

ANNOUNCEMENT

All information on pension savings investment on the website enpf.kz

Investment portfolios of pension assets managed by the NBRK and IPM as of October 1, 2022

On the website enpf.kz in the section “Indicators – Investment activity”, detailed information on the investment of pension assets by the National Bank of the Republic of Kazakhstan (NB RK) and investment portfolio managers (IPM), as well as reviews of investment activity, is monthly posted.

The total amount of pension assets under management as of October 1, 2022 amounted to about KZT14.1 trillion. At the same time, UAPF pension assets [held in trust management by the NB RK](#) amounted to **KZT14,095.38 bln**. Pension assets under IPM management amounted to **KZT9.06 bln**.

Investment portfolio of pension assets managed by NB RK

As of October 1, 2022, within the framework of the directions approved by the Management Council of the National Fund of the Republic of Kazakhstan, the main share (about 46%) in the UAPF PA portfolio is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, as the most reliable instruments on the stock market. Their current value amounted to KZT6,477.39 bln. In September 2022, the investments in government securities of the Ministry of Finance of the Republic of Kazakhstan amounted to KZT195.1 bln with a weighted average yield of 14.36% per annum. In general, the weighted average yield to maturity on government securities of the Ministry of Finance of the RK denominated in tenge amounted to 11.6% per annum, in US dollars – 3.4% per annum.

In addition to the bonds of the Ministry of Finance of the RK, pension assets of the UAPF are also invested in securities of quasi-public organizations (KZT1,725.87 bln. – 12.24% of the portfolio), second-tier banks (STB) (bonds of STB – KZT929.12 bln or 6.59% of the portfolio; deposits of STB - KZT197.09 bln., 1.4%), international financial organizations (KZT382.32 bln., 2.71%) and other financial instruments.

The investment of pension assets of the UAPF in the foreign market is carried out on an index basis. The strategic diversification of the currency portfolio, established by the Investment Declaration of the UAPF, provides for investment in such major foreign asset class as global stocks, bonds of developed and emerging markets, corporate bonds of investment-grade issuers.

The investment portfolio broken down by currencies into which financial instruments purchased with pension assets are denominated is presented as follows:

investments in the national currency - 70.17%, in US dollars - 29.75%, in other currencies - 0.08% of the portfolio of pension assets.

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 since the beginning of 2022 amounted to KZT741.96 bln. The return for 9 months amounted to 5.34%, for the last 12 months on pension assets secured by the National Bank of the Republic of Kazakhstan (from October 2021 to September 2022) amounted to 7.52%. The accumulated return on pension assets for 5 years was 55.8% with accumulated inflation of 53.7%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by NB RK with indication of issuers and an overview of investment activities are posted on the official website of the UAPF.

Recall that in Kazakhstan there is a model of the state guarantee of the safety of pension savings. In accordance with Article 5 of the Law of the Republic of Kazakhstan *On Pension Provision in the Republic of Kazakhstan*, the state guarantees recipients the safety of compulsory pension contributions and

compulsory occupational pension contributions to the UAPF in the amount of actually made contributions, taking into account the inflation rate at the time of obtaining the right to pension benefits.

Investment Portfolio Managers

The total amount of funds managed by IPM is **KZT9.06 bln.**

Pension assets held in trust by **Jusan Invest JSC** amounted to KZT4.045 bln. They were used to purchase: shares of Exchange Traded Funds (ETF) they account for 29.74%, NB RK notes (30.01% of the portfolio), government securities of the Ministry of Finance of the RK (17.61%), 9.65% of the portfolio held in REPO, 12.98% in funds on investment accounts. Note that 65.01% of the portfolio is presented in tenge, 34.99% in US dollars.

As a result of investment activities, the return on pension assets managed by Jusan Invest JSC has amounted to 0.64% since the beginning of the year, for the last 12 months – 4.83%.

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

As of October 1, 2022, pension assets held in trust by **Halyk Global Markets JSC** amounted to KZT2.58 bln. In the portfolio structure, reverse repo (no more than 90 calendar days) is 50.11%, bonds of quasi-public organizations of the Republic of Kazakhstan 13.29%, equity instruments of foreign issuers (ETF Units) 12.95%, cash on accounts 7.51%, bonds second-tier banks of the RK 5.73%, IFOs bonds 4.75%, corporate bonds of organizations of the RK 4.49% and other assets. Investments in the national currency amounted to 79.13% of the portfolio, in US dollars 20.87%. Return on pension assets managed by Halyk Global Markets JSC from 01.01.2022 until 01.10.2022 amounted to 1.16%, for the last 12 months – 4.5%.

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

Pension assets held in trust management by **BCC Invest JSC** as of October 1 of this year amounted to KZT1.46 bln. They are distributed in government bonds of the RK 44.06%, shares (ETF for indices) 19.72%, bonds of quasi-public organizations of the RK 9.84%, shares and depository receipts of foreign issuers 8.23%, bonds of IFOs 5.89%, bonds of second-tier banks of the RK 5.51%, corporate bonds of issuers-residents of the RK 5.23%, cash on investment accounts 1.42%, other assets (accounts receivable, overdue debt, provisions) 0.1%. 71.65% of the portfolio was invested in instruments in national currency, 28.35% in US dollars.

As a result of investment activities, the loss ratio on pension assets managed by BCC Invest JSC has amounted to (-0.38%) since the beginning of this year, however the return for the last 12 months has amounted 3.31%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by BCC Invest JSC with an indication of issuers is presented on the UAPF website.

As of October 1, 2022, UAPF pension assets held in trust by **Centras Securities JSC** amounted to KZT0.97 bln. They are invested in government securities of the Ministry of Finance of the RK 54.43%, REPO 14.04%, cash on investment accounts 12.66%, bonds of quasi-public organizations of the RK 8.88%, shares and depository receipts of issuers of the RK 8.29%, equity instruments of foreign issuers (ETF Units) 1.7%. 80.25% of the portfolio was invested in instruments in national currency, 19.75% in US dollars.

As a result of investment activities, the profitability of pension assets managed by Centras Securities JSC since the beginning of 2022 amounted to 2.06%, for the last 12 months – 4.74%.

[A detailed structure](#) of the investment portfolio of financial instruments managed by Centras Securities JSC with an indication of issuers is presented on the UAPF website.

Recall that after receiving pension assets from UAPF, IPM invests them in permitted 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 IPM Investment Declaration.

When transferring pension savings to IPM management, the state guarantee is replaced by the guarantee of the management company to ensure the minimum level of profitability of pension assets. The minimum level of return is calculated based on the weighted average return on pension assets transferred to the management of an IPM operating on the market.

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).