

Information of the Pension Assets Investment Management of Unified Accumulative Pension Fund Joint Stock Company (UAPF JSC)

The pension assets (hereinafter referred to as the PA) of UAPF being in the trust management of the National Bank of the Republic of Kazakhstan (hereinafter referred to as the NBRK), amounted to KZT 9,641.27 bln¹ as of April 1, 2019.

The structure of the financial instruments investment portfolio formed at the expense of the UAPF pension assets is provided in Table 1.

Table 1. Structure of the Investment Portfolio of the PA of UAPF Being in the Trust Management of the NBRK, in Terms of Financial Instruments

KZT bln

Name	Current Value as of 01/01/2019	Share as of 01/01/2019	Current Value as of 01/04/2019	Share as of 01/04/2019	Increase/Decrease from the Beginning of the Year
Government securities of the Republic of Kazakhstan (RK)	4,057.98	43.27%	3,920.35	40.66%	-3.39%
Foreign government securities	1,191.92	12.71%	1,506.00	15.62%	26.35%
IFO	170.96	1.82%	210.17	2.18%	22.94%
Corporate bonds of the RK issuers	42.06	0.45%	30.78	0.32%	-26.82%
Bonds of the RK quasi-public organizations	1,299.90	13.86%	1,303.09	13.52%	0.24%
Bonds of the RK regulated banks	1,264.78	13.49%	1,295.49	13.44%	2.43%
Corporate bonds of foreign issuers	8.85	0.09%	9.10	0.09%	2.89%
Bonds of the quasi-public sector foreign issuers	232.92	2.48%	230.61	2.39%	-0.99%
PPN (principal-protected notes)	33.95	0.36%	34.17	0.35%	0.64%
Shares and depositary receipts of the RK issuers	224.40	2.39%	228.44	2.37%	1.80%
Shares and depositary receipts of foreign issuers	20.42	0.22%	23.66	0.25%	15.82%
Deposits	277.65	2.96%	266.16	2.76%	-4.14%
Deposits of the NBRK	154.07	1.64%	265.12	2.75%	72.08%
Deposits in foreign banks	343.16	3.66%	217.23	2.25%	-36.70%
Funds in investments accounts	126.69	1.35%	4.65	0.05%	
Other assets (accounts receivable ² , arrears, provisions)	15.23	0.16%	10.29	0.11%	-76.40%
Assets being externally managed by Aviva Investors Global Services Limited*	82.80	0.88%	85.96	0.89%	3.82%
Total PA being managed by the NBRK	9,378.03**	100.00%	9,641.27	100.00%	2.81%
Obligations payable under the consummated transactions	169.71				
Funds in the accounts of the pension contributions and payments	7.12		3.00		
Total pension assets	9,554.86		9,644.27		0.94%

* - within the framework of the Global Bonds of Emerging Markets mandate

** - taking into account the obligations payable under the consummated transactions in the amount of KZT 169.71 bln

The weighted average yield to maturity (YTM) of the debt financial instruments being in the investment portfolio of the UAPF PA amounted to 7.0% per annum, including 8.4% per annum for the ones nominated in tenge and 3.9% per annum in foreign currency as of 01/04/2019.

Government Securities of the Republic of Kazakhstan

The main share in the UAPF PA portfolio is represented by the Government Securities of the RK, the current value of which decreased by KZT42.99 bln for the reporting month and amounted to KZT3,920.35 bln. The share thereof in the portfolio amounted to 40.66%.

¹excluding the funds in the accounts of the pension contributions and payments.

²The accounts receivable include the amounts due from the fee and/or principal debt, whereunder the commencement of the indebtedness repayment by the issuer has occurred in accordance with the terms of the financial instrument issue prospectus.

The following financial instruments were purchased in the reporting period:

- short-term discount notes of the NBRK in the amount of KZT272.07 bln with the weighted average yield of 8.87% per annum;

- government securities of the Ministry of Finance of the RK nominated in KZT in the amount of KZT46.00 bln with the weighted average yield of 8.69% per annum;

The discount notes of the NBRK and the government securities of the Ministry of Finance of the RK were repaid in the amount of KZT280.59 bln during the period under review.

The weighted average yield to maturity of the government securities of the RK nominated in KZT amounted to 7.2% per annum and in US dollars – 4.4% per annum as of the reporting date.

Foreign Government Securities

The current value of the foreign government securities increased by KZT174.82 bln tenge for the reporting month and amounted to KZT1,506.00 bln. The share thereof in the portfolio amounted to 15.62%.

The US short-term government securities were purchased in the amount of KZT346.92 bln at the nominal value with a yield of 2.46% per annum in the reporting period.

The foreign government securities were repaid for a total amount of KZT158.97 bln in the reporting period. Also the sale of a part of the government securities of the Government of the Republic of Azerbaijan in the amount of KZT29.84 bln (USD78.90 mln) was performed in the period under review.

The weighted average yield to maturity of the foreign government securities in the UAPF PA portfolio amounted to 3.6% per annum as of the reporting date.

Bonds of the International Financial Organizations

The current value of the bonds of the International Financial organizations decreased by KZT0.80 bln for the reporting month and amounted to KZT210.17 bln. The share thereof in the portfolio amounted to 2.18%.

There was no sale, purchase or redemptions of the International Financial organizations securities.

The weighted average yield to maturity for the International Financial organizations bonds nominated in tenge amounted to 6.2% per annum, in US dollars – 5.0% per annum.

Deposits in the second-tier banks of the Republic of Kazakhstan

The current value of the deposits in the second-tier (regulated) banks of the RK with the weighted average maturity of 5.13 years decreased by KZT3.58 bln for the reporting month and amounted to KZT266.16 bln. The share thereof in the portfolio amounted to 2.76%.

There was a partial early repayment of the deposits in the second-tier banks of the RK in the amount of KZT0.17 bln in the reporting period. There were no placements in relation to the deposits of the regulated banks of the RK.

The weighted average yield to maturity of the deposits to the second-tier banks of the RK amounted to 9.5% per annum as of the reporting date.

Deposits in foreign banks

The current value of the deposits in the foreign banks with the weighted average maturity of 0.68 months decreased by KZT92.50 bln for the reporting month and amounted to KZT217.23 bln. The share thereof in the portfolio amounted to 2.25%.

The deposit nominated in Russian rubles in the amount of KZT5.74 bln with the weighted average yield of 7.60% per annum was placed in a foreign bank in the reporting month.

The deposit in the amount of KZT102.09 bln was repaid in the reporting period.

The weighted average yield to maturity of the deposits in foreign banks amounted to 3.0% per annum as of the reporting date.

Deposits in the National Bank of the RK

The current value of the deposits in the National Bank of the RK amounted to KZT265.12 bln. The share thereof in the portfolio amounted to 2.75%.

The investments were provided in relation to the overnight deposits of the National Bank of the RK for a total of KZT2,668.00 bln with the weighted average yield of 8.25% per annum within the framework of managing current liquidity for the purpose of ensuring the yield for the pension assets in the reporting month. The deposits were repaid in the total amount of KZT2,668.00 bln in the reporting period.

The weighted average yield to maturity of the deposits to the National Bank of the RK amounted to 8.25% per annum as of the reporting date.

Corporate bonds of the issuers of the Republic of Kazakhstan

The current value of the corporate bonds of the issuers of the Republic of Kazakhstan increased by KZT0.18 bln for the reporting month and amounted to KZT30.78 bln. The share thereof in the portfolio amounted to 0.32%.

There were no purchases, repayments and sales of the corporate bonds of the RK issuers in the reporting period.

The weighted average yield to maturity of the corporate bonds of the RK issuers in the UAPF PA portfolio amounted to 8.0% per annum as of the reporting date.

Bonds of the quasi-public organizations of the Republic of Kazakhstan

The current value of the bonds of the quasi-public organizations of the RK increased by KZT10.45 bln for the reporting month and amounted to KZT1,303.09 bln. The share thereof in the portfolio amounted to 13.52%.

There were no purchases, repayments and sales of the bonds of the quasi-public organizations of the RK issuers in the reporting period.

The weighted average yield to maturity for the bonds of the quasi-public organizations of the RK nominated in KZT amounted to 10.3% per annum, in US dollars – 5.0% per annum as of the reporting date.

Bonds of the second-tier (regulated) banks of the Republic of Kazakhstan

The current value of the bonds of the second-tier banks of the Republic of Kazakhstan increased by KZT48.58 bln for the reporting month and amounted to KZT1,295.49 bln. The share thereof in the portfolio amounted to 13.44%.

The bonds of the second-tier banks were purchased in the amount of KZT43.50 bln with a yield of 10.95% per annum within the framework of the KZT600 bln-worth priority projects credit mechanism through the second-tier banks of the RK in the reporting period.

The repayment of the bonds of the RK second-tier banks in the total amount of KZT3.72 bln occurred in the period under review. There were no sales of the bonds of the RK second-tier banks.

The weighted average yield to maturity for the RK second-tier banks' bonds nominated in KZT amounted to 10.0% per annum, in US dollars – 6.5% per annum as of the reporting date.

Corporate bonds of foreign issuers

The current value of the corporate bonds of foreign issuers increased by KZT0.09 bln for the reporting month and amounted to KZT9.10 bln. The share thereof in the portfolio amounted to 0.09%.

There were no purchases or sales of any redemptions of the foreign issuers' corporate bonds in the reporting period.

The weighted average yield to maturity of the foreign issuers' corporate bonds in the UAPF PA portfolio amounted to 7.8% per annum as of the reporting date.

Bonds of the quasi-public sector foreign issuers

The current value of the bonds of the quasi-public sector foreign issuers increased by KZT3.37 bln tenge for the reporting month and amounted to KZT230.61 bln. The share thereof in the portfolio amounted to 2.39%.

There were no purchases, sales and repayments of the bonds of the quasi-public sector foreign issuers in the reporting period.

The weighted average yield to maturity of the bonds of the quasi-public sector foreign issuers in the UAPF PA portfolio amounted to 4.6% per annum as of the reporting date.

PPN (principal-protected notes) of foreign issuers

The current value of the foreign issuers' PPN (principal-protected notes) increased by KZT0.58 bln for the reporting month and amounted to KZT34.17 bln. The share thereof in the portfolio amounted to 0.35%.

There were no sales, repayments and purchases of the foreign issuers' PPN (principal-protected notes).

Shares and depositary receipts of the issuers of the Republic of Kazakhstan

The current value of the shares and depositary receipts of the RK issuers increased by KZT7.17 bln for the reporting month and amounted to KZT228.44 bln. The share thereof in the portfolio amounted to 2.37%.

The sale of the ordinary shares of AZNO JSC in the amount of KZT0.25 bln was performed in the reporting period.

There were no purchases of shares and depositary receipts of the RK issuers.

Shares and depositary receipts of foreign issuers

The current value of the foreign issuers' shares and depositary receipts increased by KZT0.60 bln for the reporting month and amounted to KZT23.66 bln. The share thereof in the portfolio amounted to 0.25%.

There were no sales as well as purchases of shares and depositary receipts of foreign issuers in the reporting period.

Currency structure

The investment portfolio of the financial instruments in terms of currencies, wherein the financial instruments purchased at the expense of the UAPF pension assets are nominated, is provided in Table 2.

Table 2. Structure of the Investment Portfolio of the UAPF PA Being in the Trust Management of the NBRK, in Terms of Currencies

Currency	<i>KZT bln</i>				
	Current Value as of 01/01/2019	Share as of 01/01/2019	Current Value as of 01/04/2019	Share as of 01/04/2019	Increase/Decrease from the Beginning of the Year
National currency	6,304.73	67.23%	6,518.38	67.61%	3.39%
US dollar	3,035.86	32.37%	3,082.38	31.97%	1.53%
Russian ruble	30.28	0.32%	32.55	0.34%	7.50%
Other currencies	7.16	0.08%	7.96	0.08%	11.16%
Total:	9,378.03	100.00%	9,641.27	100.00%	2.81%

Investment Activities Results

The amount of the accrued investment income from the beginning of 2019 amounted to KZT112.61 bln as a result of the investment activities as well as due to the volatility of foreign exchange rates and changes in the market value of financial instruments. The profitability of the

UAPF pension assets distributed to the accounts of the contributors (beneficiaries) since the beginning of 2019 amounted to 1.02%.

At this as of April 01, 2019 the return of the UAPF pension assets distributed to the accounts of the contributors (beneficiaries) in the last 12 months (April 2018 – March 2019) amounted to 11.46% at the inflation rate of 4.80%. So the actual return of UAPF pension assets was 6.66%.

The structure of the accrued investment income for the specified period is provided in Table 3.

Table 3. Structure of the Accrued Investment Income Received for the UAPF PA Being in the Trust Management of the NBRK

<i>KZT bln</i>	
Description	Investment Return in 2019
Income in the form of a fee for the securities, including for the reverse repo deposits and transactions	152.22
Income (losses) from the market revaluation of securities	-16.20
Income (losses) from the revaluation of foreign currency	-28.94
Income (losses) from the external management	3.16
Other income (losses)	2.37
Total:	112.61

Information on the Compliance with the Investment Policy Statement Requirements

The structural distribution of the UAPF PA being in the trust management complies with the requirements of the UAPF investment Policy Statement³. The shares of foreign exchange positions remain within the acceptable level and violate no requirements of the UAPF investment Policy Statement. The information on the compliance with the investment limits for the UAPF PA as of 01/04/2019 is provided in Table 4.

Table 4. Investment Limits for the UAPF PA

No.	Financial Instrument Type	Actual Value (Expressed as Percentage from the PA)	Compliance (Yes/No)
1	Foreign issuers:	24.02%	yes
1.1	Government securities, agency securities and securities of the International Financial Institutions (IFIs):	18.63%	yes
1)	rated not lower than BBB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	17.56%	yes
2)	rated from BB+ to BB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	1.07%	yes
1.2	Corporate debt securities:	2.54%	yes
1)	with the security and/or issuer rated not lower than BBB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	2.43%	yes
2)	with the security and/or issuer rated from BB+ to BB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	0.11%	yes
1.3	Mortgage-backed securities (MBS) and asset-backed securities (ABS) with the security and/or issuer rated not lower than BBB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	0.00%	yes
1.4	Shares, depositary receipts for shares	0.25%	yes
1.5	Deposits (contributions) in foreign banks rated not lower than A- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	2.25%	yes
1.6	Structured products issued by the organizations rated not lower than BBB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	0.35%	yes
1.7	Islamic financial instruments:	0.00%	yes

³The UAPF investment Policy Statement has been approved by the Resolution of the Management Board of the National Bank of the Republic of Kazakhstan dated March 17, 2016 No. 86

1)	with the security and/or issuer rated not lower than BBB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	0.00%	yes
2)	with the security and/or issuer rated from BB+ to BB- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	0.00%	yes
2	Kazakh issuers:	75.55%	yes
2.1	Government securities of the Republic of Kazakhstan issued by the Ministry of Finance of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan	40.66%	yes
2.1-1	Government securities of the Republic of Kazakhstan issued by the local executive authorities of the Republic of Kazakhstan	0.00%	yes
2.1-2	Deposits of the National Bank of the Republic of Kazakhstan	2.75%	yes
2.2	Securities of the quasi-public sector entities	14.64%	yes
2.3	Financial instruments of the regulated banks of the Republic of Kazakhstan	17.14%	yes
2.4	Non-government debt securities except the debt securities of the quasi-public sector entities as well as the regulated banks of the Republic of Kazakhstan with the security and/or issuer rated not lower than B- in accordance with the international scale of the Standard & Poor's agency or rated with a similar level of one of the other rating agencies	0.09%	yes
2.4-1	Non-government debt securities issued against guarantee and/or surety of the Government of the Republic of Kazakhstan	0.00%	yes
2.5	Non-government share securities except the share securities of subjects of the quasi-public sector entities as well as the regulated banks of the Republic of Kazakhstan included in the first category of the official list of the Kazakhstan Stock Exchange	0.27%	yes
2.6	Islamic financial instruments included in the official list of the Kazakhstan Stock Exchange	0.00%	yes

Table 5. Investment Limits for the UAPF PA in Relation to Individual Types of Financial Instruments

No.	Financial Instrument Types	Actual Value (Expressed as Percentage from the PA)	Compliance (Yes/No)
1	Standard derivative financial instruments	0.00%	Yes
1)	In case if derivative financial instruments are used for hedging investment risk	0.00%	Yes
2	Gold in bars and in metals accounts	0.00%	Yes

Information on Purchasing, Selling and Repaying Financial Instruments Being in the UAPF Investment Portfolio

Table 6. Data on Purchasing Financial Instruments in the Reporting Month

Transaction Date	Maturity Date	Instrument Type	Security's Issuer	ISIN	Nominal Value in KZT
01/03/2019	18/07/2019	The US Government Securities	The US Government	US912796QR39	57,888,600,000
04/03/2019	03/04/2019	The Government Securities of RK	The National Bank of the RK	KZW100010963	140,000,000,000
04/03/2019	30/07/2036	The Government Securities of RK	The Government of RK	KZKD00000972	14,000,000,000
11/03/2019	20/12/2038	The Government Securities of RK	The Government of RK	KZKD00000725	10,000,000,000
11/03/2019	10/04/2019	The Government Securities of RK	The National Bank of the RK	KZW100010971	32,071,113,000
11/03/2019	25/07/2019	The US Government Securities	The US Government	US912796SA85	105,495,440,000
14/03/2019	14/03/2026	Bonds	ATFBank JSC	KZ2C00003135	30,000,000,000
18/03/2019	29/01/2035	The Government Securities of RK	The Government of RK	KZKD00000832	12,000,000,000
18/03/2019	17/04/2019	The Government Securities of RK	The National Bank of the RK	KZW100010997	100,000,000,000
19/03/2019	27/12/2025	Bonds	Bank CenterCredit JSC	KZ2C00004554	13,500,000,000
26/03/2019	04/02/2030	The Government Securities of RK	The Government of RK	KZKD00000840	10,000,000,000
26/03/2019	21/05/2019	The US Government Securities	The US Government	US912796VC05	90,636,000,000

26/03/2019	26/09/2019	The US Government Securities	The US Government	US912796SK67	92,901,900,000
Total					708,493,053,000

Table 7. Data on Selling Financial Instruments in the Reporting Month

Transaction Date	Maturity Date	Instrument Type	Securities' Issuer	ISIN	Nominal Value in KZT
05/03/2019		Ordinary Shares	AZNO JSC	KZ000A1CTMD1	250,777,599
13/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	1,656,191,535
14/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	4,937,368,189
15/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	1,646,279,500
18/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	6,615,306,799
19/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	6,621,546,604
26/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	1,673,071,628
29/03/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	6,685,538,398
Total					30,086,080,252

Table 8. Date on the Placement in relation to the Deposits in the Reporting Month

Transaction Date	Maturity Date	Name of the Bank	Transaction Amount in KZT
01/03/2019	04/03/2019	The National Bank of the RK	270,000,000,000
04/03/2019	05/03/2019	The National Bank of the RK	260,000,000,000
05/03/2019	06/03/2019	The National Bank of the RK	262,000,000,000
05/03/2019	05/06/2019	Societe Generale	5,740,000,000
06/03/2019	07/03/2019	The National Bank of the RK	130,000,000,000
07/03/2019	11/03/2019	The National Bank of the RK	135,000,000,000
11/03/2019	12/03/2019	The National Bank of the RK	128,000,000,000
12/03/2019	13/03/2019	The National Bank of the RK	129,000,000,000
13/03/2019	14/03/2019	The National Bank of the RK	99,000,000,000
14/03/2019	15/03/2019	The National Bank of the RK	72,000,000,000
15/03/2019	18/03/2019	The National Bank of the RK	75,000,000,000
18/03/2019	19/03/2019	The National Bank of the RK	58,000,000,000
19/03/2019	20/03/2019	The National Bank of the RK	55,000,000,000
20/03/2019	26/03/2019	The National Bank of the RK	105,000,000,000
26/03/2019	27/03/2019	The National Bank of the RK	107,000,000,000
27/03/2019	28/03/2019	The National Bank of the RK	256,000,000,000
28/03/2019	29/03/2019	The National Bank of the RK	262,000,000,000
29/03/2019	01/04/2019	The National Bank of the RK	265,000,000,000
Total			2,673,740,000,000

Table 9. Data on the Repayment of the Principal Debt for Securities in the Reporting Month

ISIN	Instrument Type	Security's Issuer	Actual Maturity Date	Amount Repayable in KZT
XS0867478124	Bonds	Halyk Bank of Kazakhstan JSC	01/03/2019	3,723,886,410
US912796QZ54	The US Government Securities	The US Government	07/03/2019	75,884,000,000
KZW100007829	The Government Securities of RK	The National Bank of the RK	15/03/2019	585,000,000
KZW100010930	The Government Securities of RK	The National Bank of the RK	20/03/2019	140,000,000,000
US912796RC50	The US Government Securities	The US Government	26/03/2019	83,083,000,000
KZW100010955	The Government Securities of RK	The National Bank of the RK	27/03/2019	140,000,000,000
Total				443,275,886,410

Table 10. Data on the Repayment of the Principal Debt for the Deposits in the Reporting Month

Transaction Date	Bank	Transaction Amount in KZT
01/03/2019	The National Bank of the RK	265,000,000,000
04/03/2019	The National Bank of the RK	270,000,000,000
05/03/2019	The National Bank of the RK	260,000,000,000
06/03/2019	The National Bank of the RK	262,000,000,000
06/03/2019	VTB Bank (Kazakhstan) SB JSC	75,000,000
07/03/2019	The National Bank of the RK	130,000,000,000
11/03/2019	The National Bank of the RK	135,000,000,000
11/03/2019	DBS BANK LTD	26,563,600,000
12/03/2019	The National Bank of the RK	128,000,000,000
13/03/2019	The National Bank of the RK	129,000,000,000
14/03/2019	The National Bank of the RK	99,000,000,000
15/03/2019	The National Bank of the RK	72,000,000,000
18/03/2019	The National Bank of the RK	75,000,000,000
19/03/2019	The National Bank of the RK	58,000,000,000
20/03/2019	The National Bank of the RK	55,000,000,000
20/03/2019	AsiaCredit Bank JSC	57,574,000
20/03/2019	ALFA BANK SB JSC	12,555,556
20/03/2019	AsiaCredit Bank JSC	27,206,000
26/03/2019	DBS Bank LTD	75,530,000,000
26/03/2019	The National Bank of the RK	105,000,000,000
27/03/2019	The National Bank of the RK	107,000,000,000
28/03/2019	The National Bank of the RK	256,000,000,000
29/03/2019	The National Bank of the RK	262,000,000,000
Total		2,770,265,935,556