



QUARTERLY NEWSLETTER
NO 50 - YEAR XIII - Q2 2020

KOSOVO PENSION SAVINGS TRUST

TRUSTORY

1) PERFORMANCE

PERIOD	1 MONTH	3 MONTHS	YTD	3 YEARS	5 YEARS	SINCE INCEPTION
RESULT	+2.75%	+3.55%	-1.28%	+6.78	+12.51%	+49.13%
BENCHMARK*	-0.47%	-1.03%	-0.57%	+3.84%	+5.51%	+37.45%

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

2) MONTHLY CHANGES

UNIT PRICE		GROSS RETURN	NET RETURN
APRIL	+2.75%	€53,316,778.39	€52,618,708.84
MAY	+0.55%	€11,672,356.27	€10,938,552.82
JUNE	+0.23%	€5,267,440.01	€4,608,287.97
QUARTER	+3.55%	€70,256,574.67	€68,165,549.63

3) CONTRIBUTION

NEW CONTRIBUTIONS		NEW ACCOUNTS	ACTIVE ACCOUNTS
APRIL	€11,781,316.48	2,520	679,351
MAY	€15,618,711.09	2,969	682,318
JUNE	€14,849,243.29	3,273	685,590
QUARTER	€42,249,270.86	8,762	682,420*

*Average accounts this quarter

4) RETIREMENT

PENSION BENEFICIARIES		WITHDRAWN AMOUNT
APRIL	272	€2,715,192.66
MAY	772	€6,191,850.79
JUNE	838	€5,814,031.66
QUARTER	1,882	€14,721,075.11

REASONS		
AGE PENSION	DEATH CASES	OTHER
248	16	8
698	52	22
637	120	81
1,583	188	111

ALLOCATION AND PERFORMANCE

MANAGER ISSUER BANK BROKER	FUND NAME OR ISIN NUMBER	ALLOCATION AS OF Q2 END	GROSS INVESTMENT RETURN
Vanguard	Global Stock Index Fund	€20,825,819	€1,381,129.35
Nordea	1-Stable Return Fund	€276,188,488	€5,973,180.48
Nordea	1-Global Stable Equity Fund	€85,553,295	€3,703,895.08
BNY Mellon	Global Real Return Fund	€295,296,257	€18,918,114.56
AXA	Global Inflation Linked B.	€31,296,087	€1,693,064.60
AXA ²⁾	AXA WF Optimal Income I	--	€704,105.30
Amundi 3M	Amundi 3M - I	€175,763,445	€(165,706.40)
Amundi ²⁾	Amundi Rendement Plus	--	€4,881,344.26
BNP Parvest	Diversified Dynamic	€102,869,191	€3,806,855.50
Schroders	Global Diversified Growth		€3,357,002.10
ERSTE	ETF-IE00BYX8XD24	€20,376,403	€5,788,706.48
ERSTE ¹⁾	ETF-IE00B3F81R35	--	€2,714,762.18
ERSTE ¹⁾	ETF-LU1681039647	--	€2,803,255.75
ERSTE	ETF-IE00B86MWN23	€29,963,458	€4,906,792.13
ERSTE ¹⁾	ETF-DE0005933956	--	€1,241,446.11
ERSTE ¹⁾	ETF-IE00B3ZW0K18	--	€3,769,698.67
ERSTE	ETF-US46090E1038	€87,089,321	€1,934,310.17
Treasury of Kosovo	Bonds	€392,049,964	€1,958,722.97
Banks in Kosovo	Term deposits	€196,505,839	€672,888.30
Cash at CBK	Un-invested	€291,714,931	€(27,512.54)
Other income	--	--	€240,519.62
TOTAL		€2,005,492,498	€70,256,574.67

1) The entire investment from these funds was withdrawn during Q2 2020.

NEWS

<p>10% ISSUE: KPST IN A MEETING WITH THE PRIME MINISTER OF KOSOVO</p>	<p>Members of the Governing Board and Management of KPST, held yesterday, July 1, 2020, a consultative meeting with the Prime Minister of the country, Mr. Avdullah Hoti. The topic of the meeting was the Government’s plan to give KPST contributors the opportunity to withdraw 10% of their pension savings balance from the KPST. The meeting was also attended by the Minister of Finance as well as the Governor and Deputy Governor of the CBK.</p> <p>The Chairman of the KPST Board stressed that there are other modalities and alternatives that would enable the Government to achieve its goals - which is to increase aggregate demand in the country - and that these alternatives would be more effective, especially from the point of view of operationalization, respectively the practical implementation of the existing proposal. Furthermore, the Chairman of the Governing Board of the KPST elaborated on the proposals that could contribute to supporting the country’s economy, at this very challenging time.</p> <p>On the other hand, the Prime Minister of the country, Mr. Hoti confirmed that the possibility of withdrawing 10% is part of the Government’s work plan and only the technical preparation for implementation remains. He also stated that the KPST should look at opportunities to expand operational capacities to cope with the implementation of this withdrawal plan.</p>
<p>DECISIONS OF THE GOVERNING BOARD FOR INVESTMENTS ON JUNE 25, 2020</p>	<p>The Governing Board of the Kosovo Pension Savings Trust, based on the recommendations of the Investment Committee, has taken the following decisions regarding investments in the meeting held on June 25, 2020 in Prishtina:</p> <ol style="list-style-type: none"> 1) To liquidate in full the allocation from: Amundi Euro Corp IG ETF (in the amount of €60.1m); iShares Euro Corp IG ETF (in the amount of €60.1 million); AXA Optimal Income (in the amount of €9.6 million); Amundi Rendement Plus (in the amount of €82.3 million), and Schroder Global Diversified Growth (in the amount of €41.3 million). 2) Partially withdraw funds from: iShares S&P 500 Minimum Volatility ETF (in the amount of €31.6 million) and from iShares MSCI Europe Minimum Volatility ETF (in the amount of €22.2m). 3) Increase allocation to: Vanguard Global Stock Index (in the amount €54.0 million); Invesco QQQ Nasdaq ETF (in the amount of €54.7 million); Nordea Stable Return (in the amount of €50.0 million); BNY Mellon Real Return (in the amount of €30.0 million); AXA Global Inflation Linked Bond (in the amount of €120.0 million).
<p>THE ASSEMBLY APPROVED THE MANAGEMENT FEES FOR 2020</p>	<p>The Assembly of the Republic of Kosovo approved, on 4 June 2020, the reduced management fees which will be applied for the rest of 2020. The adopted fees, as proposed by the Governing Board of KPST, were reduced from 0.370% to 0.365% for investment activities and from 0.069% to 0.065% for operational activities.</p> <p>We recall that KPST operates with the lowest fee rates in the region and beyond. These fees will take effect starting from 5th June 2020.</p>

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