ANNOUNCEMENT

From choosing an asset management company to building an investment portfolio: options for UAPF contributors (beneficiaries)

On November 16, 2026, new rules for the management of pension assets came into effect, expanding the options available to contributors (beneficiaries). Kazakhstani citizens can now choose not only an asset management company but also specific investment portfolios, taking into account the time remaining until retirement, expected returns, and their personal tolerance for investment risk.

These changes are set forth in Resolution No. 155 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan, dated October 30, 2026, titled "On Amendments and Additions to Resolutions of the Management Board of the National Bank of the Republic of Kazakhstan and the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan Regarding the Management of Pension Assets."

Three types of investment portfolios

Investment portfolio managers (IPMs) can create up to three types of investment portfolios: conservative, moderate, and high-risk. These differ in terms of their asset composition, risk level, and the time horizon used to evaluate the minimum expected return. The choice of these portfolios is restricted based on age: the more time remaining until retirement, the wider the range of investment portfolios available to the contributor (beneficiary). As retirement age approaches, the importance of preserving pension savings increases.

Type of investment portfolio	**Who has access**	**Minimum rate of return assessment period**	**Minimum rate of return**
Conservative	Regardless of the time remaining until retirement	12 month	90%
Moderate	More than 3 years until retirement	36 month	85%
High-risk	More than 13 years until retirement	60 month	80%

The conservative portfolio is available to contributors (beneficiaries) **regardless of how much time remains until they reach retirement age**. It focuses primarily on bonds, and its investment performance is evaluated over a **12-month period**.

The moderate portfolio is intended for contributors (beneficiaries) who have **more than three years remaining until retirement age**. It consists of a mix of stocks and bonds, and the minimum return is evaluated over a **36-month period**.

The high-risk portfolio is available to those who have **more than 13 years remaining until retirement age**. It focuses primarily on stocks, which may offer higher returns but also entail greater fluctuations in value. The investment performance of this portfolio is evaluated over a **60-month period**.

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For each type of investment portfolio, a specific benchmark—a composite index reflecting changes in the value of Kazakhstani and international stocks and bonds—has been established. The performance of pension asset management is measured against this benchmark.

Furthermore, a minimum return threshold relative to this index is set:

- conservative portfolio – at least 90% of the index's return over 12 months;
- moderate portfolio – at least 85% over 36 months;
- aggressive (high-risk) portfolio – at least 80% over 60 months.

What mechanisms for the protection of pension assets are in place under IPM management?

If, at the end of a specified pension asset management period, the nominal return—depending on the type of investment portfolio—falls below the established minimum required return, the Investment Portfolio Manager (IPM) is obligated to cover the resulting shortfall from its own capital.

Important: The IPM's liabilities are calculated separately for each type of portfolio. The performance of one portfolio cannot be used to offset the results of another, and the respective IPM bears full responsibility for compliance with the established requirements.

Furthermore, pension assets are held by an independent custodian bank, which monitors adherence to legal requirements during the investment process. Additional protection is provided by regulatory limits on the selection of investment instruments, as well as requirements for portfolio diversification.

Is it possible to change the selected portfolio within a single IPM?

A contributor (beneficiary) may change the type of investment portfolio within a single IPM on their own, provided that at least one year has elapsed since the initial transfer of pension assets. Furthermore, if the entire balance of pension savings is transferred from one investment portfolio (managed by a specific IPM) to another—or returned to the trust management of tNBRK—and new pension savings are subsequently deposited into the portfolio, the one-year period is calculated from the date of that new deposit.

To initiate this, the contributor (or recipient) must submit an application to the Unified Accumulative Pension Fund (UAPF) via its website, signing it with an electronic digital signature (EDS).

The UAPF will process the transfer of pension savings from one type of investment portfolio to another within the same IPM within 10 business days of receiving the contributor's (or recipient's) application.

An automatic transfer occurs when a contributor reaches the age limit established for their current portfolio, provided the IPM offers another investment portfolio appropriate for their age. This transfer is executed within 30 calendar days following the conclusion of a 36- or 60-month trust management period—unless, within 30 calendar days of being notified, the contributor submits an application to select a different IPM or to have their pension savings returned to the trust management of the NBRK.

If an IPM does not offer an investment portfolio suitable for the contributor's (or beneficiary's) age, the individual may submit an application to select a different IPM that offers an appropriate portfolio, or request that their pension savings be returned to the trust management of the NBRK. If no such application is submitted, the UAPF will automatically—without requiring a formal request—return the pension savings to the trust management of the NBRK.

Please note that, in certain cases, the UAPF may decline a transfer request. For example, a request may be denied if it is submitted less than a year after the previous portfolio change, if the selected type of

investment portfolio does not correspond to the age of the contributor (beneficiary), or if there are fewer than 30 calendar days remaining until the age limit established for the chosen IPM investment portfolio is reached. A request may also be denied if there is a pending application for the disbursement of pension benefits currently being processed by the UAPF, as well as in other cases stipulated by Rules No. 28[1].

How do you choose an investment portfolio?

Selecting an investment portfolio requires a well-considered approach. It is important for a contributor (or beneficiary) to take into account not only the returns generated by an Investment Portfolio Manager (IPM), but also the portfolio's composition, the specifics of the investment strategy, the time remaining until retirement, and one's own personal risk tolerance.

Furthermore, one should not rely solely on the previous year's performance figures; investment results can fluctuate based on financial market conditions, and short-term returns do not always accurately reflect the effectiveness of management over a long-term horizon.

To provide information on the investment activities of IPMs, UAPF has developed and launched an online platform: invest.enpf.kz. On this site, users can review IPM performance over various periods, examine the structure of investment assets, consult investment declarations, and compare different strategies for managing pension funds.

Expanding the options for managing pension savings grants contributors (and beneficiaries) greater freedom in selecting financial instruments, while simultaneously increasing their responsibility for the decisions they make. Therefore, before choosing an IPM or a specific type of investment portfolio, it is essential to study the management terms, weigh potential returns against risks, and keep in mind the long-term objectives for building one's pension savings.

How do I submit an application?

According to the Rules No. 28, all types of applications related to selecting or changing an investment portfolio, or returning pension savings to the trust management of NBRK, must be submitted exclusively in electronic format via the personal account section on UAPF digital platforms—specifically, the Fund's official website or its mobile application.

Currently, IPMs are engaged in the organizational work required to establish their investment portfolios. The submission of applications for a specific investment portfolio managed by an IPM will become possible once that IPM has completed all necessary preparatory measures.

Furthermore, an IPM is required to provide advance notice to the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan (ARDFM) and the UAPF regarding the type of investment portfolio it intends to establish. To this end, the management company must submit an official notification no later than 30 calendar days prior to commencing the formation of the portfolio.

Consequently, contributors (beneficiaries) will only be able to submit applications to transfer their pension savings into a chosen investment portfolio once the requisite organizational procedures have been finalized—namely, the execution of a trust management agreement (or an amendment to an existing

[1] Rules and timelines for the transfer of pension assets for trust management to an investment portfolio manager, and for the transfer of pension assets from one investment portfolio manager to another investment portfolio manager or to the National Bank of the Republic of Kazakhstan, approved by Resolution No. 28 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan dated May 26, 2023

agreement) with the UAPF and a custodian bank, and the opening of the necessary accounts by the custodian bank.

The UAPF will provide further updates regarding when it will begin accepting applications for specific investment portfolios managed by individual IPMs.

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)