

ANNOUNCEMENT

This year, the net investment income of the UAPF depositors exceeded KZT 654 billion

The amount of pension savings of the contributors of the Unified Accumulative Pension Fund as of June 1, 2021 exceeded KZT 12.7 trillion. As you know, this amount includes pension contributions and investment income.

It is important to note that only for five months from January 1 to June 1, 2021, net investment income in the amount of KZT 654.2 billion was accrued to the accounts of UAPF contributors, which is KZT 155 billion or 31% more than in the five months of last year. The return on pension assets of the UAPF under the management of the National Bank of the Republic of Kazakhstan since the beginning of the year amounted to 5.3%, with inflation of 3.5%. At the same time, the return for the last 12 months was 11.7%, while inflation for the same period was 7.2%.

Let us recall that the amount of pension savings of contributors (beneficiaries) is recalculated and revalued on a weekly basis in accordance with the results of investment of pension assets. Investment income includes income in the form of remuneration on securities (deposits and other operations), 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.

In general, the investment income provided by the National Bank since the consolidation of all pension assets in the UAPF amounted to over KZT 5.3 trillion. As of June 1, 2021, the share of net investment income in the total amount of pension savings is 36.1%.

If we take the period since the founding of the accumulative pension system of Kazakhstan itself in 1998, then the net investment income exceeded KZT 6.2 trillion. Investment return during this time with a cumulative total amounted to 640.01%. At the same time, inflation amounted to 517.53%. Thus, the real return on pension assets for the period from the beginning of the accumulative pension system until June 1, 2021 was 122.48%.

It should be emphasized 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 indicative because depend on constant changes in market conditions.

The entire system of investment management and accounting of pension assets is transparent: each contributor has the opportunity to see his investment income in his personal account on the enpf.kz website or in a mobile application. Information on the investment management of the UAPF's pension assets and the financial instruments in which the UAPF's pension assets are placed is published on the UAPF's official website (www.enpf.kz) in the "Indicators / Investment Activity" section.

In addition to the National Bank, UAPF depositors can transfer part of their savings to Investment Portfolio Managers (IPMs). At the moment, the UAPF has concluded an agreement on the trust management of pension assets with four UIPs. You can get acquainted with information about them and study their investment declarations on the website enpf.kz in the section "Services" - "[Register of investment portfolio managers](#)".

Recall that after receiving pension assets from the UAPF, the IPM invests them in the authorized financial instruments specified in the Rules for the implementation of investment portfolio management activities, approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 3, 2014 No. 10, and provided for in the Investment Declaration of the IPM.

According to the Pension Provision Law, IPMs are entitled to charge investment management fees. The maximum amount of remuneration for the IPM cannot exceed 7.5% of the received investment income. The actual value of the commission is approved annually by the management body of the IPM and may change no more than once a year.

During the period when pension savings are under the management of the National Bank until the contributor reaches retirement age, there is a guarantee of the safety of pension savings, taking into account the inflation rate. When transferring pension savings to the management of the IPM, the state guarantee is replaced by the guarantee of the management company to ensure the minimum level of return on pension assets. The minimum level of return is calculated based on the weighted average return of pension assets transferred to the management of the IPM operating in the market.

It should be noted that pension assets held in trust by *Jýsan Invest JSC* showed a yield from the beginning of operations (which is March 15, 2021) at 4.7%. The return on pension assets held in trust by *Halyk Global Markets* for the same period is 1.6%; *BCC Invest JSC* 2.3%. At the same time, inflation for the period amounted to 3.5%. *Centras Securities JSC* has been managing pension assets since April 1, 2021, during which time the investment yield was 2.5%, with inflation of 3.5%.

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)