

ANNOUNCEMENT

The net investment income of UAPF contributors has exceeded KZT501 billion since the beginning of the year

The amount of accumulated pensions of contributors of the Unified Accumulative Pension Fund as of August 1, 2022 is about **KZT13.7 trillion**. As you know, this amount includes contributors' pension contributions and investment income.

The share of investment income in pension savings grows annually. In general, the net investment income provided by the National Bank since 2014 (the end of the process of merging all pension assets into UAPF) amounted to **KZT6.5 trillion**.

2022 is characterized by general instability in the financial markets against the backdrop of a worsening geopolitical situation. Since the beginning of the period, there has been an increase in inflation and the volatility of indicators of the return on pension assets, which depends on the market and currency revaluation of financial instruments and demonstrates both positive and negative indicators.

Nevertheless, due to the diversification of the portfolio by instruments, industries and currencies, a positive investment income was earned during July, covering the temporary decline of the previous months. According to the results of seven months, the accounts of contributors and beneficiaries received investment income in the amount of more than **KZT501 billion**. The return on pension assets for the last 12 months, provided by the National Bank of the Republic of Kazakhstan (from July 2021 to August 2022), was **8.24%**.

It is worth emphasizing that pension savings 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 (weekly, monthly, etc.) are not considered indicative, because depend on constant changes in the market situation.

For example, the amount of net investment income for the past 2021, distributed to the pension accounts of contributors (beneficiaries), amounted to about **KZT1.4 trillion**, which exceeded the amount of contributions received within the year (**KZT1.3 trillion**). The return on UAPF pension assets in 2021 under the management of the National Bank of Kazakhstan since the beginning of the year amounted to 11.13%, with inflation at **8.4%**.

We note that the investment yield from the day of the foundation of the accumulated pension system (1998) to August 1, 2022 with the cumulative total amounted to **710.11%** with inflation for the entire period of **622.44%**. Thus, the real (i.e. exceeding inflation) return on pension assets for the period from the beginning of the accumulative pension system to August 1, 2022 was **87.67%**.

The entire system of investment management and accounting of pension assets is transparent: every contributor has the opportunity to see their investment income in his personal account on the enpf.kz website or in the mobile application.

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

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)