

Trusti



KOSOVO PENSION SAVINGS TRUST

QUARTERLY NEWSLETTER
NO 60 -- YEAR XV -- Q4 2022

TRUSTORY

PERFORMANCE

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
UNIT PRICE CHANGE	-2.10%	+2.19%	-5.54%	+7.69%	+11.06%	+62.68%
BENCHMARK*	+0.87%	+2.72%	+12.10%	+19.72%	+24.66%	+66.36%

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

MONTHLY CHANGES

MONTH	UNIT PRICE CHANGE		GROSS RETURN STANDARD (MLN)	GROSS RETURN CONSERVATIVE (MLN)
	STANDARD	CONSERVATIVE		
October	+3.33%	+0.29%	€75.07	€0.28
November	+1.02%	+0.28%	€24.36	€0.28
December	-2.10%	+0.29%	€(48.67)	€0.29
Quarter	+2.19%	+0.85%	€50.76	€0.85

CONTRIBUTION

	NEW CONTRIBUTIONS STANDARD (MLN)	NEW CONTRIBUTIONS CONSERVATIVE (MLN)	NEW ACCOUNTS	ACTIVE ACCOUNTS
October	€23.53	--	3,945	414,781
November	€19.88	--	3,508	422,211
December	€20.99	--	3,122	428,891
Quarter	€64.40	--	11,368	421,961*

*Quarterly average.

RETIREMENT

	PENSION BENEFICIARIES	WITHDRAWN AMOUNT
October	504	€3,854,219
November	603	€3,873,813
December	563	€3,827,728
Quarter	1,670	€11,555,760

SUMMARY OF KEY FACTS

	END OF Q4 2022	END OF Q3 2022
STANDARD UNIT PRICE	€1.6268	€1.5919
CONSERVATIVE UNIT PRICE	€2.0588	€2.0414
NET AUM STANDARD PORTFOLIO	€2,316,363,920	€2,222,209,985
NET AUM CONSERVATIVE PORTFOLIO	€94,812,043	€87,020,748
NUMBER OF ALL ACCOUNTS	792,995	782,420
NUMBER OF ACTIVE ACCOUNTS	428,891	405,922
INVESTMENT FEE FOR THE QUARTER	€1,858,973	€1,831,301
OPERATION FEE FOR THE QUARTER	€331,130	€326,200
INVESTMENTS IN KOSOVO	€690,671,577	€646,115,734
INVESTMENTS OUTSIDE KOSOVO	€1,689,250,011	€1,551,856,026
UN-INVESTED (CASH IN CENTRAL BANK OF KOSOVO)	€32,130,596	€112,999,267

ALLOCATION AND GROSS RETURN IN THE END OF Q4 2022

MANAGER ISSUER 	ISIN NUMBER OR ISSUER NAME	ALLOCATION END OF Q4 2022	GROSS RETURN ON INVESTMENT
Vanguard GSIF	IE00B03HD316	€1,078,243.40	€2,717,919.90
Nordea 1-SRF	LU0539147214	€224,068,596.99	€8,107,850.43
Nordea 1-GSEF	LU0257969260	€148,462,915.48	€3,169,025.26
BNY Mellon RRF	IE00B504KX99	€200,172,086.11	€4,224,710.96
Amundi Euro Liquidity-Rated SRI	FR0007038138	€382,119,647.39	€1,320,719.82
Schroder ISF Global Sustainable Growth	LU2305367323	€1,540,491.19	€46,146.19
BNP Climate Impact	LU0406802768	€2,223,725.51	€5,052.84
AXA WF - Framlington Digital Economy	LU1694772994	--	€(33,739.04)
T. Rowe - Global Technology Equity	LU1244139827	--	€(113,064.82)
Amundi Global Disruptive	LU1530899811	--	€53,108.14
Goldman Sachs Global Millennials	LU1820776075	--	€21,863.56
Invesco QQQ UCITS	US46090E1038	--	€1,281,276.57
Amundi MSCI Eu Qual Fact	LU1681041890	--	€602,222.69
SP OilGas Expl ETF	US91232N2071	--	€995,462.56
WisdomTree Industrial Metals	GB00B15KYG56	--	€118,455.00
iShares Core Dividend Growth ETF	US46434V6213	--	€535,425.74
iShares Global Clean Energy ETF	US4642882249	--	€(1,052,772.73)
US Infrastructure ETF	US37954Y6730	€60,062,495.85	€1,501,865.60
US Infrastructure Dev ETF	US46435U7138	€59,069,111.47	€1,473,282.39
iShares Edge S&P 500 Minimum Volatility	IE00BYX8XD24	€21,339,112.00	€676,867.12
Lyxor US\$ 10Y Inflation Expectations	LU1390062831	€75,868,821.60	--
Invesco DB Base Metals ETF	US46140H7008	€22,171,890.71	€1,935,582.59
Lyxor EUR 2-10Y Inflation Expectations ETF	LU1390062245	€118,823,433.25	€1,392,842.37
Vanguard Value ETF	US9229087443	€67,214,477.87	€3,600,953.49
Invesco KBW Bank ETF	US46138E6288	€79,301,061.61	€(2,458,729.55)
iShares Edge MSCI Europe Val. Factor ETF	IE00BQN1K901	€53,615,660.69	€8,179,568.76
Lyxor EURO STOXX Banks ETF	LU1829219390	€56,943,837.57	€10,164,727.86
SPDR S&P Oil & Gas Explor. & Prod. ETF	US78468R5569	€55,544,737.55	€(17,394.38)
Global X Cybersecurity ETF	US37954Y3844	€29,529,066.60	€(2,183,587.31)
SPDR MSCI Europe Energy	IE00BKWQ0F09	€30,100,598.01	€(456,939.12)
Treasury of the Republic of Kosovo ¹⁾	Kosovo TB	€553,752,102.20	€3,507,173.18
Banks operating in the Republic of Kosovo ¹⁾	Term deposits	€136,919,474.68	€474,391.86
CBK - in cash	Un-invested	€28,860,632.43	--
Erste Bank (Broker) - dividends	Un-invested	€3,269,838.33	€1,817,253.00
Other income	--	--	€7,913.03
Cash and in transit	Un-invested	€125.00	--
TOTAL		€2,412,052,183.49	€51,615,433.96

¹⁾These investments are with fixed interest rates.

NEWS

THE EFFECT OF GLOBAL CRISES ON THE KPST INVESTMENTS

Year 2022 was a tough year for investors. Central banks vs. inflation was the main market event as rising rates produced strong correlations between equity and bonds. The traditional 60/40 disappointed. The war in Ukraine disrupted the energy market and created geopolitical uncertainty across Europe. The consensus outlook for 2023 is that global economy will be hit by mild recession as tight monetary policy starts to create downward pressure in the economic activity. On a more positive note, supply chain issues have eased and China re-opening should contribute to a better global growth environment.

Markets: The year started off with strong valuations for growth equity. The forward P/E for growth at the beginning of last year was 31x compared to 14x for Value spectrum. As the FED acknowledged that inflation is not temporary, markets started to discount companies with low cash flows at higher discount rates. The terminal FED rate increased rapidly. Value outperformed significantly growth companies, while commodities were the best asset class performer. The yields on 10yr government bonds increased significantly.

Monetary Policy: The FED funds rate is now at 4.5%. FED increased rates by 0.5% in the last meeting. Despite weaker inflationary pressure, the FED is still sticking to its strong tightening stance. However if inflation continues to fall, central banks are expected to pause with rate hikes. The new environment should favor riskier assets.

Earnings: Earnings expectations for 2023 should be revised downward in order to reflect the slowing economic activity, thus leading to another wave of market volatility.

Unemployment: Monthly job openings and jobs added are decelerating as a total, but still remain high given the cycle of the economy. Moderate wage growth and a strong labour market can help the US economy avoid a recession in 2023.

KPST Portfolio: The return for KPST in December 2022 was -2.1%, compared to the average of KPST multi-asset funds at -0.2%, or the global 60/40 portfolio at -3.5%.

The KPST performance for 2022 was -5.5%, significantly better than the performances of the main indices: S&P500 (-19.4%), MSCI World Index (-18.3%), Dow Jones (-8.8%), Nasdaq -33.1%, Stoxx 600 (-12.8%), FTSE 100 (-19.7%), DAX 30 (-12.4%).

Matrix of strategic allocation of pension funds at the end of 2022

	MONEY MARKET	FIXEN INCOME	MULTI ASSETS	REAL ASSETS	EQUITY	TOTAL
INCOME	17.8%	25.7%		--	2.4%	46.0%
RISK MANAGED	--	3.3%	18.3%	--	7.3%	28.9%
DIRECTIONAL	--	--	--	6.4%	18.7%	25.1%
TOTAL	17.8%	29.0%	18.3%	6.4%	28.4%	

ACCOUNT STATEMENT NOW AND IN eKOSOVA

From the end of December, the account statement of the pension savings can be also downloaded in eKosova. As for any other service, prior to this is required login (with personal number and password) or registration in eKosova.

The account statement can be downloaded for "Last year" or "From the beginning" and is identical to the eTrusti version.

Since the account statement has printed on the QR Code, the downloaded copy on the internet (through eTrusti and eKosova) is identical to the one printed in the KPST office. THEREFORE: THERE IS NO NEED TO VISIT THE KPST OFFICE TO GET THE ACCOUNT STATEMENT FOR VISA APPLICATION, PROOF OF WORK EXPERIENCE OR OTHERWISE.

This is another step forward to easier and digitalized services of KPST.

Link to download the pension savings accounts statement in eKosova is: <https://rks-gov.net/441>

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