

Trusti



KOSOVO PENSION SAVINGS TRUST

QUARTERLY NEWSLETTER
NO 61 -- YEAR XVI -- Q1 2023

TRUSTORY

PERFORMANCE - STANDARD PORTFOLIO

PERIOD	1M	3M	YTD	3Y	5Y	SINCE INCEPTION
RESULT	-1.87%	-0.11%	-0.11%	+12.83%	+13.28%	+62.50%
BENCHMARK*	-0.39%	+0.55%	-0.39%	+19.81%	+24.61%	+67.28%

*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		
January	+1.84%	+0.29%	€43.37	€0.32
February	-0.04%	+0.26%	€(0.41)	€0.34
March	-1.87%	+0.29%	€(43.58)	€0.38
Quarter	-0.11%	+0.83%	€(0.61)	€1.04

CONTRIBUTION

	NEW CONTRIBUTIONS STANDARD (MLN)	NEW CONTRIBUTIONS CONSERVATIVE (MLN)	NEW ACCOUNTS	ACTIVE ACCOUNTS
January	€23.61	--	2,293	433,932
February	€20.84	--	2,704	308,377
March	€21.71	--	2,742	331,276
Quarter	€66.16	--	7,737	357,862*

*Quarterly average

RETIREMENT

	PENSION BENEFICIARIES	WITHDRAWN AMOUNT
January	585	€3,694,614
February	592	€3,552,858
March	769	€4,619,916
Quarter	1,946	€11,867,388

SUMMARY OF KEY FACTS

	END OF Q1 2023	END OF Q4 2022
STANDARD UNIT PRICE	€1.6250	€1.6268
CONSERVATIVE UNIT PRICE	€2.0759	€2.0588
NET AUM STANDARD PORTFOLIO	€2,336,447,734	€2,316,363,920
NET AUM CONSERVATIVE PORTFOLIO	€122,307,600	€94,812,043
NUMBER OF ALL ACCOUNTS	800,778	792,995
NUMBER OF ACTIVE ACCOUNTS	331,276	428,891
INVESTMENT FEE FOR THE QUARTER	€1,851,790	€1,858,973
OPERATION FEE FOR THE QUARTER	€306,466	€331,130
INVESTMENTS IN KOSOVO	€677,973,955	€690,671,577
INVESTMENTS OUTSIDE KOSOVO	€1,742,221,475	€1,689,250,011
UN-INVESTED (CASH IN CENTRAL BANK OF KOSOVO)	€39,596,425	€32,130,596

ALLOCATION AND GROSS RETURN IN THE END OF Q1 2023

MANAGER ISSUER 	ISIN NUMBER OR ISSUER NAME	ALLOCATION END OF Q1 2023	GROSS RETURN ON INVESTMENT
Vanguard GSIF	IE00B03HD316	€1,153,041.46	€75,298.63
Nordea 1-SRF	LU0539147214	€228,853,400.70	€4,784,803.71
Nordea 1-GSEF	LU0257969260	€152,335,264.08	€3,872,348.60
BNY Mellon RRF	IE00B504KX99	€197,637,259.53	€(2,534,826.58)
Amundi Euro Liquidity-Rated SRI	FR0007038138	€302,211,732.92	€2,094,457.50
Schroder ISF Global Sustainable Growth	LU2305367323	€24,954,035.12	€413,543.93
BNP Climate Impact	LU0406802768	€24,942,313.93	€(258,880.14)
WisdomTree WTI Crude Oil ETC	GB00B15KXV33	€22,159,829.68	€(831,035.52)
SPDR S&P Euro Dividend Aristocrats UCITS ETF	IE00B5M1WJ87	€20,904,191.34	€(90,534.35)
WisdomTree Industrial Metals	GB00B15KYG56	€28,457,599.64	€(1,607,007.02)
iShares Core Dividend Growth ETF	US46434V6213	€34,096,778.32	€(444,380.08)
iShares Global Clean Energy ETF	US4642882249	€21,725,609.88	€(423,462.51)
US Infrastructure ETF	US37954Y6730	€62,175,172.02	€3,178,974.11
US Infrastructure Dev ETF	US46435U7138	€60,687,974.34	€686,866.61
iShares Edge S&P 500 Minimum Volatility	IE00BYX8XD24	€21,358,544.00	€32,540.21
iShares MSCI Glob. Metals&Mining Producers ETF	US46434G8481	€65,122,047.13	€(4,859,997.62)
Lyxor EUR 2-10Y Inflation Expectations ETF	LU1390062245	€41,656,681.00	€823,219.02
Vanguard Value ETF	US9229087443	€114,987,126.48	€(3,824,619.80)
Invesco KBW Bank ETF	US46138E6288	€53,738,714.06	€(13,416,923.61)
iShares Edge MSCI Europe Val. Factor ETF	IE00BQN1K901	€84,742,181.15	€5,493,242.28
Lyxor EURO STOXX Banks ETF	LU1829219390	€57,204,943.79	€3,633,949.01
SPDR S&P Oil & Gas Explor. & Prod. ETF	US78468R5569	€52,605,977.10	€(4,289,764.01)
WisdomTree Physical Gold – EUR Daily Hedged	JE00B8DFY052	€39,653,180.63	€2,658,118.87
SPDR MSCI Europe Energy	IE00BKWQ0F09	€28,857,877.40	€(657,882.31)
Treasury of the Republic of Kosovo ¹⁾	Gov. T-bills	€549,815,657.08	€3,453,318.77
Banks operating in the Republic of Kosovo ¹⁾	Term deposits	€128,158,297.87	€732,928.82
CBK - in cash	Un-invested	€36,687,061.40	€17,646.95
Erste Bank (Broker)	Un-invested	€2,903,833.04	€5,142.65
Other income (from dividends)	--	--	€1,710,427.15
Cash and in transit	Un-invested	€5,530.65	--
TOTAL		€2,459,791,855.74	€427,513.27

¹⁾These investments are with fixed interest rates.

NEWS

<p>CLARIFICATION ON THE STATE OF KPST INVESTMENTS</p>	<p>KPST issued a public statement on March 21, 2023, to clarify the state of the institution's investments, after several reports in the media that raised the concern of contributors and the general public. In that statement it is said that:</p> <p>The assets under the management of KPST are handled in two investment portfolios:</p> <ol style="list-style-type: none"> 1) Standard Portfolio (which includes all contributors up to the age of 63). 2) Conservative Portfolio (which includes all contributors aged 63 and over). <p>The pension assets of contributors in the Standard Portfolio consist of investments with higher potential of return and higher risk, therefore they have higher volatility. Due to the circumstances in the financial markets from March 10 to March 17, 2023, where some important banks of the global economy had liquidity difficulties, thus affecting the markets, the investments of the KPST of the Standard Portfolio have also faced strong fluctuations. This caused that all the positive return from investments for the months of January and February 2023 to be devalued, and for the period from January 1, 2023 to March 20, 2023 (for the last date the data are available) the Standard Portfolio decreased by – 1.5% or a gross return of about -36 million euros.</p> <p>While for the same period, the Conservative Portfolio has a positive return of about +0.7% or about 800 thousand euros, since the investments of this portfolio are in instruments with significantly lower potential return and risk. From this portfolio the contributors of the age of 63 and above retire, therefore will not be affected by fluctuations in the financial markets. Furthermore, even under current circumstances Conservative Portfolio have a positive return YTD. This is also the most sensitive category (contributors of age 63+) of contributors from downfall periods, and this solution has given them a very satisfactory protection.</p> <p>Based on the experience of the institution and the composition of the current investment portfolio, we cannot say that the entire fund of the KPST is at risk, but the institution is currently facing a difficult situation without the main decision-making body (Governing Board) – according to the legislation in force.</p> <p>At the same time, we want to clarify that the KPST has performed all tasks on time, by notifying the Selection Committee several times about the expiration dates of the Governing Board members. Also, the KPST, according to the request of the Committee, announced the call for members of the Governing Board and after the end of the announcement, all the documentation was submitted to the Central Bank of Kosovo.</p>
<p>EXPIRES THE MANDATE OF GOVERNING BOARD MEMBERS</p>	<p>On 28th of February 2023, mandate of all members of the Governing Board of Kosovo Pension Savings Trust (KPST) has expired. Hence, from today, 1st of March 2023, KPST is without a Governing Board.</p> <p>Due to the fact that decision-making on investments is an exclusive legal/fiduciary responsibility of the Governing Board, which cannot be delegated, absence of the Governing Board makes impossible for the institution to undertake any decision on the investment of pension funds, both for the investments of pension assets within and outside Kosovo. Thus, all current investments cannot be changed (added or withdrawn), just like new pension contributions collected – cannot be invested.</p> <p>In order not to leave a decision-making void with consequences (mentioned above) for pension assets, the Law foresees opening of the announcement on time, therefore in continuity to have a functional Governing Board.</p> <p>As a reminder, the competition for members of the Board of Directors in FKPK was closed on December 23, 2022. By decision of the Selection Committee, the competition of December 23, 2022 has been cancelled. With small changes in the application procedure, the announcement was re-announced on April 18, 2023 and the same was closed on May 5, 2023. The Selection Committee will continue reviewing this process, as defined in the Law on Pension Funds in Kosovo.</p>

PUBLISHER

Kosovo Pension Savings Trust
April 2023

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