

ANNOUNCEMENT

UAPF presents a report on the investment of pension savings

Investment portfolios of pension assets as of August 1, 2023

The website enpf.kz provides a report on the management of pension assets of the NBRK and the IPM as of August 1, 2023. A detailed report on the investment of pension savings is available on the enpf.kz website in the section “Indicators - Investment Activity”, which provides monthly 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 August 1, 2023 amounted to about **16,375.9 billion KZT**. At the same time, the pension assets of the UAPF, [held in trust by the National Bank of the Republic of Kazakhstan](#), amounted to **16,366.61 billion KZT**. [Pension assets managed by IPM](#) amounted to **9.29 billion KZT**.

Investment portfolio of pension assets managed by the National Bank of Kazakhstan

The main directions of investment of pension assets of the NBRK as of August 1, 2023 are as follows: government securities of the Ministry of Finance of the Republic of Kazakhstan – 49.14%, bonds of quasi-public companies – 10.42%, bonds of second-tier banks of the Republic of Kazakhstan – 5.34%, government securities of foreign states – 4.45%, securities of international financial institutions – 2.26%, corporate bonds and Kazakhstani issuers – 0.10%.

Investment portfolio in terms of currencies in which financial instruments acquired at the expense of pension assets are denominated as of August 1, 2023, is as follows: investments in national currency – 70.36%, in US dollars – 29.62%, in other currencies – 0.03% of the portfolio of pension assets.

From the analysis of the structure of the income received, it follows that income in the form of remuneration on securities, including on placed deposits and “reverse Repo” operations and from the market revaluation of securities, amounted to KZT 817.21 billion, income on assets under external management brought KZT 62.53 billion, other income – KZT 2.58 billion. The revaluation of foreign currency was negative and amounted to KZT – 100.02 billion, which confirms the impact of the unstable geopolitical situation, high volatility in global financial markets and inflation on investment income received this year. However, as a result of investment activities, as well as due to changes in the market value of financial instruments, the accrued investment income was positive and its size as of 01.08.2023 since the beginning of the year amounted to KZT 782.30 billion.

The return on UAPF pension assets, distributed to the accounts of contributors (beneficiaries), for 7 months of this year amounted to 5.01%.

At the same time, as of August 1, 2023, the return on pension assets for the last 12 months (from June 2022 to July 2023) for UAPF contributors (beneficiaries) amounted to 7.89%.

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

[A detailed structure](#) of the investment portfolio of financial instruments managed by the NBRK with an indication of issuers and an overview of investment activities are posted on the official website of the UAPF. Recall that in Kazakhstan has a model of state guarantee of the safety of pension savings. In

accordance with Article 217 of the Social Code of 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 payments.

Investment Portfolio Managers

The total amount of funds managed by the IPM is **9.29 billion KZT**.

As of 01.08.2023, pension assets held in trust by *Jusan Invest JSC* amounted to **3.93 billion KZT**.

The most significant investments of the company are: government securities of the Ministry of Finance of the Republic of Kazakhstan – 36.33%, shares of Exchange Traded Funds (ETF) – 30.81%, notes of the NBRK – 17.51%, Repo – 8.48%, government securities of foreign countries – 6.82%. It should be noted that 62.32% of the portfolio is presented in KZT; 37.68% - 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 as of 01.08.2023. Since the beginning of the year, it amounted to KZT 301.62 million. The return on pension assets for 7 months of this year amounted to 7.21%.

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

As of 01.08.2023 pension assets held in trust by *Halyk Global Markets JSC* amounted to **2.42 billion KZT**.

The main investments in the portfolio structure are as follows: “reverse Repo” (no more than 90 calendar days) is 35.35%; bonds of quasi-state organizations of the Republic of Kazakhstan – 21.43%; equity instruments of foreign issuers (ETF units) – 16.99%; MFI bonds – 11.43%, securities with the status of state securities issued by central governments and foreign countries – 7.3%. Investments in national currency accounted for 75.13% of the portfolio, in US dollars – 24.87%.

As a result of those investment activities, the amount of accrued investment income as of August 1, 2023 since the beginning of the year amounted to 260.03 million KZT. The return on pension assets for 7 months of this year amounted to 9.93 %.

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

UAPF pension assets held in trust by *BCC Invest JSC* amounted to **1.42 billion KZT**.

Among the main areas of investment are the following: government bonds of the Republic of Kazakhstan – 34.39% of the portfolio; bonds of quasi-state organizations of the Republic of Kazakhstan – 23.50%; shares (ETFs on indices) – 13.56%; corporate bonds of issuers-residents of the Republic of Kazakhstan – 5.54%, and shares and depositary receipts of foreign issuers – 4.02%. 75.97% of the portfolio was invested in national currency instruments, and 24.03% in US dollars.

As a result of investment activities, the amount of accrued investment income as of August 1, 2023 since the beginning of the year amounted to 119.33 million KZT. The return on pension assets for 7 months

of this year amounted to 7.85%. Most of the accrued investment income came from remuneration on reverse Repo operations and income from 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.

As of August 1, 2023, the UAPF pension assets held in trust by *Centras Securities JSC* amounted to **891.86 million KZT**.

59.25% of assets were invested in government securities of the Ministry of Finance of the Republic of Kazakhstan; and contributory receipts issued by organizations of the Republic of Kazakhstan – 10.89%, cash on investment accounts account for 10.82%; bonds of quasi-state organizations – 9.54%. 75.02% of the port was invested in instruments in national currency, in US dollars – 24.98%.

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 2023 amounted to 59.85 million KZT. The return on pension assets since the beginning of 2023 was 5.95%.

[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 August 1, 2023, pension assets held in trust by *“Halyk Finance” Subsidiary Company of Halyk Bank of Kazakhstan JSC* amounted to **629.03 million KZT**.

Investments in the portfolio structure are as follows: “reverse Repo” (no more than 90 calendar days) is 78.58%, bonds of quasi-state organizations of the Republic of Kazakhstan – 6.07%, government securities of the Ministry of Finance of the Republic of Kazakhstan – 3.56%, corporate bonds of issuers of the Republic of Kazakhstan – 3.31%, MFIs – 2.83%, government securities of foreign states – 2.10%.

94.44% were invested in instruments in the national currency, 4.21% in US dollars, and 1.36% in Euro.

As a result of investment activities, the amount of accrued investment income as of August 1, 2023 from the beginning of 2023 amounted to KZT 17.53 million. The return on pension assets for 7 months of this year amounted to 8.71%.

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

It should be noted that after receiving pension assets from the UAPF, the IPM invests them in authorized financial instruments specified in the Rules for the implementation of investment portfolio management activities, approved by the Resolution No.62 of the Board of the National Bank of the Republic of Kazakhstan dated July 1, 2023, and provided for in the IPM Investment Declaration. When transferring pension savings to the management of the IPM, the state guarantee is replaced by a guarantee of the management company to ensure a minimum level of return on pension assets. The minimum rate of return is calculated on the basis of the weighted average return on pension assets transferred to the management of the IPM operating in the market.

Recall that from July 1, 2023, the contributor can transfer no more than 50% of pension savings to trust management 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 independently. Contributors who have voluntary pension savings can transfer them to the IPM in the amount of 100%.

The UAPF was established on August 22, 2013 on the basis of NPF SAPF JSC. The founder and shareholder of the UAPF is the Government of the Republic of Kazakhstan represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. Since January 1, 2016, the functions of developing proposals to improve the efficiency of pension asset management have been transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory professional pension contributions, voluntary pension contributions, pension payments, individual accounting of pension savings and payments, provides the contributor (recipient) with information on the status of his pension savings (for more details, see www.enpf.kz).