

ANNOUNCEMENT

Net investment income over the years of the accumulative pension system exceeded KZT 5 trillion

As of August 1, 2020, pension accumulations in the amount of KZT12.1 trillion were formed on the accounts of the contributors of the Unified Accumulative Pension Fund. For the year from 01.08.2019 to 01.08.2020, the amount increased by almost KZT1.9 trillion, or 19%. As you know, this amount includes pension contributions and investment income.

From January 1 to August 1, 2020, net investment income in the amount of KZT752.98 billion of net investment income was credited to the accounts of the UAPF contributors, which is KZT 389.77 billion more compared to the same period last year.

It is worth reminding that that pension contributions received on individual pension saving accounts (IPSA), which are recorded by the UAPF, are invested by the fiduciary manager of pension assets - the National Bank of the Republic of Kazakhstan (NBRK) in various financial instruments. The National Bank invests pension assets in accordance with the list of financial instruments allowed for purchase at the expense of pension assets, approved by the Government of the Republic of Kazakhstan, and investment limits in accordance with the UAPF Investment Declaration.

In order to minimize risks, financial instruments are diversified by types, areas of investment, including currencies. At present, about 2/3 of investments are denominated in KZT and about 1/3 - in foreign currency, most of the latter - in US dollars.

The amount of pension accumulations of contributors (beneficiaries) is recalculated and revalued on a daily basis in accordance with the results of pension assets investment.

Investment income includes income in the form of remuneration on securities (deposits and other transactions), 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. Investment income is a volatile value and can be both positive and negative in the short term.

At the same time, we draw your attention to the fact that pension accumulations 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 because depend on daily market conditions.

Thus, the investment income provided by the National Bank for the period of pension assets management from September 2013 to August 2020 amounted to more than 33% or KZT4.0 trillion in the total amount of pension accumulations.

Note that for the period from the date of introduction of the accumulative pension system in Kazakhstan in 1998 to August 1, 2020, net investment income exceeded KZT5 trillion. For the entire period of the accumulative pension system, the cumulative

investment yield was 577%. At the same time, the cumulative inflation rate was 479.4%. Thus, the real return on pension assets as of August 1, 2020 is 97.6%.

It should be noted that the entire system of investment management and accounting of pension assets is transparent: each contributor has the opportunity to see their investment income in his personal account on the enpf.kz website or in a mobile application and at the same time receive information on the investment management of UAPF pension assets and about financial instruments, in which pension assets of the UAPF are placed. More detailed information is published on the official website of the UAPF (www.enpf.kz) in the section "Indicators / Investment Activity".

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)

