CURRENT QUESTIONS ABOUT UAPF

1. ***What will happen to citizens' pension savings after the amendments to the Social Code come into force? Is their safety guaranteed? How is this ensured?***

Article 217 of the Social Code stipulates that, effective January 1, 2027, "*the State* ***guarantees*** *beneficiaries the safety of compulsory pension contributions and compulsory occupational pension contributions to the Unified Accumulative Pension Fund in the amount of actually paid compulsory pension contributions and compulsory occupational pension contributions*."

The state guarantees the safety of pension assets by regulating the activities of the Unified Accumulative Pension Fund and private investment portfolio managers (IPMs), establishing investment requirements for both the National Bank of the Republic of Kazakhstan (NBRK) and IPMs, requirements for diversification and risk mitigation when investing pension assets, and other regulatory standards.

Therefore, the funded pension system and pension provision for Kazakhstanis as a whole remain under the regulation, control, and responsibility of the state.

2. ***Who manages pension assets?***

Pension asset investments are handled by the National Bank of the Republic of Kazakhstan (NBRK), and since 2021, by investment portfolio managers (IPMs) holding the appropriate license and meeting the requirements of the authorized body. The primary objective of this type of trust management of pension savings is to invest in various financial instruments and generate income. Pension asset managers—the NBRK and IPMs—have their own pension asset investment strategies and independently determine the structure of their investment portfolios within the framework of their investment declarations.

The current IPM registry includes six private companies that Kazakhstanis can entrust with the management of their pension savings: Alatau City Invest JSC, BCC Invest JSC, Centras Securities JSC, Halyk Finance JSC, Halyk Global Markets JSC, and Tansar Capital JSC.

You can find information about investment portfolio managers and study their investment declarations on the website www.enpf.kz in the “Services” section - “Register of Investment Portfolio Managers”, as well as through the **online information platform invest.enpf.kz**.

3. ***Legislative changes provide for the possibility of transferring up to 100% of pension savings accumulated through compulsory pension contributions and compulsory occupational pension contributions to the management of an investment portfolio manager (IPM). How will this mechanism work?***

Article 40 of the Social Code grants depositors the right to independently decide whether to transfer their pension savings to the management of the Compulsory Pension Contributions (CPC) and/or maintain them under the management of the National Bank.

In September 2026, legislative changes will also come into force, expanding depositors' investment options. Currently, depositors can transfer up to 50% of compulsory pension contributions and compulsory occupational pension contributions, and up to 100% of voluntary pension savings, to the CPC. Starting in the fall, they will be able to transfer both voluntary pension savings and savings formed from compulsory pension contributions (CPC) and compulsory occupational pension contributions (COPC) in full to the CPC.

The contributor has the right to independently select one or more IPMs, as well as various investment portfolios—that is, investment strategies for managing pension assets offered by the IPMs, which vary in risk level, expected return, and investment term.

To transfer funds to an IPM trust, the contributor must submit an application form. This can be done in their personal account on the enpf.kz website, on the **invest.enpf.kz online platform** using an electronic digital signature, or at any UAPF branch.

4. ***What are the benefits of transferring pension savings? How can contributors find complete information on pension asset management and track the performance of management companies?***

Transferring up to 100% of pension savings to IPM management opens up opportunities for depositors to grow their capital over the long term by choosing an IPM with a better performance history or a more aggressive strategy.

The UAPF, 100% government-owned, is the unified infrastructure institution in the pension market. With contrtibutors exercising their right to transfer their savings to IPM management, the UAPF's institutional role has expanded. The UAPF is a unified accounting and information center for all contributors, operating their individual pension savings accounts **regardless of who manages the assets** (the NBRK and/or the IPM, at the contributor's discretion).

The UAPF provides accessible services related to pension asset management, fully reflecting information about citizens' savings **in statements 24/7**. In addition, an **online information platform (invest.enpf.kz)** has been launched for UAPF contributors as a modern digital resource that allows them to compare asset management results across **all managers** (the National Bank of the Republic of Kazakhstan and the IPM). Invest.enpf.kz provides access to performance information and allows for dynamic comparison of data across asset managers and their portfolios over a specified period.

Using this platform, contributors can learn about:
• investment portfolio structure;
• return indicators for various periods;
• composition of investment instruments;
• comparative characteristics of various managers;
• investment statements and management strategies.

Furthermore, information on investment activities is regularly published on the enpf.kz website and the **invest.enpf.kz** online platform and is updated on an ongoing basis.

5. ***How will IPM liability be ensured when receiving pension savings into trust management?***

The contributor has the right to independently select the IPM and investment portfolio, i.e., the investment strategy for managing pension assets, which differ in risk level, expected return, and investment term.

In turn, the IPM bears statutory responsibility for the fiduciary management of pension assets and, in the event of a negative difference between the nominal return earned by the IPM and the **minimum return** calculated in accordance with regulatory requirements, compensates for the negative difference from the IPM's own capital.