

ANNOUNCEMENT

UAPF presents a report on the investment of pension savings

Investment portfolios of pension assets as of July 1, 2023

The enpf.kz website provides a report on the management of pension assets of the NBRK and the IPM as of July 1, 2023. A detailed report on the investment of pension savings is posted on the website enpf.kz in the section "Indicators - Investment activity", which monthly provides information on the management of pension assets by the National Bank of the Republic of Kazakhstan (NBRK) and investment portfolio managers (IPM). The total volume of pension assets as of July 1, 2023 amounted to about **KZT16,073.63 billion**. At the same time, UAPF pension assets [held in trust by the National Bank of the Republic of Kazakhstan](#) amounted to **KZT16,064.93 billion**. [Pension assets managed by the IPM](#) amounted to **KZT8.7 billion**.

Investment portfolio of pension assets managed by the NBRK

The main areas for investing pension assets of the NBRK as of July 1, 2023 are as follows: government securities of the Ministry of Finance of the Republic of Kazakhstan - 47.93%, bonds of quasi-state companies - 10.57%, bonds of second-tier banks of the Republic of Kazakhstan - 5.42%, government securities of foreign states - 4.31%, securities of international financial organizations - 2.29%, corporate bonds of Kazakhstani issuers - 0.10 %.

As of July 1, 2023, the investment portfolio in terms of currencies in which financial instruments purchased using pension assets are denominated looks as follows: investments in the national currency - 70.40%, in US dollars - 29.55%, in another currency - 0.04% of the portfolio of pension assets. It follows from the analysis of the structure of income received that income in the form of interest on securities, including on placed deposits and reverse REPO operations and from market revaluation of securities, amounted to KZT618.62 billion, on assets under external management - KZT26.72 billion, other income - KZT2.45 billion. At the same time, the revaluation of foreign currency brought a loss in the amount of KZT59.30 billion.

Thus, due to the diversification of the investment portfolio of pension assets across instruments, industries and currencies, the total income for June 2023 is 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 since the beginning of 2023 amounted to KZT588.49 billion.

The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) from the beginning of 2023 as of July 1 amounted to 3.80% with inflation of 5.30%.

At the same time, as of July 1, 2023, the return on pension assets for the last 12 months (from July 2022 to June 2023) for UAPF contributors (beneficiaries) amounted to 7.93%.

Recall that in the medium and long term, a positive real (exceeding accumulated inflation) return on pension savings is ensured.

[A detailed structure](#) of the investment portfolio of financial instruments managed by the 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 beneficiaries 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 KZT8.7 billion.

As of July 1, 2023, pension assets held in trust by **Jusan Invest JSC** amounted to KZT3.75 billion.

The most significant investments of the company: Government securities of the Ministry of Finance of the Republic of Kazakhstan - 38.88%, shares of Exchange Traded Funds (ETF) - 31.17%, NBRK notes - 12.07%; Government securities of foreign states - 7.23% of the portfolio. Note that 57.82% of the portfolio is presented in tenge; 42.18% - in US dollars.

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 from the beginning of the year as of July 1, 2023 amounted to KZT233.28 million. The yield on pension assets for 6 months of the current year amounted 5.39%.

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

As of July 1, 2023, pension assets held in trust by **Halyk Global Markets JSC** amounted to **KZT2.43 billion**.

The main investments in the portfolio structure are as follows: "reverse REPO" (no more than 90 calendar days) is 35.62%; bonds of quasi-public organizations of the Republic of Kazakhstan - 21.54%; equity instruments of foreign issuers (ETF units) – 16.24%; bonds of IFOs - 11.28%, securities with the status of government, issued by the central governments of foreign states - 7.36%. Investments in the national currency amounted to 75.83% of the portfolio, in US dollars - 24.17%.

As a result of investment activities, the amount of accrued investment income as of July 1, 2023 from the beginning of the year amounted to KZT223.81 million. The yield on pension assets for 6 months of the current year amounted to 8.40%.

[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.

UAPF pension assets held in trust by **BCC Invest JSC** amounted to KZT1.37 billion.

Among the main areas of investment, the following can be distinguished: government bonds of the Republic of Kazakhstan - 35.99%; bonds of quasi-public organizations of the Republic of Kazakhstan - 24.23%; IFO bonds - 6.74%, REPO - 6.58%, corporate bonds of resident issuers of the Republic of Kazakhstan - 6.01%,

shares and depository receipts of foreign issuers - 4% of the portfolio. 75.41% of the portfolio was invested in instruments in national currency, 24.59% in US dollars.

As a result of investment activities, the amount of accrued investment income as of July 1, 2023 from the beginning of the year amounted to KZT104.97 million. The yield on pension assets for 6 months of the current year amounted to 6.81%. Most of the accrued investment income came from interest on reverse repo transactions and income from the market revaluation of securities.

[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.

UAPF pension assets held in trust management by *Centras Securities JSC* amounted to KZT875.03 million.

58.55% of assets invested in government securities of the Ministry of Finance of the Republic of Kazakhstan; cash on investment accounts is 12.46%; shares and depository receipts issued by organizations of the Republic of Kazakhstan - 10.46%, bonds of quasi-public organizations - 9.69%. 74.57% of the portfolio was invested in instruments in national currency, 25.43% in US dollars.

As a result of investment activities and changes in the market value of financial instruments, the amount of accrued investment income as of July 1, 2023 from the beginning of the year amounted to KZT37.44 million. The return on pension assets for 6 months of the current year amounted to 3.47%.

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

As of July 1, 2023, pension assets held in trust by *Halyk Finance Subsidiary of Halyk Bank of Kazakhstan JSC* amounted to KZT280.35 million.

The main investments in the portfolio structure are as follows: "reverse REPO" (no more than 90 calendar days) - 61%, government securities of the Ministry of Finance of the Republic of Kazakhstan - 7.71%, corporate bonds of issuers of the Republic of Kazakhstan - 7.31%, IFIs - 6.28%, Other assets (accounts receivable, overdue debt, provisions) - 4.84%, bonds of quasi-public organizations Republic of Kazakhstan - 4.55%.

87.21% of the portfolio was invested in instruments in national currency, 9.66% in US dollars, 3.13% in euro currency. As a result of investment activities, the amount of accrued investment income as of July 1 from the beginning of 2023 amounted to KZT13.70 million. The yield on pension assets for 6 months of the current year amounted to 7.67%.

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

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 on 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.

As a reminder, from July 1, 2023, contributors are given the opportunity to transfer to trust management no more than 50% of pension savings at the expense of compulsory pension contributions (CPC) and compulsory occupational pension contributions (COPC) without taking into account the minimum sufficiency threshold by the investment portfolio manager (IPM), choosing such a company on their own. Contributors who have voluntary pension savings can transfer them to IPM in the amount of 100%.

The 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)