

## INFORMATION OF THE PENSION ASSETS INVESTMENT MANAGEMENT OF THE UNIFIED ACCUMULATIVE PENSION FUND JOINT STOCK COMPANY (UAPF JSC)

As of March 01, 2022 UAPF JSC pension assets (hereinafter referred to as PA) under fiduciary management of the National Bank of RK (hereinafter, NBRK) amounted to KZT 13,580.07 bln<sup>1</sup>. Structure of UAPF PA investment portfolio is presented in Table 1.

**Table 1. Structure of UAPF PA investment portfolio under fiduciary management of the National Bank of RK by financial instruments**

KZT bln					
Description	Current Value as of 01.01.2022	Share as of 01.01.2022	Current Value as of 01.03.2022	Share as of 01.03.2022	Increase, Decrease from the Beginning of the Year
Government securities of MF RK	5,104.82	39.13%	5,116.81	37.68%	0,23%
Foreign government securities	855.31	6.56%	757.46	5.58%	-11,44%
IFO	407.31	3.12%	396.29	2.92%	-2,71%
Corporate bonds of RK issuers	18.19	0.14%	17.45	0.13%	-4,04%
Bonds of quasi-public organizations of RK	1,670.05	12.80%	1,687.72	12.43%	1,06%
Bonds of second tier banks of RK	1,046.62	8.02%	937.98	6.91%	-10,38%
Corporate bonds of foreign issuers	3.93	0.03%	3.43	0.03%	-12,65%
PPN	10.70	0.08%	11.00	0.08%	2,84%
Shares and depository receipts of RK issuers	304.07	2.33%	285.97	2.11%	-5,95%
Deposits	251.71	1.93%	251.85	1.85%	0,06%
NBRK Deposits	127.00	0.97%	400.26	2.95%	215,16%
Cash on investment accounts	434.40	3.33%	84.04	0.62%	
REPO	215.74	1.65%	200.76	1.48%	-6,94%
Index asset management, including:	3,028.36	23.21%	3,429.03	25.25%	13,23%
Government securities of developed countries	1,068.35	8.19%	1,201.69	8.85%	12,48%
Government securities of developing countries	577.50	4.43%	621.22	4.57%	7,57%
Assets under external management	1,382.50	10.60%	1,606.12	11.83%	16,18%
<b>Total PA under fiduciary management of NBRK</b>	<b>13,046.57*</b>	<b>100.00%</b>	<b>13,580.07</b>	<b>100.00%</b>	<b>4,09%</b>
Obligations payable on completed transactions	431.64				
Cash on contribution and benefit payment accounts	25.87		29.47		
<b>Total Pension Assets</b>	<b>13,504.08</b>		<b>13,609.54</b>		<b>0,78%</b>

\* - taking into account obligations payable on completed transactions in the amount of KZT431.64 bln

As of 01.03.2022 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 8.0% per annum, including those denominated in tenge – 9.9% per annum, in foreign currency – 1.7% per annum

### Government securities of the Ministry of Finances of the Republic of Kazakhstan

The main share in the UAPF PA portfolio is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which for the reporting month increased by KZT10.60 bln and amounted to KZT5,116.81 bln. Their share in the portfolio was 37.68%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT88.20 bln with a weighted average yield of 11.01%

<sup>1</sup> less cash on contribution and benefit payment accounts.

per annum. There were no redemptions and sales of government securities of the Ministry of Finance of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on government securities of the Ministry of Finance of the Republic of Kazakhstan, denominated in tenge, amounted to 9.6% per annum, in US dollars - 3.4% per annum.

#### **Foreign government securities in the liquidity sub-portfolio**

The current value of government securities of foreign states for the reporting month increased by KZT94.15 bln and amounted to KZT757.46 bln. Their share in the portfolio was 5.58%.

There were no sales, redemptions or purchases of government securities of foreign states in the reporting period.

The weighted average yield to maturity of government securities of foreign states in the UAPF PA portfolio as of the reporting date was 0.4% per annum.

#### **Bonds of international financial organizations**

The current value of bonds of international financial organizations for the reporting month decreased by KZT4.67 bln and amounted to KZT396.29 bln. Their share in the portfolio was 2.92%.

In the period under review, bonds of the Eurasian Development Bank were redeemed in the amount of KZT5.00 bln.

There were no purchases and sales of securities of international financial organizations.

The weighted average yield to maturity on bonds of international financial organizations denominated in tenge with a fixed interest rate was 10.0% per annum, with an indexed interest rate - inflation and premium.

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

The current value of deposits in second-tier banks of the Republic of Kazakhstan with an average weighted maturity of 2.53 years decreased by KZT1.03 bln during the reporting month and amounted to KZT251.85 bln. Their share in the portfolio was 1.85%.

There were no placements and repayments of deposits of STBs of the Republic of Kazakhstan.

The weighted average yield to maturity of deposits of STBs of the Republic of Kazakhstan as of the reporting date was 9.1% per annum.

#### **Deposits in the National Bank of the Republic of Kazakhstan**

The current value of deposits in the National Bank of the Republic of Kazakhstan as of the reporting date amounted to KZT400.26 bln. Their share in the portfolio was 2.95%.

In the reporting month, within the framework of current liquidity management in order to maintain profitability on pension assets, investments were made in deposits of the National Bank of the Republic of Kazakhstan. The average volume of transactions amounted to KZT329.31 bln with an average weighted yield of 9.70% per annum.

#### **Corporate bonds of issuers of the Republic of Kazakhstan**

The current value of corporate bonds of RK issuers for the reporting month decreased by KZT0.66 bln and amounted to KZT17.45 bln. Their share in the portfolio was 0.13%.

In the period under review, according to the terms of the issue, a part of the bonds of SevKazEnergo JSC was redeemed in the amount of KZT0.50 bln. There were no purchases or redemptions of corporate bonds of RK issuers.

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

The current value of bonds of quasi-public organizations of the Republic of Kazakhstan for the reporting month increased by KZT 11.71 bln and amounted to KZT 1,687.72 bln. Their share in the portfolio was 12.43%.

There were no purchases, redemptions and sales of securities of quasi-public organizations of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of quasi-public organizations of the Republic of Kazakhstan, denominated in tenge, amounted to 10.8% per annum, in US dollars - 5.5% per annum

#### **Bonds of second-tier banks of the Republic of Kazakhstan**

The current value of bonds of second-tier banks of the Republic of Kazakhstan for the reporting month decreased by KZT11.59 bln and amounted to KZT937.98 bln. Their share in the portfolio was 6.91%.

There were no sales, purchases or redemptions of bonds of STBs of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of second-tier banks of the Republic of Kazakhstan amounted to 10.2% per annum.

#### **Corporate bonds of foreign issuers**

The current value of corporate bonds of foreign issuers amounted to KZT3.43 bln. Their share in the portfolio was 0.03%.

There were no purchases, sales or redemptions of corporate bonds of foreign issuers.

The weighted average yield to maturity of corporate bonds of foreign issuers in the UAPF PA portfolio as of the reporting date was 10.5% per annum.

#### **PPN**

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT11.00 bln. Their share in the portfolio was 0.08%.

There were no sales, redemptions and purchases of PPN (structured notes) by foreign issuers.

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

The current value of shares and depositary receipts of RK issuers for the reporting month increased by KZT18.79 bln and amounted to KZT285.97 bln. Their share in the portfolio was 2.11%.

In the period under review, there were no purchases and sales of shares and depositary receipts of RK issuers.

#### **Currency structure**

The investment portfolio of financial instruments broken down by currencies in which financial instruments purchased using the UAPF's pension assets are denominated is presented in Table 2.

In the reporting period, there were no sale and purchase transactions with foreign currency on the Kazakhstan Stock Exchange.

**Table 2. Structure of UAPF PA investment portfolio under fiduciary management of NBRK, by currencies**

Currency	<i>KZT bln</i>				
	Current Value as of 01.01.2022	Share as of 01.01.2022	Current Value as of 01.03.2022	Share as of 01.03.2022	Increase, Decrease from the Beginning of the Year
National Currency	8,770.15	67.22%	8,918.59	65.67%	1.69%
US dollar	4,267.46	32.71%	4,653.56	34.27%	9.05%
Russian ruble	8.41	0.06%	7.29	0.05%	-13.27%
Other currencies	0.55	0.00%	0.63	0.00%	13.50%
<b>Total:</b>	<b>13,046.57</b>	<b>100.00%</b>	<b>13,580.07</b>	<b>100.00%</b>	<b>4.09%</b>

#### **Investment results**

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 534.17 billion tenge. The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) from the beginning of 2022 amounted to 4.00% with inflation of 1.50%. Thus, the real yield on UAPF pension assets amounted to 2.50%.

At the same time, as of March 1, 2022, the profitability of pension assets for the last 12 months (from March 2021 to February 2022) for UAPF contributors (beneficiaries) amounted to 13.65% with inflation of 8.70%. Thus, over the past 12 months, the real yield on UAPF pension assets amounted to 4.95%.

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

**Table 3. Structure of investment income received by UAPF PA, which are in fiduciary management of the NBRK**

<i>KZT bln</i>	
Description	Investment return of 2021
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	-19.63
Income (loss) from foreign currency revaluation	365.09
Income (loss) on assets under external management	178.58
Other income (losses)	10.13
<b>Total</b>	<b>534.17</b>

### **Information on compliance with the Investment Declaration parameters**

The structural distribution of UAPF PA in trust meets the requirements of the UAPF Investment Declaration. Shares of foreign exchange positions remain within the acceptable level and do not violate the requirements of the UAPF Investment Declaration. Information on compliance with investment limits for UAPF PA as of March 1, 2022 is presented in Table 4.

**Table 4. UAPF PA Investment limits**

No.	Financial Instrument Type	Actual Value (Expressed as Percentage from the PA)	Compliance (Yes/No)
	Cash KZT	0.01%	yes
	Cash in foreign currency	0.71%	yes
<b>1</b>	<b>Kazakhstani issuers:</b>	<b>63.16%</b>	
1.1	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	37.68%	yes
1.1.1	Government securities of the Republic of Kazakhstan issued by local executive bodies of the Republic of Kazakhstan	0.0%	yes
1.2	Deposits of the National Bank of the Republic of Kazakhstan	2.95%	yes
1.3	Securities of the quasi-public sector entities	14.28%	yes
1.4	Financial instruments of second-tier banks of the Republic of Kazakhstan with a rating of a security and / or issuer not lower than "B" according to the international scale of Standard & Poor's agency or a rating of a similar level from one of the other rating agencies. including:	8.08%	yes
1)	Debt securities	6.18%	yes
2)	Equity securities	0.05%	yes
3)	Deposits	1.85%	yes
1.5	Non-government debt securities. with the exception of debt securities of entities of the quasi-public sector and second-tier banks of the Republic of Kazakhstan. having a rating of a security and / or issuer not lower than "B-" according to the international scale of Standard & Poor's or a rating of a similar level of one from other rating agencies	0.00%	yes
1.5.1	Non-government debt securities issued under the guarantee and / or guarantee of the Government of the Republic of Kazakhstan	0.0%	yes
1.6	Non-government equity securities. with the exception of equity securities of quasi-public sector entities and second-tier banks of the Republic of Kazakhstan. included in the first category of the official list of the Kazakhstan Stock Exchange	0.18%	yes
1.7	Islamic finance instruments included in the official list of the Kazakhstan Stock Exchange and / or AIFC Exchange	0.0%	yes
1.8	Securities secured by real estate (MBS) and assets (ABS) with a rating of a security and / or issuer not lower than "BB-" according to the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies	0.0%	yes

<b>2</b>	<b>Foreign issuers:</b>	<b>33.32%</b>	<b>yes</b>
2.1	Securities of Government agencies and of international financial organizations with a rating of a security and / or issuer not lower than “BB-” according to the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies	22.70%	yes
2.2.	Municipal securities as part of investing in government and agent securities	0.0%	yes
2.3	Corporate debt securities with a rating of a security and / or issuer not lower than “BB-” according to the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies	5.40%	yes
2.4	Securities secured by real estate (MBS) and assets (ABS) with a rating of a security and / or issuer not lower than “BBB-” according to the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies	0.0%	yes
2.5	Convertible securities as part of investing in corporate securities with a rating of a security and / or issuer not lower than “BB-” according to the international standard agency “Standard & Poor's” rating or a rating of a similar level from one of the other rating agencies	0.0%	yes
2.6	Shares, depository receipts for shares	5.14%	yes
2.7	Deposits in foreign banks with a rating not lower than “A-” according to the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies	0.00%	yes
2.8	Structural products issued by organizations with a rating of at least BBB- on the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies	0.08%	yes
2.9	Islamic finance instruments with a rating of at least “BB-” according to the international scale of the Standard & Poor's agency or a rating of a similar level from one of the other rating agencies	0.15%	yes

<b>No.</b>	<b>Financial Instrument Type</b>	<b>Actual Value (% of PA)</b>	<b>Perform ance (Yes / No)</b>
1	Derivative financial instruments, including:	0.00%	yes
1.1	Derivative financial instruments used to hedge investment risk	0.00%	yes
1.2	Derivative financial instruments used for investment purposes	0.00%	yes
1.3	Gold in bars and AU metallic accounts	0.00%	yes

**Information on purchases, sales and redemption of financial instruments in  
the UAPF PA investment portfolio**

**Table 5. Information on the purchase of financial instruments in the reporting month**

Instrument	Currency	Issuer	Nominal Value in KZT
GS RK	KZT	Government of RK	88,200,039,000
<b>Total</b>			<b>88,200,039,000</b>

**Table 6. Information on the sale of financial instruments in the reporting month**

Instrument	Currency	Issuer	Transaction Amount, KZT
Bonds	KZT	SevKazEnergo JSC	502,100,694
<b>Total</b>			<b>502,100,694</b>

**Table 7. Information on repayment of the principal debt on securities in the reporting month**

Instrument	Currency	Issuer	Transaction Amount, KZT
Bonds	KZT	Eurasian Development Bank	5,000,000,000
<b>Total</b>			<b>5,000,000,000</b>