

ANNOUNCEMENT

Investment portfolios of pension assets managed by NBRK and IPM as of March 1, 2023

Investment activity in managing pension assets is absolutely transparent and available for review. On the website enpf.kz in the section “Indicators - Investment activity”, detailed information on the management of pension assets by the National Bank of the Republic of Kazakhstan (NBRK) and investment portfolio managers (IPM), as well as reviews of investment activity, is monthly posted. At the moment, the information is updated as of March 1, 2023.

The total volume of pension assets under management as of March 1, 2023 amounted to about **KZT15.13 trln.** At the same time, UAPF pension assets [held in trust by the National Bank of the Republic of Kazakhstan](#) (hereinafter referred to as NBRK) amounted to **KZT15.12 trln.** Pension assets managed by IPM amounted to **KZT9.6 bln.**

Investment portfolio of pension assets managed by NBRK

As of March 1, 2023, the structure of the main investments of NBRK, as a trustee, by financial instruments is as follows:

- GS of the Ministry of Finance of the Republic of Kazakhstan with a current value of KZT7,240.89 bln (the main share in the portfolio is 47.89%)
- bonds of quasi-public organizations of the Republic of Kazakhstan with a current value of KZT1,684.42 bln (share in the portfolio - 11.14%)
- bonds of second-tier banks of the Republic of Kazakhstan with a current value of KZT892.96 bln (share in the portfolio - 5.91%)
- foreign government securities in the liquidity sub-portfolio with a current value of KZT743.91 bln (share in the portfolio - 4.92%).
- deposits with the National Bank of the Republic of Kazakhstan with a current value of KZT391.72 bln (share in the portfolio - 2.59%)
- bonds of international financial organizations with a current value of KZT372.61 bln (share in the portfolio - 2.46%)
- shares and depository receipts of RK issuers with a current value of KZT250.51 bln (share in the portfolio - 1.66%)
- deposits in second-tier banks of the Republic of Kazakhstan with a weighted average maturity of 1.53 years, with a current value of KZT201.08 bln (share in the portfolio - 1.33%).

As of March 1, 2023, the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of UAPF pension assets amounted to 11.0% per annum, including 12.6% per annum denominated in tenge, in foreign currency - 4.9% per annum.

The structure of the investment portfolio of UAPF pension assets held in trust by NBRK, by currency as of March 1, 2023, looks like this: investments in the national currency - 72.22%, in US dollars - 27.73%, in another currency - 0.05% of the portfolio of pension assets.

It should be noted that in the structure of investment income **KZT318.2 bln** are income in the form of interest on securities, including on placed deposits and reverse REPO operations and from market revaluation of securities, other income - KZT0.18 bln. And the instruments under external management and related to the revaluation of foreign currency brought losses in the amount of KZT108 bln, which is the

result of the influence of geopolitical factors on investment income received this year. However, total revenue for 2 months of 2023 turned positive.

As a result of investment activities, as well as due to the volatility of foreign exchange rates and changes in the market value of financial instruments, the amount of accrued investment income as of March 1, 2023 from the beginning of the current year amounted to **KZT210.19 bln.**

Against the backdrop of an unstable geopolitical situation, high volatility in global financial markets and inflation, the return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2023 amounted to 1.38%.

We emphasize that the return on pension assets for certain short periods of time is not an indicator of the effectiveness of their management. Pension assets are characterized by a long investment horizon and one of the main objectives of their investment is to obtain real returns in the long run.

[A detailed structure](#) of the investment portfolio of financial instruments managed by NBRK, indicating issuers and an overview of investment activities, are posted on the official website of the UAPF. Recall that in Kazakhstan there is a model of the state guarantee of the safety of pension savings. In accordance with Article 5 of the Law of the Republic of Kazakhstan *On Pension Provision in the Republic of Kazakhstan*, the state guarantees recipients the safety of compulsory pension contributions and compulsory occupational pension contributions to the UAPF in the amount of actually made contributions, taking into account the inflation rate at the time of obtaining the right to pension benefits.

Investment portfolio managers

The total amount of funds managed by IPM is KZT9.6 bln.

As of March 1, 2023, pension assets held in trust by **Jusan Invest JSC** amounted to 4,236.36 million tenge.

The most significant investments of the company: shares of Exchange Traded Funds (ETF) - 29.6% of the portfolio, GS MF RK - 21.78%, NBRK notes - 19.63%, Repo - 17.27%. GS of foreign countries account for 8.42%, funds in investment accounts - 3.25%. It should be noted that 61.66% of the portfolio is presented in tenge, 38.34% - in US dollars. As of March 1, 2023, the weighted average yield to maturity (YTM) of debt financial instruments denominated in tenge was 14.96% per annum.

As a result of investment activities, as well as due to the volatility of foreign exchange rates and changes in the market value of financial instruments, the amount of accrued investment income as of March 1, 2023 from the beginning of the current year amounted to KZT55.76 mln. Return on pension assets: 1.25%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by Jusan Invest JSC, indicating issuers, is presented on the UAPF website.

Pension assets in trust management of **Halyk Global Markets JSC** as of March 1, 2023 amounted to KZT2,696.39 mln. The main investments in the portfolio structure are as follows: reverse REPO (no more than 90 calendar days) is 54.53%; equity instruments of foreign issuers (ETF units) – 12.52%; bonds of quasi-public organizations of the Republic of Kazakhstan - 12.21%; securities with state status, issued by the central governments of foreign countries - 6.42%. Investments in the national currency amounted to 80.27% of the portfolio, in US dollars - 19.73%.

As a result of investment activities, the amount of accrued investment income as of March 1, 2023 from the beginning of the current year amounted to KZT63.12 mln. Return on pension assets: 2.22%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by Halyk Global Markets JSC with indication of issuers is presented on the UAPF website.

Pension assets in trust management of **BCC Invest JSC** as of March 1, 2023 amounted to KZT1,574.30 mln. Among the main areas of investment, the following can be distinguished: government bonds of the Republic of Kazakhstan - 50.59% of the portfolio; bonds of quasi-public organizations of the Republic of Kazakhstan - 20.91%; shares (ETF for indices) – 9.23%. 79.89% of the portfolio was invested in instruments in national currency, 20.11% in US dollars.

As a result of investment activities, the amount of accrued investment income since the beginning of the current year as of March 1, 2023 amounted to KZT30.57 mln. Return on pension assets: 1.85%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by BCC Invest JSC with an indication of issuers is presented on the UAPF website.

Pension assets in trust management of **Centras Securities JSC** as of March 1, 2023 amounted to KZT1,037.52 mln.

63.08% of assets are invested in GS MF RK, cash on investment accounts is 11.27%, bonds of quasi-public organizations - 8.05%. 79.68% of the portfolio was invested in instruments in national currency, 20.32% in US dollars.

As a result of investment activities and changes in the market value of financial instruments, the amount of accrued investment income since the beginning of the current year as of March 1, 2023 amounted to KZT23.94 mln. Return on pension assets: 2.17%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by Centras Securities JSC with an indication of issuers is presented on the UAPF website.

As of March 1, 2023, pension assets in trust management of **Halyk Finance Subsidiary of Halyk Bank of Kazakhstan JSC** amounted to KZT53.9 mln.

Investments in the portfolio structure are as follows: reverse REPO (no more than 90 calendar days) is 89.67%, cash on accounts - 10.33%.

100% of the portfolio is invested in instruments in national currency. As a result of investment activities, the amount of accrued investment income since the beginning of the current year as of March 1, 2023 amounted to KZT456,954.16. Return on pension assets: 1.83%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by Halyk Finance Subsidiary of Halyk Bank of Kazakhstan JSC with indication of issuers is presented on the UAPF website.

Recall that after receiving pension assets from UAPF, IPM invests them in permitted financial instruments specified in the Rules for the implementation of investment portfolio management activities, approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 3, 2014 No. 10, and provided for in the IPM Investment Declaration. When transferring pension savings to IPM management, the state guarantee is replaced by the guarantee of the management company to ensure the minimum level of return of pension assets. The minimum level of return is calculated based on the weighted average return on pension assets transferred to IPM management and operating on the market.

The UAPF was established on August 22, 2013 on the basis of GPNF APF JSC. The UAPF founder and shareholder is the Government of the Republic of Kazakhstan represented by the State Institution “Committee of State Property and Privatization” of the Ministry of Finance of the Republic of Kazakhstan. UAPF pension assets are managed by the National Bank of the Republic

of Kazakhstan. From January 1, 2016, the functions for developing proposals to improve the management of pension assets were transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, pension benefits, individual accounting of pension accumulations and benefits, provides the contributor (beneficiary) with information on the status of his pension accumulations (for more information visit www.enpf.kz)