

ANNOUNCEMENT

Net investment income of UAPF contributors for 2020 exceeded KZT 1.2 trillion

The amount of pension savings of the contributors of the Unified Accumulative Pension Fund as of January 1, 2021 exceeded KZT12.9 trillion. As you know, this amount includes pension contributions and investment income.

For 12 months of 2020, a net investment income of KZT 1.2 trillion was credited to contributors' accounts, which is almost twice as much as in 2019 (net investment income from 01.01.2019 to 31.12.2019 amounted to KZT 641.8 billion). Note that the return for the year from 01/01/2020 to 12/31/2020 was 10.92% with inflation of 7.5%.

Recall that pension contributions received on individual pension saving accounts (IPSA), which are kept by the UAPF, are invested by the fiduciary manager of pension assets - the National Bank of the Republic of Kazakhstan - in various financial instruments.

The amount of pension savings of contributors (beneficiaries) is recalculated and revalued on a daily basis in accordance with the results of investment of pension assets. Investment income includes income in the form of remuneration on securities (deposits and other operations), income in the form of market revaluation of financial instruments, income in the form of foreign exchange revaluation, income on assets under external management, etc.

In general, the investment income provided by the National Bank since the merger of all pension assets in the UAPF amounted to about KZT 4.7 trillion. As of January 1, 2021, the share of net investment income in the total amount of pension savings is 34.5%.

If we take the period since the founding of the accumulative pension system in Kazakhstan in 1998, then the net investment income exceeded the mark of KZT 5.5 trillion. Investment return during this time with a cumulative total amounted to 602.90%. At the same time, inflation amounted to 496.65%. Thus, the real return on pension assets as of January 1, 2021 was 106.25%.

It should be emphasized that pension savings are long-term investments and it is advisable to analyze the amount of investment income for a period of at least 1 (one) year. Short-term data (daily, monthly, etc.) are not indicative, since depend on daily market conditions.

The entire system of investment management and accounting of pension assets is transparent: each contributor has the opportunity to see their investment income in their personal account on the enpf.kz website or in a mobile application. Information on the investment management of the UAPF's pension assets and the financial instruments in which the UAPF's pension assets are placed is published on the UAPF's official website (www.enpf.kz) in the *Indicators / Investment Activity* section.

UAPF was established on August 22, 2013 on the basis of GNPf 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)