

Trusti



KOSOVO PENSION SAVINGS TRUST

QUARTERLY NEWSLETTER
NO 58 -- YEAR XV -- Q2 2022

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULT	-4.04%	-4.56%	-7.11%	8.19%	12.16%	59.97%
BENCHMARK*	1.40%	3.79%	8.75%	16.90%	21.28%	61.38%

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

MONTHLY CHANGES

MONTH	MONTHLY UNIT PRICE CHANGE		GROSS RETURN STANDARD (MLN)	GROSS RETURN CONSERVATIVE (MLN)
	STANDARD	CONSERVATIVE		
April	-0.77%	+0.28%	€(16.82)	€0.25
May	+0.24%	+0.29%	€6.13	€0.26
June	-4.04%	+0.28%	€(91.21)	€0.25
Quarter	-4.56%	+0.85%	€(101.90)	€0.76

CONTRIBUTION

	NEW CONTRIBUTION STANDARD (MLN)	NEW CONTRIBUTION CONSERVATIVE (MLN)	NEW ACCOUNTS	ACTIVE ACCOUNTS
April	€20.70	€0.35	3,569	348,162
May	€19.05	€0.42	3,580	364,399
June	€20.40	€0.91	3,173	376,835
Quarter	€60.15	€1.68	8,060	363,132*

*Quarterly average

RETIREMENT

	PENSION BENEFICIARIES	WITHDRAWN AMOUNT
April	684	€4,839,263
May	723	€5,249,358
June	1,719	€4,340,599
Quarter	3,126	€14,429,220

SUMMARY OF KEY FACTS

	END OF Q2 2022	END OF Q1 2022
STANDARD UNIT PRICE	€1.5997	€1.6762
CONSERVATIVE UNIT PRICE	€2.0240	€2.0070
ASSETS UNDER MANAGEMENT STANDARD	€2,192,679,649	€2,353,174,911
ASSETS UNDER MANAGEMENT CONSERVATIVE	€80,860,046	€82,342,138
NUMBER OF ALL ACCOUNTS	771,052	769,839
NUMBER OF ACTIVE ACCOUNTS	376,835	317,803
INVESTMENT FEE FOR THE QUARTER	€1,853,948	€1,824,966
OPERATION FEE FOR THE QUARTER	€330,234	€325,072
INVESTMENTS IN KOSOVO	€629,517,505	€597,122,424
INVESTMENT OUTSIDE KOSOVO	€1,606,297,246	€1,732,712,669
UN-INVESTED (CASH IN CENTRAL BANK OF KOSOVO)	€38,636,029	€4,903,847

ALLOCATION AND PERFORMANCE IN THE END OF Q2 2022

MANAGER ISSUER 	ISIN NUMBER OR ISSUER NAME	ALLOCATION AS OF END OF Q2 2022	GROSS RETURN ON INVESTMENT
Vanguard GSIF	IE00B03HD316	€57,618,074.60	€(4,888,823.29)
Nordea 1-SRF	LU0539147214	€222,885,980.17	€(17,383,702.31)
Nordea 1-GSEF	LU0257969260	€112,611,521.63	€(4,688,316.41)
BNY Mellon RRF	IE00B504KX99	€206,614,770.32	€(8,347,742.34)
Amundi Euro Liquidity-Rated SRI	FR0007038138	€326,536,087.90	€(162,433.38)
Schroder ISF Global Sustainable Growth	LU2305367323	€1,476,785.94	€(197,943.10)
BNP Climate Impact	LU0406802768	€2,243,461.61	€(297,670.57)
AXA WF - Framlington Digital Economy	LU1694772994	€1,946,840.24	€(475,473.07)
T. Rowe - Global Technology Equity	LU1244139827	€1,340,386.29	€(630,830.75)
Amundi Global Disruptive	LU1530899811	€2,001,301.94	€(467,108.43)
Goldman Sachs Global Millennials	LU1820776075	€1,109,152.10	€(251,137.08)
Invesco QQQ UCITS	US46090E1038	€43,393,263.82	€(11,884,726.76)
Amundi MSCI Eu Qual Fact	LU1681041890	20,552,109.77	€(2,423,745.33)
SP OilGas Expl ETF	US91232N2071	€30,532,692.56	€3,961,463.39
US Infrastructure Dev ETF	US37954Y6730	€39,449,079.46	€(6,781,189.12)
US Infrastructure ETF	US46435U7138	€42,995,606.85	€(3,431,055.48)
Invesco DB Base Metals ETF	US46140H7008	€43,524,466.62	€(11,085,117.43)
iShares Global Clean Energy ETF	US4642882249	€21,744,425.15	€(1,367,089.86)
Lyxor US\$ 10Y Inflation Expectations ETF	LU1390062831	--	€3,210,547.49
Lyxor EUR 2-10Y Inflation Expectations ETF	LU1390062245	€44,445,212.48	€(504,633.77)
Vanguard Value ETF	US9229087443	€81,366,074.49	€(4,751,085.99)
Invesco KBW Bank ETF	US46138E6288	€68,873,131.43	€(11,177,716.97)
iShares Edge MSCI Europe Val. Factor ETF	IE00BQN1K901	€75,077,258.10	€(6,687,193.78)
Lyxor EURO STOXX Banks ETF	LU1829219390	€66,549,531.36	€(5,978,686.13)
SPDR S&P Oil & Gas Explor. & Prod. ETF	US78468R5569	€51,194,219.86	€(3,212,165.91)
iShares Core Dividend Growth ETF	US46434V6213	€21,334,234.66	€(1,700,107.87)
Global X Cybersecurity ETF	US37954Y3844	€18,881,576.43	€(4,245,053.81)
Treasury of the Republic of Kosovo ¹⁾	Kosovo TB	€574,429,248.32	€3,205,655.96
Bank deposits in banks in Kosovo ¹⁾	Term deposits	€54,851,067.67	€219,683.12
CBK - cash	Un-invested	€37,734,765.40	€(26,594.13)
Erste Bank (Broker)	Un-invested	€1,061,380.13	€(5,049.21)
Other income	--	--	€1,318,515.00
Cash on hand and in transit	Un-invested	€77,072.21	--
TOTAL		€2,274,450,779.51	€(101,136,527.32)

¹⁾ These investments are with fixed interest rates.

NEWS

<p>KPST INVESTMENTS ARE AFFECTED BY MARKET FLUCTUATIONS ALSO DURING Q2 2022</p>	<p>Even in the second quarter, as in the Q1 of this year, a series of events with a negative effect, starting from the high rate of inflation, Russia's military invasion on Ukraine with subsequent sanctions, very high oil prices and delays in the supply chain, have led the six-month performance of the markets financial at the weakest level in the last 50 years. As a result of this situation, the KPST, as well as many pension funds, have been affected by the decrease of the unit price value. More specifically, for the period January - June 2022 the Standard portfolio had a decrease of -7.0%, while for the Conservative portfolio had a positive return of +1.2%. Likewise, the amount of assets under management on June 30, 2022 was 2,283,874,879 euros, compared to 2,353,171,911 euros at the end of 2021.</p> <p>But due to the diversification of the invested funds and risk reduction, the KPST's investments compared to the performance of the main indices performed better for the first half of this year. As an example, the US indices: S&P500 fell by -21% and Nasdaq fell by -30%; whereas in Germany the DAX fell by -20%, while in France the CAC 40 fell by -17% in the respective period. Although, almost without any exception, even the financial instruments qualified as the safest have performed negatively, such is the case of the bonds of countries with very high rating.</p> <p>Eventhough, it is very important that all KPST's contributors close to the retirement age (respectively 63.5+ years) are protected from these high fluctuations, as their funds are already in the Conservative portfolio, which has positive performance. Whereas for other contributors, who are further from retirement age, the return on investments is still around 20% on average, and this fact affirms the strategy and long-term goal of the institution.</p>
<p>FINANCIAL STATEMENTS FOR THE YEAR 2021 ARE CONFIRMED BY THE EXTERNAL AUDITOR</p>	<p>The External Auditor (RSM Kosovo LLC) has audited the financial statements of the KPST for the year 2021 and has confirmed them. In the sent opinion, which is published in the 2021 Annual Report, the External Auditor stated: "We have conducted the audit in accordance with the International Auditing Standards (ISA). Our responsibilities under these standards are described in more detail in the Auditor's Responsibilities paragraph Auditing of the Financial Statements in this report. We are independent from KPST in accordance with the Code of Ethics for Professional Accountants (BSNEK Code) and the ethical requirements that are relevant to the audit of financial statements in the Republic of Kosovo, and we have fulfilled our other ethical responsibilities in accordance with these requirements (BSNEK Code). We believe that the audit evidence we have received is sufficient and appropriate to provide a basis for our opinion".</p>
<p>THE ANNUAL REPORT FOR THE YEAR 2021 IS PUBLISHED</p>	<p>The annual report and the financial statements were published on May in our website. Physical copies of this report have been sent for information to the Assembly of Kosovo, the Central Bank and the Government of Kosovo.</p> <p>It is worth noting that in 2021 was 20 anniversary of the KPST inception. In these two decades of transformation of the KPST from a completely unknown institution to a mainstay of the state. Now KPST assets are estimated 31% of Kosovo's GDP. Further, at the end of 2021 there were 752,562 citizens with pension savings accounts in KPST, constituting 63% of the entire working age population in Kosovo. In these 20 years, we had 18 fiscal years with a positive return from investments and only in two years (2008 and 2018) with negative returns. Since inception investments have accumulated 782 million euros gross return, composing 25% of the entire pension fund of the KSPT. More details are published on the 2021 Annual Report, which can be visited in this link: http://www.trusti.org/en/about-us/reports/annual/</p>

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FRONT PAGE PHOTO
Wheat field in Kosovo -- Courtesy of the author Metush Meziu

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