

This Key Investor Information Document (KIID) provides the reader with key information about the investment portfolio of the Kosovo Pension Savings Fund. It is not marketing material; it is provided to help understand the nature and the risks of the portfolio.

### Kosovo Pension Savings Trust (KPST) Conservative Portfolio (EUR)

a defined contribution pension fund established by law and managed by Kosovo Pension Savings Trust.

#### Objectives and Investment Policy

##### Objectives

KPST is a long-term investor with the primary objective to ensure that assets are invested in a prudent manner consistent with the requirements of the Law.

The goals of prudent investment for the portfolio are:

- The security of pension assets;
- The maintenance of adequate liquidity.

##### Investment policy

Funds are invested in accordance with provisions of the Law No. 04/L-101 on Pension funds of Kosovo (and its subsequent amendments), and only for the benefit of participants who are close to their retirement age. The Governing Board is responsible for establishing the Investment Policy and for setting targets for asset allocations. Investment policy is expressed as a target mix to be split between:

- asset classes: cash, fixed income; and
- investment strategies: income yielding only.

Pension assets of the conservative portfolio are invested in a limited set of financial instruments such as Kosovo treasury securities and cash.

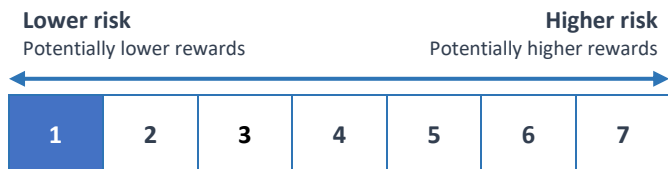
As a way to manage the direct risks, targets are set within an investment framework which limit allocations to:

- a given asset class:
  - 20% - Cash & money market funds;
  - 99% - Kosovo treasury bonds.
- selected investment strategies:
  - 100% - Income generation.

Starting on February 16, 2022, KPST created a separate Conservative Portfolio (income portfolio) for participants close to the retirement age (persons aged 63+). The allocations in this portfolio consist of Kosovo Treasuries and cash balances only.

The portfolio was exclusively created to meet the needs of participants close to retirement, i.e. reducing the risk in order to provide increased protection for savings (accumulated over the years) up to retirement.

#### Risk and Reward Profile



##### The risk and reward indicator

Due to insufficient data the portfolio's risk category is only based on the volatility of daily performances since inception of the fund in February 2022. This can change over time as the historical performance may not be a reliable indicator for the future.

The portfolio is in this category because it takes low risk in search of stable income returns. A portfolio in the lowest category does not mean a risk-free investment.

##### Risk factors

The following are some of the main risks that may affect portfolio's performance:

*Credit Risk:* - Risk of the failure of a counterparty or an issuer of a financial asset held within the Fund to meet its payment obligations will have a negative impact on the Fund.

*Inflation risk:* Risk of inflation eroding the purchasing power of funds.

*Liquidity risk:* risk that short term financial demands may not be met.

## Charges

KPST fees are charged daily on the gross portfolio's assets. Applicable fees are proposed annually by KPST to the Assembly of the Republic of Kosovo.

The level of fees applicable for 2023, as approved by the Assembly of the Republic of Kosovo, were:

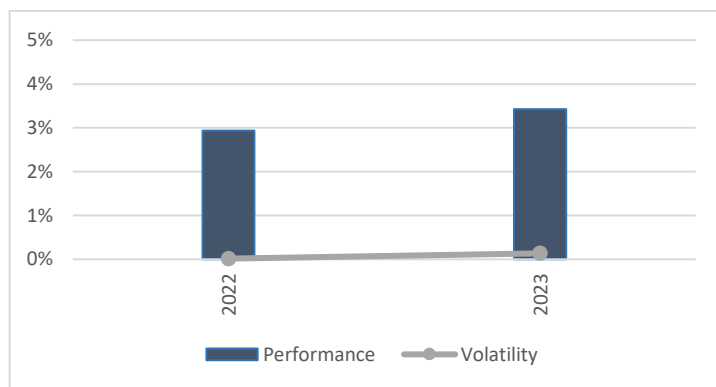
- (a) Operating fees: 0.05% p.a; and
- (b) Investment fees: 0.32% p.a.

KPST does not apply entry, exit, or any fees other than the ones listed above.

Fees reduce the value of participants assets; however, as a not-for-profit institution, fees charged by KPST cover only its expenses:

- (a) Operating fees: staff and other office operating and administrative expenses; and
- (b) Investment fees: broker, custody, transfer, open-end fund management fees, and other charges directly related to the investment of pension assets in global financial markets in pursuit of positive investment returns for participants.

## Past Performance



Past performance may not be a reliable indication of future performance. The value of investments may go down as well as up.

Performance shall be calculated as a percentage change in the unit price at each year-end. It is net of fees and denominated in EUR.

Volatility shall be calculated as the annualised standard deviation of daily performances of the portfolio for the given year.

The portfolio was launched on 16 February 2022.

## Practical Information

Kosovo Pension Savings Trust (KPST) was created by Law by the Assembly of the Republic of Kosovo as the sole authorised institution charged with administering - and managing the investment of - Pension Assets, i.e. the mandatory (and voluntary) pension savings contributions of employees in Kosovo.

KPST is registered within the Ministry of Public Administration with Registration No. 9000225 - at Rr. "Agim Ramadani" 182-184, 10000 Prishtina, Republic of Kosovo - and is supervised by the Central Bank of the Republic of Kosovo.

KPST created the Conservative portfolio to meet the needs of participants who are close to retirement.

Further information regarding the Investment Principles and risk management can be found in the Investment Manual of KPST at <http://www.trusti.org/en/investments/investment-manual/>.

Historical and latest unit prices for the portfolio are published at [www.trusti.org/en/investments/unit-price/](http://www.trusti.org/en/investments/unit-price/).

This KIID was last updated with information available as at December 2023.