

ANNOUNCEMENT

Проект введения композитного бенчмарка и актуарный анализ демографических трендов обсуждены на заседании Общественного совета UAPF

The 30th meeting of the Public Council (PC) of UAPF JSC was held. According to the agenda of the event, information on the upcoming innovations in the framework of the implementation of a composite benchmark for assessing the activities of pension asset managers was presented by Almabek Zhanbekov, Deputy Director of the Securities Market Department of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM). The speaker acquainted the members of the Public Council with the current state of work of investment portfolio managers (IPM), an assessment of the effectiveness of their activities, as well as the structure of their investment portfolios. According to the representative of the ARFM, the current investment approach has several drawbacks. In particular:

- the IPM has only one type of fund for investing pension savings, which does not take into account the personal preferences of contributors;
- compensation in the short term for the negative difference in return, which limits the investment opportunities of managers, pushing them towards extremely conservative portfolio management;
- managers with the largest amount of pension assets under their management have a significant impact on the formation of the average weighted return.

Taking into account these and other factors, as well as international experience, 3 model portfolios are proposed for creating a benchmark, which assume different investment strategies: conservative, moderate, risky.

It was noted that IPMs will independently develop and approve a benchmark portfolio for investment strategies based on composite indices. The risk indicator of the investment portfolio should not exceed the risk indicator of the composite index by more than 1.2 times over 12 consecutive months. The return on the investment portfolio will be calculated in accordance with the selected strategy and investment period. The introduction of changes is planned after the adoption of relevant regulatory documents.

Next, Deputy Director of the Strategic Development Department of UAPF JSC Abylai Zheksembay delivered a report on the topic "Actuarial Analysis: Demographic Trends and Pension Savings Flows". In his speech, he acquainted the members of the Public Council with the demographic situation in the country as of 01.01.2025. It was noted that the population of Kazakhstan was 20,283,399 people. This is 1.23% higher than last year. The share of citizens under 25 years of age was 42.8% and increased by 0.2%. The share of the elderly population (65+) also increased by 0.3% and amounted to 9.2% of the total. According to A. Zheksembay, as the population grows, the share of elderly people will steadily increase. The expected population of the country by 2050 is 26.5 million people and the ratio of working-age citizens (25-64) to pensioners (65+) will decrease by one and a half times during this period. This problem will affect not only Kazakhstan. According to UN forecasts, most countries in the world will face the process of reducing the potential support ratio. In this regard, the speaker gave examples from international practice in matters of compulsory pension insurance of the population. Also, the solution to possible problems is the transition to sustainable pension systems - this is the construction of multi-level pension systems and the division of responsibility for pension provision between the state, employee and employer. This is the system currently being implemented in Kazakhstan. As the UAPF representative noted, according to the international Mercer CFA Institute Global Pension Index (MCGPI) rating, the pension system of Kazakhstan took 24th position by the end of 2024, ahead of the United States, Spain, Japan, South Korea, China, Saudi Arabia and other

countries. The 2024 international rating, which represents a comprehensive study of pension systems, includes 48 countries. Then, the meeting participants were presented with data on the income replacement ratio (IRR) - one of the key indicators determining the adequacy of the pension system. It shows what part of their previous salary the pensioner receives as a pension. It was noted that the introduction of employer's compulsory pension contributions (ECPC) in 2024 was the right decision and they should be retained in the pension system.

At the end of the meeting, the Chairman of the Public Council under UAPF Yevgeniy Seypulnik acquainted the members of the organization with a report on the work done in 2024.

More detailed materials presented at the meeting of the Public Council of UAPF JSC can be found on the website enpf.kz in the section "Public Council" - Minutes of meetings and presentations.