. 49 - YEAR XIII - Q1 2020

KOSOVO PENSION SAVINGS TRUST

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3V	5V	SINCE INCEPTION
RESULTS	-2.66%	-4.66%	-4.66%	1.50%	6.65%	44.02%
BENCHMARK*	-0.09%	-0.56%	0.76%	4.11%	5.75%	39.62%

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

MONTHLY CHANGES

UNIT PRICE:

JANUARY	▲ +0.39%
FEBRUARY	▼ -2.43%
MARCH	▼ -2.66%
QUARTER	▼ -4.66%

GROSS RETURN (euro)

JANUARY	+8.29 mln
FEBRUARY	-47.86 mln
MARCH	-50.86 mln
QUARTER	-90.43 mln

NET RETURN (euro)

JANUARY	+7.55 mln
FEBRUARY	-48.56 mln
MARCH	-51.57 mln
QUARTER	-92.58 mln

CONTRIBUTION

NEW CONTRIBUTIONS (euro)

JANUARY	17.91m
FEBRUARY	14.77m
MARCH	13.53m
QUARTER	46.03m

NEW ACCOUNTS

JANUARY	2,616
FEBRUARY	2,711
MARCH	1,472
QUARTER	6,799

ACTIVE ACCOUNTS

JANUARY	384,582
FEBRUARY	261,529
MARCH	275,102
MONTHLY AVERAGE	307,071

RETIREMENT

PENSION BENEFICIARIES

JANUARA	565
FEBRUARY	570
MARCH	429
QUARTER	1,564

WITHDRAWN AMOUNT

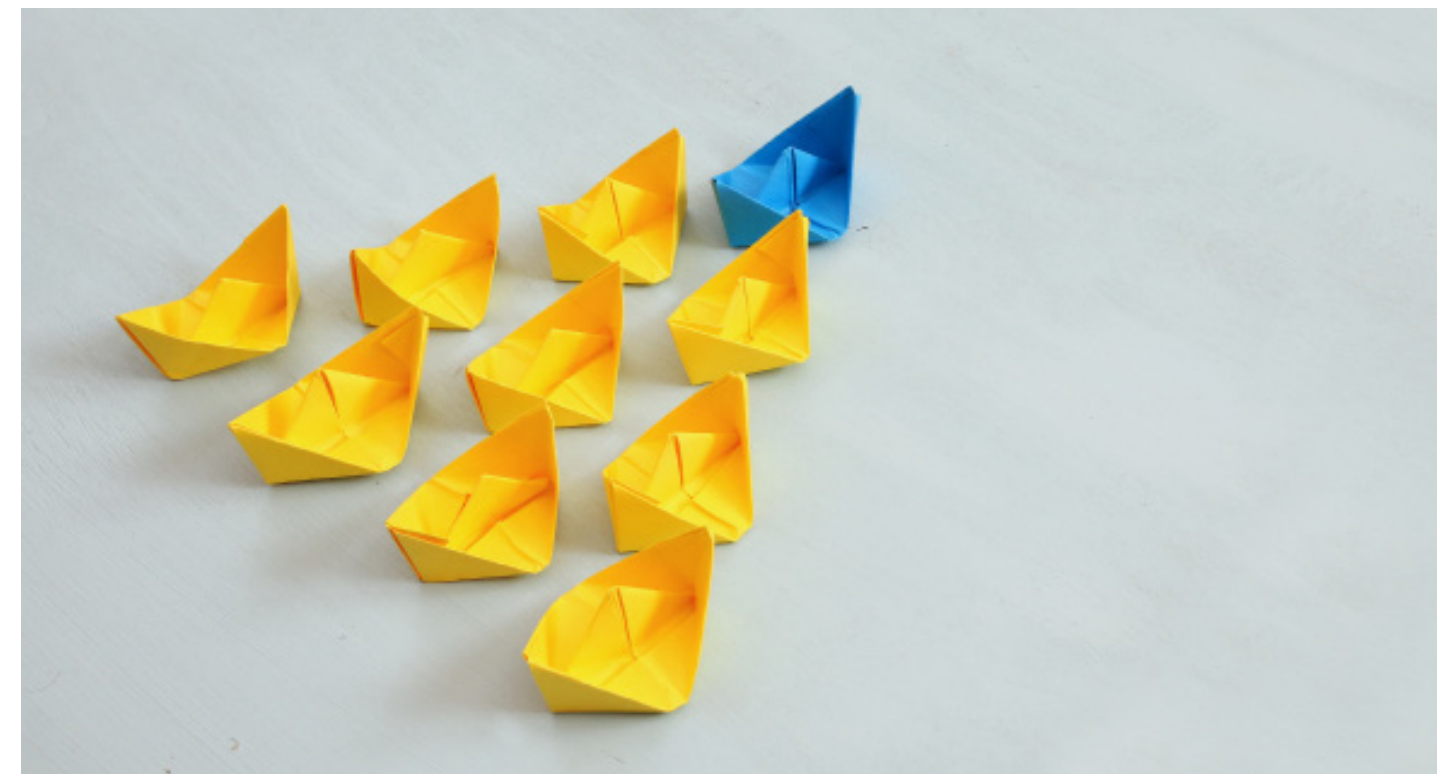
JANUARA	€3.76m
FEBRUARY	€4.21m
MARCH	€3.14m
QUARTER	€11.11m

REASONS

AGE PENSION	DEATH CASES	INVALIDITY	OTHER
€2.91m	€0.45m	€0.39m	€0.01m
€3.35m	€0.44m	€0.40m	€0.02m
€2.70m	€0.23m	€0.20m	€0.01m
€8.96m	€1.12m	€0.99m	€0.04m

SUMMARY

	Q1 2020	Q4 2019
UNIT PRICE	€1.4402	€1.4942
AUM	€1,912,619,843	€1,905,906,729
INVESTMENT FEE	€1.81m	€1.76m
OPERATION FEE	€0.34m	€0.33m
INVESTMENT IN KOSOVO	€485.94m	€473.55m
INVESTMENT OUTSIDE	€1,364.35m	€1,433.47m
UN-INVESTED (CASH AT CBK)	€62.32m	€6.67m
eTRUSTI ACCOUNTS	141,829	123,649
SERVICES PROVIDED BY KPST OFFICE	35,349	21,689



ALLOCATION AND PERFORMANCE

MANAGER / ISSUER / BANK	FUND/INSTRUMENT NAME	ALLOCATION Q1 END (€)	AVERAGE ALLOCATION	AVERAGE PERFORMANCE	GROSS INVESTMENT RETURN (€)
Vanguard	Global Stock Index Fund - Euro	9,450,496	1.77%	-0.89%	-5.50m
Nordea	1-Stable Return Fund	270,215,307	12.43%	-0.54%	-10.59m
Nordea	1-Global Stable Equity Fund	56,849,399	5.30%	-0.89%	-17.89m
BNY Mellon	Global Real Return Fund	246,378,142	13.54%	-1.22%	-24.06m
AXA	Global Inflation Linked Bonds	29,633,482	1.53%	0.00%	0.14m
AXA	WF Optimal Income I EUR	8,868,756	1.56%	-0.16%	-3.28m
Schroders	ISF Global Diversified Growth	37,969,264	2.16%	-0.29%	-5.67m
Amundi	Rendement Plus Part I2	77,498,829	4.26%	-0.43%	-8.00m
Amundi 3M	Amundi 3M - I	225,941,788	14.85%	-0.01%	-0.24m
BNP Parvest	Diversified Dynamic	99,253,810	3.45%	-0.63%	-12.07m
BlackRock	SP500 Minimum Volatility	47,269,930	1.98%	-0.12%	-2.10m
BlackRock	iShares Corp	57,412,910	3.07%	-0.19%	-3.86m
Amundi	Euro Corp Bonds ETF	57,354,621	3.07%	-0.17%	-3.79m
BlackRock	iShares MSCI EUR MinVol ETF	47,269,930	0.30%	0.15%	2.55m
BlackRock	iShares EuroStoxx50 ETF	47,542,234	0.29%	0.17%	3.07m
BlackRock	iShares SP500 Eur Hedg ETF	46,540,354	0.29%	0.13%	2.09m
Treasury of Kosovo ¹⁾	Bonds	284,570,480	14.88%	0.41%	1.46m
Treasury of Kosovo ²⁾	Bills	14,988,195	0.78%	0.12%	0.02m
BKT, BPB, TEB, NLB ³⁾	Term deposits	186,386,066	9.75%	0.53%	0.68m
Cash at CBK	Un-invested	62,321,320	0.98%	-0.12%	-0.06m
TOTAL		1,912,619,843	100.00%	-4.66%	-90.43m

¹⁾The performance is based on fixed interest rates.

NEWS

EFFECTS OF THE COVID-19 PANDEMIC AND KPST MEASURES

In order to properly inform and not create unreasonable panic as a result of unbalanced reports and statements, the Kosovo Pension Savings Trust wants to notify the contributors, the media and the general public of the current state of assets under the management of the institution.

First, it should be noted that based on the current legislation, KPST operates, in the long term, and fluctuations in financial markets should not be accompanied by panic due to short-term declines. In the short term, the KPST has managed to create a protective measure for all contributors who retire during 2020. No age contributor will be affected by the decline in investment during this year. This measure, by keeping the assets of this age group in a separate investment portfolio, makes them immune from the decline in financial markets.

While the assets of other contributors who have been affected (or will be affected) by this pandemic situation will have time to recover during the remaining period of 2020 and (eventually) during 2021. We expect that with the end of the health crisis, along with the positive effect of the stimulus and protection measures taken by the governments, the financial markets will be recovered – and thus the KPST investments will increase as well.

KPST INVESTS ADDITIONAL €50M IN THE SECURITIES OF THE GOVERNMENT OF KOSOVO

Kosovo Pension Savings Trust (KPST), through direct placement, has invested another € 50 million with a 10-year maturity in the securities of the Government of the Republic of Kosovo. The interest rate for this investment will be 3.95% and the interest payment will be made every 6 months. Along with this investment, KPST already has a total of € 385 million in the securities of the Government of Kosovo, thus constituting about 20% of all investments of the institution. Calculating the deposits in banks in Kosovo (about €188 million), the funds invested in Kosovo have already reached €573 million, or about 30% of all means in the fund. These are the highest investments ever made by the KPST in Kosovo.

DECISIONS OF THE GOVERNING BOARD FOR INVESTMENTS IN MARCH 2020

Based on the recommendations of the Investment Commission, the Governing Board of the Kosovo Pension Savings Trust approved the following decisions: 1) To initiate immediate investment in iShares Core Eurostoxx 50 ETF in the amount of €15m; 2) To initiate immediate investment in iShares MSCI Europe Minimum Volatility in the amount of €15m; 3) To initiate immediate investment in iShares S&P 500 Euro Hedged ETF in the amount of €15m; 4) To initiate immediate investment in iShares S&P 500 Minimum Volatility Euro Hedged ETF in the amount of €15m; 5) To implement the second investment tranche on 19 March – subject to intervention/change of automatic execution by the Board – in the following funds: iShares Eurostoxx 50 ETF in the amount of €15m; iShares MSCI Europe Minimum Volatility in the amount of €15m; iShares S&P 500 Euro Hedged ETF in the amount of €15m; iShares S&P 500 Minimum Volatility Euro Hedged ETF in the amount of €15m; 6) To implement the third investment tranche on 26 March – subject to intervention/change of automatic execution by the Board – in the following funds: iShares Eurostoxx 50 ETF in the amount of €15m; iShares MSCI Europe Minimum Volatility in the amount of €15m; iShares S&P 500 Euro Hedged ETF in the amount of €15m; iShares S&P 500 Minimum Volatility Euro Hedged ETF in the amount of €15m.

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