

Trusti



KOSOVO PENSION SAVINGS TRUST

QUARTERLY NEWSLETTER
NO 59 -- YEAR XV -- Q3 2022

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULT	-3.25%	-0.49%	-7.56%	6.54%	11.02%	59.19%
BENCHMARK*	-0.24%	0.89%	9.72%	17.61%	22.24%	62.82%

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

MONTHLY CHANGES

MONTH	MONTHLY UNIT PRICE CHANGE		GROSS RETURN STANDARD (MLN)	GROSS RETURN CONSERVATIVE (MLN)
	STANDARD	CONSERVATIVE		
July	+3.53%	+0.29%	€78.56	€0.26
August	-0.66%	+0.29%	€(14.37)	€0.27
September	-3.25%	+0.28%	€(73.84)	€0.26
Quarter	-0.49%	+0.86%	€(9.65)	€0.79

CONTRIBUTION

	NEW CONTRIBUTION STANDARD (MLN)	NEW CONTRIBUTION CONSERVATIVE (MLN)	NEW ACCOUNTS	ACTIVE ACCOUNTS
July	€22.94	--	4,000	388,502
August	€17.38	--	4,087	398,192
September	€20.56	--	3,281	405,922
Quarter	€60.88	--	11,368	397,539*

*Quarterly average

RETIREMENT

	PENSION BENEFICIARIES	WITHDRAWN AMOUNT
July	573	€5,201,383
August	508	€4,190,916
September	496	€4,127,772
Quarter	1,577	€14,429,220

SUMMARY OF KEY FACTS

	END OF Q3 2022	END OF Q2 2022
STANDARD UNIT PRICE	€1.5919	€1.5997
CONSERVATIVE UNIT PRICE	€2.0414	€2.0240
NET AUM STANDARD PORTFOLIO	€2,222,209,985	€2,192,679,649
NET AUM CONSERVATIVE PORTFOLIO	€87,020,748	€80,860,046
NUMBER OF ALL ACCOUNTS	782,420	771,052
NUMBER OF ACTIVE ACCOUNTS	405,922	376,835
INVESTMENT FEE FOR THE QUARTER	€1,831,301	€1,853,948
OPERATION FEE FOR THE QUARTER	€326,200	€330,234
INVESTMENTS IN KOSOVO	€646,115,734	€629,517,505
INVESTMENTS OUTSIDE KOSOVO	€1,551,856,026	€1,606,297,246
UN-INVESTED (CASH IN CENTRAL BANK OF KOSOVO)	€112,999,267	€38,636,029

ALLOCATION AND PERFORMANCE IN THE END OF Q3 2022

MANAGER ISSUER	ISIN NUMBER OR ISSUER NAME	ALLOCATION END OF Q3 2022	GROSS RETURN ON INVESTMENT
Vanguard GSIF	IE00B03HD316	€54,658,325.86	€(2,937,010.29)
Nordea 1-SRF	LU0539147214	€215,960,746.56	€(6,925,233.61)
Nordea 1-GSEF	LU0257969260	€111,293,890.22	€(1,317,631.41)
BNY Mellon RRF	IE00B504KX99	€195,947,375.15	€(10,667,395.17)
Amundi Euro Liquidity-Rated SRI	FR0007038138	€326,525,630.74	€25,025.15
Schroder ISF Global Sustainable Growth	LU2305367323	€1,494,345.00	€17,559.06
BNP Climate Impact	LU0406802768	€2,223,800.55	€(14,161.33)
AXA WF - Framlington Digital Economy	LU1694772994	€1,902,115.60	€(40,657.35)
T. Rowe - Global Technology Equity	LU1244139827	€1,413,185.60	€76,169.13
Amundi Global Disruptive	LU1530899811	€1,889,534.41	€(104,482.19)
Goldman Sachs Global Millennials	LU1820776075	€1,086,717.91	€(20,212.96)
Invesco QQQ UCITS	US46090E1038	€44,147,816.90	€778,982.31
Amundi MSCI Eu Qual Fact	LU1681041890	€20,123,292.00	€(416,313.32)
SP OilGas Expl ETF	US91232N2071	€13,233,491.24	€(1,812,438.25)
US Infrastructure Dev ETF	US37954Y6730	€42,626,355.87	€3,230,699.56
US Infrastructure ETF	US46435U7138	€43,448,483.77	€500,566.05
Invesco DB Base Metals ETF	US46140H7008	€42,803,799.76	€(636,898.17)
iShares Global Clean Energy ETF	US4642882249	€23,248,981.93	€1,531,266.06
Lyxor EUR 2-10Y Inflation Expectations	LU1390062245	€44,510,862.72	€94,099.70
Vanguard Value ETF	US9229087443	€81,284,194.61	€(73,151.55)
Invesco KBW Bank ETF	US46138E6288	€69,736,312.72	€929,662.31
iShares Edge MSCI Europe Val. Factor ETF	IE00BQN1K901	€71,170,522.95	€(3,858,434.56)
Lyxor EURO STOXX Banks ETF	LU1829219390	€43,488,793.47	€1,057,904.70
SPDR S&P Oil & Gas Explor. & Prod. ETF	US78468R5569	€57,017,330.23	€5,874,876.30
iShares Core Dividend Growth ETF	US46434V6213	€21,247,972.97	€(81,647.78)
Global X Cybersecurity ETF	US37954Y3844	€19,372,147.46	€516,610.94
Treasury of the Republic of Kosovo ¹⁾	Kosovo TB	€561,993,251.28	€3,449,403.84
Banks operating in the Republic of Kosovo ¹⁾	Term deposits	€84,122,482.82	€393,800.77
CBK - in cash	Un-invested	€70,806,349.95	€(22,793.46)
Erste Bank (Broker) - dividends	Un-invested	€42,179,431.07	€1,637,519.01
Other income	--	--	€(49,657.75)
Cash and in transit	Un-invested	€13,486.36	--
TOTAL		€2,310,971,027.68	€(8,863,974.26)

¹⁾ These investments are with fixed interest rates.

NEWS

KPST INVESTMENTS POSITION

In the beginning of September, following the recent media reports of KPST losses, the Kosovo Pension Savings Trust issued a press release explaining that the value of KPST investments fluctuate on daily basis and as such cannot be described as a loss but rather a decrease in the value of the investments (unrealized loss). Both up and down events are a natural part of financial markets in accordance with developments in the macro-financial and geopolitical world. The unrealized losses will turn into actual losses only if KPST sells the investments and withdraws the funds, which would make recovery and growth not possible in the future.

To better illustrate the periodic movements, it should be noted that in 2021, KPST had an gross return of +227 million Euro from investments. Also, KPST has a unit price increase of about 65% since the establishment of the institution, which proves the long-term benefits of being invested.

As for this year (2022), the performance of the January-June period is to be anticipated considering the current environment of the war in Ukraine, the energy crisis and double-digit inflation. In addition, since 30 June we had an increase in the value of KPST investments and as per last available date (31 August 2022), the “Standard” portfolio had a recovery of around +3%.

Despite this decrease, KPST investments fell less than the value of the main global indexes. For comparison, KPST share price depreciated by -4.5% as of 31 August 2022, whereas the MSCI World index fell by -16%, the S&P500 by -18% and the STOXX 600 by -15%. These arguments are to clarify that for the contributor it is important to analyze the state of the pension savings account from their initial contribution up to the current date, and not only for a calendar year – since the institution invests in long-term horizons.

A KPST contributor will directly realize the full effect of investments only when he or she retires. Precisely, in order not to harm the interest of contributors close to retirement, the KPST Governing Board has launched the Conservative investment portfolio, providing maximum protection to the accumulated funds of contributors aged 63.5 years and above. Their funds are invested only in the securities of the Government of Kosovo, which have a fixed norm of interest. For this year, this portfolio (Conservative) has a positive investment return of +1.8%.

The Governing Board during 2022 has made the maximum efforts by reallocating assets to the most defensive position. Currently, about 46% of all assets (or over 1 billion Euro) are placed in the money markets, bank deposits and in the Kosovo and securities of the Government of Kosovo.

On this occasion, we want to assure the contributors that in the long term their investments are made in the most prudent way and always based on the principles of the Law on Pension Funds. This is confirmed by the positive long-term performance, which can be verified by each contributor through his or her personal pension savings account.

DECISIONS OF THE GOVERNING BOARD

The Governing Board of the Kosovo Pension Savings Trust, based on the recommendations of the Board’s Committee of Investments, on August 29, 2022, took this investment decision:

– To withdraw half of the exposure in the USO oil ETF fund, provided that the price at the time of sale is above \$100 per barrel for Brent and \$104 per barrel for the OPEC basket.

While in the meeting of September 19, 2022, always according to the recommendations of the Investments Committee, it was decided:

– To reduce by 33% the exposure in the Lyxor Eurostoxx Banks ETF fund.

PUBLISHER:

Kosovo Pension Savings Trust
October 2022

AUTHOR:

Jeton Demi

ADDRESS:

Str. "Agim Ramadani" #182-184 10000 Pristina, Kosovo

E-MAIL & WEB:

info@trusti.org | www.trusti.org

Facebook:

TrustiPensional

Youtube:

Fondi Pensional i Kosovës