

ANNOUNCEMENT

The share of accumulated net investment income in the total volume of pension savings of Kazakhstan is growing

The volume of pension savings, as well as the share of investment income in it, is growing year after year. The net investment income accumulated since 2014 (after the consolidation of pension assets in the UAPF) as of March 1, 2025 amounted to **KZT11.46 trillion** (for comparison, as of March 1, 2024, it amounted to KZT8.83 trillion). Taking into account the payments made, the share of accumulated net investment income in the total volume of pension savings of Kazakhstan as of March 1, 2025 is **40.3%**, which demonstrates the significant role of investment activities in the structure of citizens' savings (as of March 1, 2024, this figure was 37.4%).

It should be noted that pension savings are long-term investments. Therefore, it is advisable to analyze the amount of investment income for a period of at least one year. In certain periods, a decrease in profitability may be observed due to the volatility of foreign exchange rates, changes in the market value of financial instruments, as well as the impact of inflation.

In the medium and long term, a positive real (exceeding accumulated inflation) return on pension savings is ensured. Thus, the accumulated investment return from the foundation of the funded pension system in 1998 until March 1, 2025, with a cumulative total, amounted to **962.28%** with inflation for the entire period of **851.90%**.

Diversification of the investment portfolio, when the income from some instruments covers temporary losses from others, ensures the safety and stable return on pension savings in the long term. Investment income in dynamics over the past 3 years shows stable growth, the return on pension assets exceeds the inflation rate. As of March 1, 2025, the return on pension assets managed by the National Bank of the Republic of Kazakhstan (NBRK) and formed through compulsory, compulsory occupational and voluntary pension contributions, over the past 12 months, distributed to the accounts of contributors (beneficiaries), amounted to **13.74%** with inflation at **9.4%**.

We also remind you that Kazakhstan has a unique guarantee of the safety of compulsory pension contributions taking into account the inflation rate. In cases of a decrease in return in a separate period, affecting the accumulated return of the contributor upon the occurrence of the right to pension benefits, compensation for the difference is guaranteed by the state.

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 the mobile application.

Information on the investment management of UAPF pension assets and on the financial instruments in which UAPF pension assets are placed is published on the official UAPF website (www.enpf.kz) in the “Indicators/Investment activities” section.

UAPF was founded on August 22, 2013 on the basis of GNPf APF JSC. The founder and shareholder of the UAPF 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. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer's compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by

the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at www.enpf.kz)