

Investment purposes

Ensuring protection of pension assets and obtaining real return in the long term at a risk level that allows preserving the value of pension assets with a high degree of probability

Parameters of the portfolios

The Manager: **National Bank of the Republic of Kazakhstan**

The Base Currency: **Kazakhstani Tenge**

The Value of the Pension Assets Investment Portfolio – **KZT 12,060,393,842 ths**

Overview of UAPF Pension Assets Investment Portfolio

Investment Results

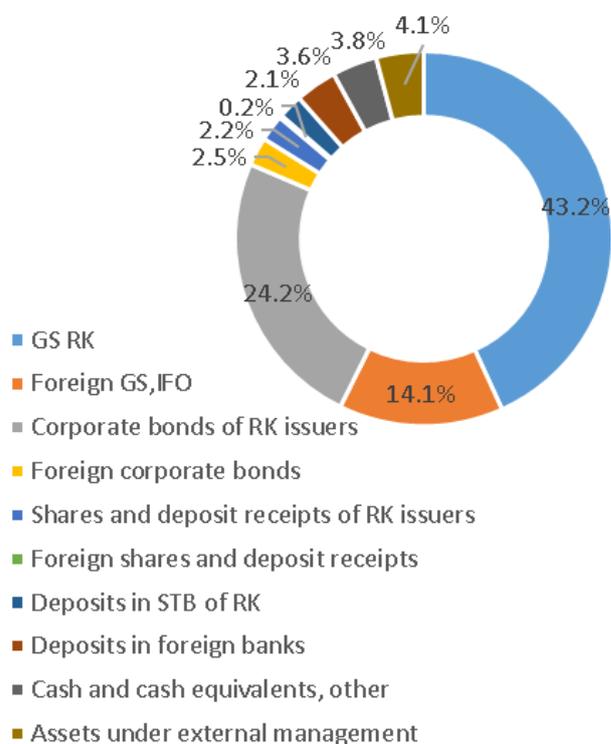
As a result of investment activities, as well as due to the volatility of foreign exchange rates and changes in the market value of financial instruments, the amount of accrued investment return for the period from 01.01.2020 to 31.07.2020 amounted to **KZT 776.63 bln.**

The pension assets return as of August 1, 2020 for the last 12 months for UAPF contributors (beneficiaries) was **9.71%** with annual inflation of **7.10%**. The actual return on pension assets was **2.61%**.

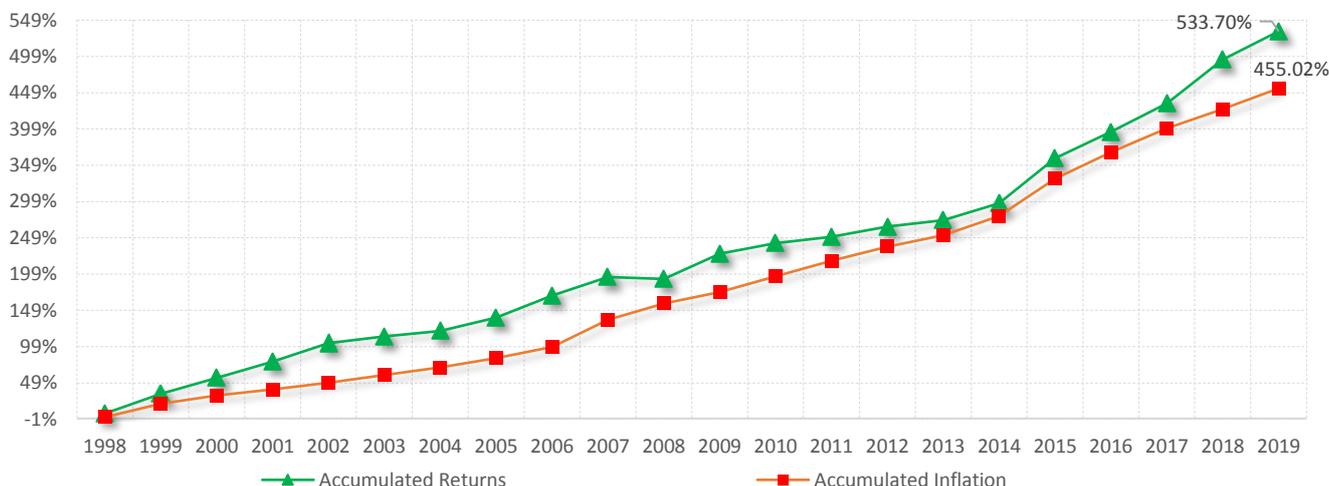
The structure of accrued investment income is as follows:

Description	Investment Return from the beginning of 2020
Return in the form of interest on securities, including allocated deposits and reverse repurchase transactions	473.86
Return (income/loss) from the securities market revaluation	-8.06
Return (income/loss) from foreign currency revaluation	268.58
Return (income/loss) from the other assets revaluation	-5.49
Return (income/loss) from external management	43.79
Other return (income/loss)	3.95
Total:	776.63

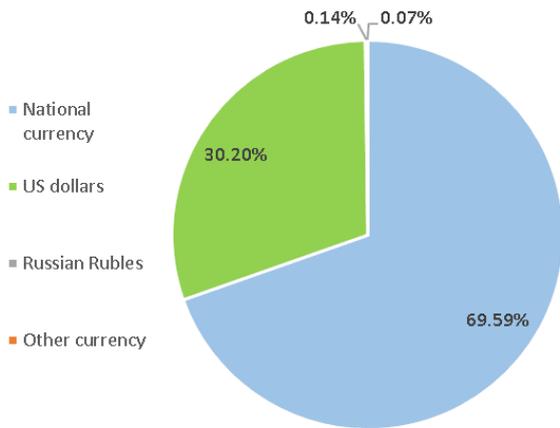
Pension Assets Portfolio Structure, in %



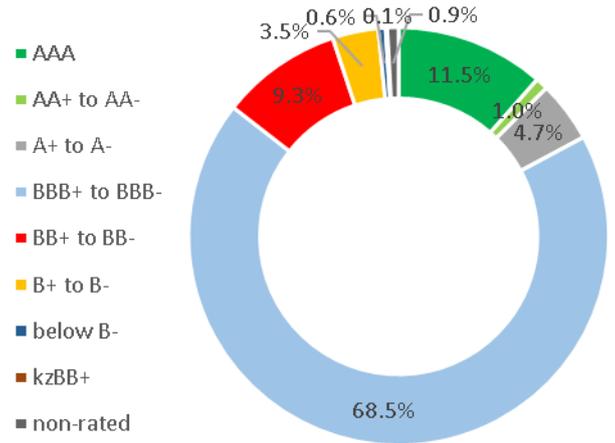
Accumulated inflation and investment returns, 1998-2019.



The Structure of the Pension Assets Portfolio by Currency



The Structure of the Pension Assets Portfolio by Creditworthiness



In accordance with the target distribution of the foreign currency portfolio of pension assets established by the UAPF Investment Declaration, the following foreign management companies were outsourced for index investment in global stocks, bonds of developing countries and investment-grade corporate bonds:

- **Aviva Investors Global Services Limited under the developing countries bonds mandate;**
- **HSBC Global Asset Management (UK) Limited under the global shares mandate;**
- **PGIM Limited и Principal Global Investors (Europe) Limited under the investment grade corporate bonds mandate.**

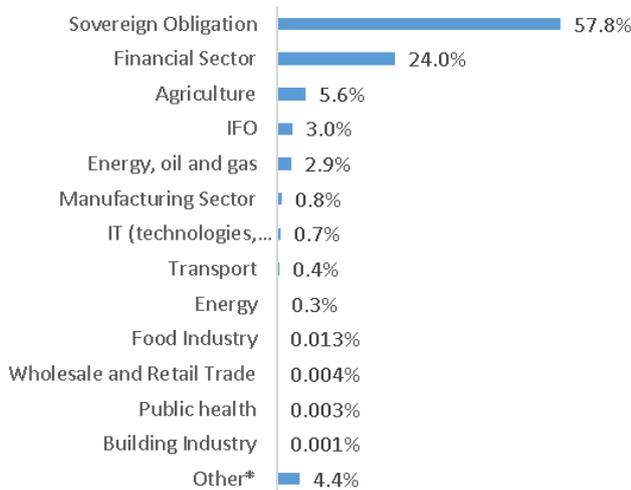
Financial instruments with a minimum risk level, with a rating of securities / issuer on an international scale from “AAA” to “BBB-”, make up about **85.6%** of the investment portfolio.¹

Financial instruments with a rating on an international scale from “BB +” to “B-” account for **12.86%**, below “B-” – **0.55%**.

Financial instruments rated on the national scale “kzBB +” account for **0.13%**.

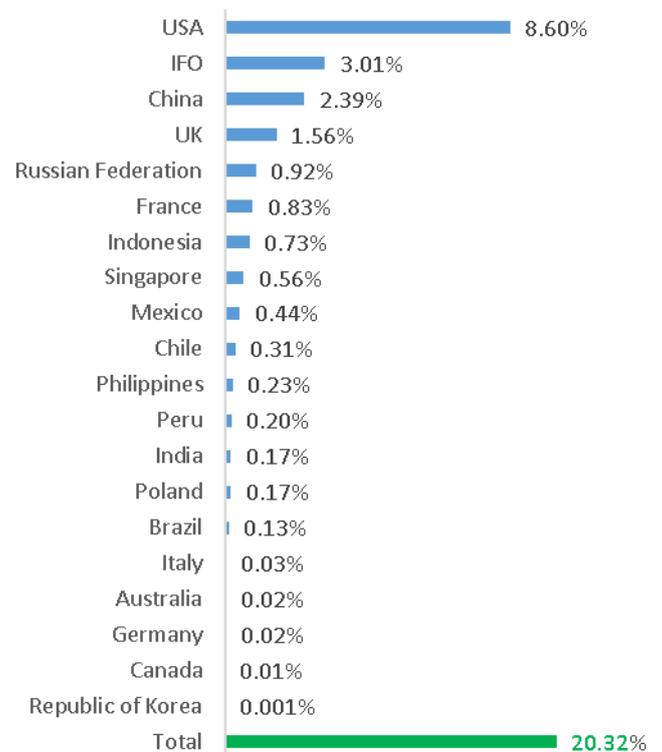
Non-rated financial instruments account for **0.87%**.

The Pension Asset Portfolio Structure by Sector



* –assets under external management, receivables, cash balances and derivative financial instruments.

Foreign Issuers by Country



¹ Assets under investment management excluding those that under foreign companies’ management, account balance, money on a way and other