

Trusti



KOSOVO PENSION SAVINGS TRUST

QUARTERLY NEWSLETTER
No 56 -- YEAR XIV -- Q4 2021

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULT	2.04%	4.14%	10.65%	24.12%	25.20%	72.22%
BENCHMARK*	0.44%	2.72%	6.69%	8.02%	11.75%	48.40%

*Kosovo Consumer Price Index as published by the Kosovo Agency for Statistics.

MONTHLY CHANGES

	UNIT PRICE CHANGE	GROSS RETURN (in million)	NET RETURN (in million)
October	2.34%	€52.70	€51.94
November	-0.28%	€(5.77)	€(6.52)
December	2.04%	€47.66	€46.91
Quarter	4.14%	€94.59	€92.33

CONTRIBUTION

	NEW CONTRIBUTION (in million)	NEW ACCOUNTS	ACTIVE ACCOUNTS
October	€19.80	4,533	399,717
November	€17.56	5,776	411,477
December	€19.44	4,119	419,654
Quarter	€56.80	14,428	410,283*

*quarterly average

RETIREMENT

	PENSION BENEFICIARIES	WITHDRAWN AMOUNT (in million)
October	547	€4.10
November	525	€3.49
December	515	€3.25
Quarter	1,587	€10.84

REASONS		
AGE PENSION	DEATH CASES	OTHER
405	94	48
340	81	104
295	86	134
1,040	261	286

SUMMARY OF KEY FACTS

	Q4 2021	Q3 2021
UNIT PRICE	€1.7222	€1.6538
NET AUM	€2,353,174,908	€2,215,508,793
INVESTMENT FEE	€633,757	€1,835,935
OPERATION FEE	€128,731	€361,624
INVESTMENT IN KOSOVO	€536,279,867	€542,014,438
INVESTMENT OUTSIDE KOSOVO	€1,808,309,791	€1,646,224,438
UN-INVESTED (CASH IN CENTRAL BANK OF KOSOVO)	€9,313,041	€28,317,806
eTRUSTI ACCOUNTS	274,718	266,943
SERVICES OFFERED BY KPST OFFICE	82,248	49,412

ALLOCATION AND PERFORMANCE

MANAGER ISSUER BANK BROKER	ISIN NUMBER OR ISSUER NAME	ALLOCATION AS OF Q4	GROSS RETURN ON INVESTMENT
Vanguard GSIF	IE00B03HD316	€13,065,131.99	€6,272,694.09
Nordea 1-SRF	LU0539147214	€359,813,946.27	€14,219,245.24
Nordea 1-GSEF	LU0257969260	€90,711,376.39	€5,188,378.94
BNY Mellon RRF	IE00B504KX99	€367,648,406.80	€14,547,275.51
AXA GILB	LU0227145629	€22,853,728.38	€596,454.87
Amundi Euro Liquidity-Rated SRI	FR0007038138	€364,551,203.72	€(339,094.91)
BNP Parvest DD	LU0102035119	€51,971,085.41	€1,251,484.05
iShares Edge S&P 500 MinVol	IE00BYX8XD24	€11,346,297.25	€1,207,848.66
iShares Edge MSCI Europe	IE00B86MWN23	€15,033,404.22	€1,251,008.97
Invesco QQQ UCITS	US46090E1038	--	€9,721,175.48
Amundi MSCI Eu Qual Fact	LU1681041890	€73,446,590.00	€6,459,133.70
SP OilGas Expl ETF	US91232N2071	--	€838,086.23
FirstT CybrSec ETF	US33734X8469	€27,402,701.19	€5,418,525.17
L&G E-commerce and Logistics	IE00BF0M6N54	€39,161,984.50	€145,553.62
US Infrastructure Dev ETF	US37954Y6730	€46,032,602.28	€5,261,927.35
US Infrastructure ETF	US46435U7138	€44,270,330.65	€4,552,920.44
Real Estate US ETF	US9229085538	€45,947,140.42	€5,275,122.31
Pacer Industrial Real Estate	US69374H7668	€33,917,670.08	€3,848,859.39
Invesco DB Base Metals ETF	US46140H7008	€45,807,075.29	€3,979,417.33
iShares Global Clean Energy ETF	US4642882249	€9,706,952.00	€(3,920.00)
First Trust Green Energy Fund	US33733E5006	€13,272,813.74	€3,601,766.01
Schroder ISF Global Sustainable Growth	LU2305367323	€20,751,368.24	€751,368.24
BNP Climate Impact	LU0406802768	€19,719,792.58	€(255,289.12)
AXA WF - Framlington Digital Economy	LU1694772994	€23,919,668.21	€(1,059,033.26)
T. Rowe - Global Technology Equity	LU1244139827	€17,969,996.92	€(2,012,882.57)
Amundi Global Disruptive	LU1530899811	€24,173,176.60	€(800,730.28)
Goldman Sachs Global Millennials	LU1820776075	€25,815,347.71	€825,698.60
Treasury of Kosovo ¹⁾	Kosovo TB	€491,503,672.16	€2,840,826.75
Banks in Kosovo ¹⁾	Term deposits	€44,776,194.59	€177,235.34
Cash in Central Bank of Kosovo	Un-invested	€9,313,040.82	€(47,025.80)
Other income	--	--	€878,487.90
TOTAL		€2,353,902,698.41	€94,592,518.25

¹⁾These investments are with fixed interest rates.

NEWS

<p>+227M RETURN ON INVESTMENT FOR 2021</p>	<p>Kosovo Pension Savings Trust Fund (KPST) concluded the year 2021 with a very satisfactory result from investments, with a gross return amounting to €227m (2020: €72m). This figure, in nominal terms is the highest since the establishment of the institution. While the unit price increased this year by 10.65% compared to the increase of +3.03% for year 2020.</p> <p>In total, pension assets increased by €365m this year, reaching a total of €2.35 billion. At the end of 2021, about 77% of assets under management were invested in international financial markets, while the rest in Kosovo – in accordance with pension law. Investments in international financial markets continue to contribute about 95% of the investment performance.</p> <p>As required by the principles set out in the Law on Pension Funds and based on the investment strategy of the KPST, the Governing Board assisted by the management and professional staff during 2021, has taken over 40 decisions for various allocations of pension funds. Considering that 2021 was a year affected by the pandemic, volatility in financial markets and various macroeconomic developments, the KPST investment strategy had to be adapted on regular basis including engagement of new funds to maintain liquidity, security, and diversification of the portfolio.</p> <p>Expectations are that upcoming year 2022 will have high volatility due to the pandemic, supply chain disruption, inflation, rising interest rates by central banks and other geostrategic factors. As a result, the Governing Board remains committed to acting as needed under conditions and eventual movements of the financial markets.</p>
<p>THE ASSEMBLY OF KOSOVO APPROVED THE KPST ANNUAL REPORT FOR 2020</p>	<p>The Assembly of Kosovo, in the session held on November 22, 2021, has reviewed the Annual Report 2020 of the Kosovo Pension Savings Trust.</p> <p>The report was presented to the Assembly by the Committee on Budget, Labor and Transfers. The members of this Committee had discussed and approved this report unanimously at the level of the Committee, therefore they recommended to the Assembly its approval.</p> <p>The deputies declared at the session assessed the content and preparation of this report as very satisfactory, highlighting the performance of investments during 2020 in the conditions of the pandemic situation. The service provided without interruption and the protection of the interest of the contributors in the long run were also appreciated. In the end, the deputies voted unanimously for the report.</p> <p>In this session, the deputies reviewed and voted the management fees for 2021.</p> <p>The Governing Board and Management of KPST appreciated this rating and support from the highest decision-making institution in the country.</p>
<p>INVESTMENT DECISIONS OF THE GOVERNING BOARD</p>	<p>The Governing Board of the Kosovo Pension Savings Trust, after consulting all members, on November 29, 2021 has decided following:</p> <ul style="list-style-type: none"> – To sell €100m from the fund of Vanguard Global Stock Index; – To redeem fully the USO Oil ETF tradable oil fund (about €48.14m); – To redeem fully from the tradable fund Invesco Nasdaq ETF (about €79.95m). <p>While, in its regular meeting, held on December 17, 2021, the Governing Board has taken the following decisions to allocate additional investments to these funds:</p> <ul style="list-style-type: none"> – €20m to Pacer Benchmark Industrial Real Estate ETF US69374H7668; – €10m to Vanguard REIT ETF US9229085538; – €10m to iShares US Infrastructure ETF US46435U7138; – €10m to Global X US Infrastructure ETF US37954Y6730.

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