

ANNOUNCEMENT

UAPF presents a detailed report on investing pension savings

Investment portfolios of pension assets as of November 1, 2023

UAPF JSC presents a report on the management of pension assets by the National Bank of the Republic of Kazakhstan (NBRK) and investment portfolio managers (IPM) as of November 1, 2023 on the website enpf.kz. A detailed report on investing pension savings is posted on the enpf.kz website in the “Indicators - Investment Activity” section. The total volume of pension assets as of November 1, 2023 amounted to about **KZT17,209.78 billion**. At the same time, the pension assets of the UAPF, which are [in trust management of the National Bank of the Republic of Kazakhstan](#), amounted to **KZT17,196.49 billion**. Pension assets managed by the pension insurance company amounted to **KZT13.29 billion**.

Investment portfolio of pension assets managed by the NBRK

The main directions for investing pension assets of the NBRK as of November 1, 2023 are as follows: government securities of the Ministry of Finance of the Republic of Kazakhstan - 47.60%, bonds of quasi-public companies - 9.98%, bonds and deposits of second-tier banks of the Republic of Kazakhstan - 6.07%, deposits of the National Bank of Kazakhstan – 3.58%, government securities of foreign states – 2.91%, securities of international financial organizations – 2.15%.

The investment portfolio by currencies in which financial instruments acquired using pension assets are denominated, as of November 1, 2023, looks like this: investments in national currency - 69.03%, in US dollars - 30.95%, in in another currency – 0.03% of the portfolio of pension assets.

From the analysis of the structure of income received, it follows that income in the form of remuneration on securities, including on placed deposits and reverse repo operations and from market revaluation of securities, amounted to KZT1,093.75 billion, for assets under external management - KZT100.25 billion, from revaluation of foreign currency - 59.27 billion tenge, other income - KZT4.30 billion.

Thus, due to the diversification of the investment portfolio of pension assets by instruments, industries and currencies, the total income as of November 1, 2023 from the beginning of the year is positive.

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 income as of November 1, 2023 from the beginning of the year amounted to KZT1,257.56 billion.

The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) from the beginning of 2023 amounted to 7.98% with inflation of 7.90%.

Moreover, as of November 1, 2023, the return on pension assets over the last 12 months (from November 2022 to October 2023) for UAPF contributors (beneficiaries) was 9.76%.

Let us recall that in the medium and long term, a positive real (exceeding accumulated inflation) return on pension savings is ensured.

[The detailed structure](#) of the investment portfolio of financial instruments managed by the National Bank of Kazakhstan, indicating the issuers, and an overview of investment activities are posted on the official website of the UAPF. Let us recall that in Kazakhstan there is a model of state guarantee of the safety of pension savings. In accordance with Article 217 of the Social Code of the Republic of Kazakhstan, the state guarantees beneficiaries the safety of compulsory pension contributions and compulsory occupational pension contributions to the UAPF in the amount of contributions actually made, taking into account the level of inflation at the time of receipt of the right to pension benefits.

Investment Portfolio Managers

The total amount of funds managed by IPM is 13.29 billion tenge.

As of November 1, 2023, pension assets under trust management of ***Jusan Invest JSC*** amounted to **KZT4.7 billion**.

The company's most significant investments: government securities of the Ministry of Finance of the Republic of Kazakhstan - 42.15%, shares of Exchange Traded Funds (ETF) - 24.85%, notes of the National Bank of the Republic of Kazakhstan - 21.89%; Government securities of foreign countries – 6.04% of the portfolio. Note that 68.93% of the portfolio is presented in tenge; 31.07% - in US dollars.

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 income for 2023 as of November 1 amounted to KZT377.28 million. The return on pension assets is 9.01%.

[The detailed structure](#) of the investment portfolio of financial instruments managed by Jusan Invest JSC, indicating the issuers, is presented on the UAPF website.

As of November 1, 2023, pension assets under trust management of ***Halyk Global Markets JSC*** amounted to **KZT2.79 billion**.

The main investments in the portfolio structure are as follows: bonds of quasi-public organizations of the Republic of Kazakhstan - 14.99%, bonds of microfinance organizations - 9.64%, securities with the status of government issued by the central governments of foreign countries - 7.59%, "reverse repo" (no more 90 calendar days) - 7.38%, equity instruments of foreign issuers (ETF units) - 7%. Investments in national currency amounted to 77.65% of the portfolio, in US dollars - 22.35%.

As a result of investment activities, the amount of accrued investment income as of November 1 from the beginning of 2023 amounted to KZT363.23 million. The return on pension assets is 14.17%.

[The detailed structure](#) of the investment portfolio of financial instruments managed by Halyk Global Markets JSC, indicating the issuers, is presented on the UAPF website.

Pension assets of the UAPF, which are in trust management of ***BCC Invest JSC***, amounted to **KZT2.13 billion**.

Among the main areas of investment, the following can be identified: bonds of quasi-state organizations of the Republic of Kazakhstan - 27.20%, government bonds of the Republic of Kazakhstan - 23.18%, REPO - 19.75%, shares (ETF on indices) - 12.78%, US government bonds - 6.97%, MFO bonds - 4.19%, corporate bonds of resident issuers of the Republic of Kazakhstan - 3.83%, portfolio. 75.45% of the portfolio was invested in instruments in national currency, and 24.55% in US dollars.

As a result of investment activity since the beginning of the year, as of November 1, the amount of accrued investment income amounted to KZT158.51 million. The return on pension assets is 10.24%.

[The detailed structure](#) of the investment portfolio of financial instruments managed by BCC Invest JSC, indicating the issuers, is presented on the UAPF website.

Pension assets of the UAPF, which are in trust management of *Centras Securities JSC*, amounted to **KZT936.92 million**.

56.63% of assets are invested in government securities of the Ministry of Finance of the Republic of Kazakhstan; REPO – 11.87%, cash in investment accounts is 11.70%; shares and depository receipts issued by organizations of the Republic of Kazakhstan - 8.81%, bonds of quasi-public organizations - 8.91%. 75.03% of the portfolio was invested in instruments in national currency, and 24.97% in US dollars.

As a result of investment activities and changes in the market value of financial instruments, the amount of accrued investment income since the beginning of the year as of November 1 amounted to 77.94 million tenge. The return on pension assets is 7.89%.

[The detailed structure](#) of the investment portfolio of financial instruments managed by Centras Securities JSC, indicating the issuers, is presented on the UAPF website.

As of November 1, 2023, pension assets held in trust by *Halyk Finance Subsidiary of the People's Bank of Kazakhstan JSC* amounted to **KZT2.73 billion**.

The main investments in the portfolio structure are as follows: “reverse repo” (no more than 90 calendar days) – 18.38%, bonds of quasi-public organizations of the Republic of Kazakhstan – 18.17%, government securities of the Ministry of Finance of the Republic of Kazakhstan – 18.08%, government securities of foreign states – 6, 37%, shares of Exchange Traded Funds (ETF) - 6.22%, bonds of second-tier banks of the Republic of Kazakhstan - 4.50%.

84.11% of the portfolio was invested in instruments in national currency, in US dollars - 14.13%, in euro currency - 1.76%,

As a result of investment activities, the amount of accrued investment income as of November 1 from the beginning of the year amounted to KZT70.66 million. The return on pension assets is 12.74%.

[The detailed structure](#) of the investment portfolio of financial instruments managed by Halyk Finance Subsidiary of the People's Bank of Kazakhstan JSC, indicating the issuers, is presented on the UAPF website.

Let us note that after receiving pension assets from the Unified Accumulative Pension Fund, IPM invests them in permitted financial instruments specified in the *Rules for the implementation of investment portfolio management activities*, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan dated July 1, 2023 No. 62, and provided for in the IPM Investment Declaration. When transferring pension savings to IPM management, the state guarantee is replaced by a guarantee from the management company to ensure a 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 IPM, operating on the market.

Let us remind you that from July 1, 2023, contributors can transfer into trust management no more than 50% of pension savings at the expense of compulsory pension contributions (CPC) and compulsory occupational pension contributions (COPC), without taking into account the minimum adequacy threshold for investment portfolio managers (IPM), by choosing such a company yourself. Contributors who have voluntary pension savings can transfer them to IPM in the amount of 100%.

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)