

ANNOUNCEMENT

This year, UAPF contributors received investment income of KZT 1.1 trillion

The amount of pension accumulations of the UAPF has now exceeded KZT 12.6 trillion. As you know, it includes pension contributions and investment income.

Recall that pension contributions received on individual pension saving accounts (IPSA), which are kept by the UAPF, are invested by the fiduciary manager of pension assets, the National Bank of the Republic of Kazakhstan, in various financial instruments.

In order to minimize risks, the investment portfolio is diversified by types, areas of investment, including currencies. Currently, about 2/3 of investments are denominated in tenge and about 1/3 - in foreign currency, most of the latter - in US dollars.

The amount of pension accumulations of contributors (beneficiaries) is recalculated and revalued on a daily basis in accordance with the results of investment of pension assets. Investment return 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.

For 10 months of the current year, from January 1 to October 31, 2020, a net investment income of KZT 1.1 trillion was credited to the accounts of contributors, which is twice as much as for the same period in 2019 (net investment income from 01.01.2019 to 31.10.2019 amounted to KZT 551.1 billion). Note that the earning power for the year from 11/01/2019 to 10/31/2020 was 10.88% with inflation of 7.1%, while the return from the beginning of 2020 was 9.94%, and inflation was 5.5%.

In general, the investment income provided by the National Bank since the merger of all pension assets in the UAPF amounted to about KZT 4.6 trillion. As of the reporting date, the share of net investment return in the total amount of pension accumulations is 34.5%.

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 5.4 trillion. Investment return during this time on an accrual basis amounted to 596.69%. At the same time, inflation amounted to 485.55%. Thus, the real return on pension assets as of November 1, 2020 was 111.14%.

At the same time, we draw your attention to the fact that pension accumulations 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 (daily, monthly, etc.) are not indicative, since depend on daily market conditions.

The entire system of investment management and accounting of pension assets is transparent: each contributor has the opportunity to see their investment return 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 allocated is published on the UAPF's official website (www.enpf.kz) in the "Indicators / Investment Activity" section.

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)