

INFORMATION ON UAPF JSC

PENSION ASSETS INVESTMENT MANAGEMENT

As of July 01, 2018 UAPF JSC pension assets (hereinafter referred to as PA) under fiduciary management of the National Bank of RK (hereinafter, NBRK) amounted to KZT 8 450.36 bln¹

Structure of UAPF pension assets 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 01.01.2018	Share 01.01.2018.	Current value 01.07.2018.	Share 01.07.2018.	Growth/loss from the beginning of the year. %
Government securities of RK	3 587.63	46.14%	3 949.88	46.74%	10.10%
Foreign government securities	948.84	12.20%	863.25	10.22%	-9.02%
IFO	172.55	2.22%	159.92	1.89%	-7.32%
Corporate bonds of RK emitters	58.30	0.75%	61.14	0.72%	4.87%
Bonds of quasi public organizations of RK	791.68	10.18%	731.56	8.66%	-7.59%
Bonds of STB RK	1 246.49	16.03%	1 201.69	14.22%	-3.59%
Corporate bonds of foreign emitters	9.35	0.12%	9.16	0.11%	-2.06%
Bonds of foreign quasi public organizations	53.39	0.69%	122.92	1.45%	130.21%
PPN	35.00	0.45%	35.14	0.42%	0.40%
Shares and depository receipts of RK emitters	184.14	2.37%	150.66	1.78%	-18.18%
Shares and depository receipts of foreign emitters	23.68	0.30%	23.12	0.27%	-2.39%
Deposits	325.82	4.19%	313.40	3.71%	-3.81%
Deposits in foreign banks	277.41	3.57%	541.47	6.41%	95.18%
REPO	11.02	0.14%	7.00	0.08%	-36.49%
Cash on investment accounts (less liabilities under financial instruments transactions)	20.88	0.27%	187.50	2.22%	797.95%
Other assets (accounts receivable ² , past-due debt provisions)	28.62	0.37%	18.37	0.22%	-35.80%
Assets under external management by Aviva Investors Global Services Limited*	-	-	74.18	0.88%	
Total PA under fiduciary management of NBRK	7 774.82	100.00%	8 450.36	100.00%	8.69%
Cash on contribution and benefit payment accounts, as well as cash for FI transactions settlement					
PA Total	9.51		2.01		
	7 784.33		8 452.37		8.58%

* - In Global Bonds of Developing Markets mandate

The weighted average YTM of debt financial instruments in the Fund's PA investment portfolio as of July 01, 2018 is 7.2% including those KZT denominated – 8.4% and denominated in foreign currency – 4.4% per annum.

Government securities of the Republic of Kazakhstan

The main part of UAPF PA portfolio is occupied by government securities of RK, the current value of which increased by KZT 153.08 bln and amounted to KZT 3 949.88 bln. Their share in the portfolio is 46.74%.

In the reporting period following financial instruments were purchased:

¹ less cash on contribution and benefit payment accounts.

² accounts receivable include amounts to receive on interest and/or principle debt on coupon date, but not maturity date in accordance with prospectus of share issue.

- the short-term discount notes of NBRK in amount of KZT 1 199.54 bln with a weighted average YTM 8.18% per annum;

- Government securities of RK Ministry of Finance nominated in USD in amount of KZT 19.41 bln with a weighted average YTM 5.04% per annum;

- Government securities of RK Ministry of Finance nominated in KZT in amount of KZT 54.78 bln with weighted average YTM 8.42% per annum.

During the reporting period, the NBRK's discount notes were redeemed in amount of KZT 1 151.59 bln, respectively.

As of the reporting date, the weighted average yield to maturity of KZT nominated Government securities of RK in UAPF PA portfolio is 7.4% per annum, while those nominated in USD – 4.4% per annum.

Foreign government securities

Current value of foreign government securities for the reporting month decreased by KZT 104.44 bln and amounted to KZT 863.25 bln. Their share in the portfolio is 10.22%.

In the reporting period US Government securities were redeemed in amount of KZT 138.17 bln.

In the reporting period, no other purchases or sales with foreign government securities took place.

The weighted average yield to maturity of foreign government securities in UAPF PA portfolio as of reporting date is 3.8% per annum.

Bonds of International Financial Organizations

The current value of bonds of International Financial Organizations for the reporting month increased by KZT 12.35 bln and amounted to KZT 159.92 bln. Their share in the portfolio is 1.89%.

In the reporting period bonds of International Financial Organizations were purchased in the amount of KZT 12.50 bln at nominal value with an average YTM 9.10% per annum.

There were no sales and redemptions of securities of International Financial Organizations.

The weighted average yield to maturity of the International Financial Organizations bonds nominated in KZT is 6.8% per annum while the ones denominated in USD – 5.0%.

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

The current value of deposits in second-tier banks of RK having a weighted average maturity period of 5,2 years in the reporting month decreased by KZT 4.35 bln and amounted to KZT 313.40 bln. Their share in the portfolio is 3.71%.

In the reporting period early payment of deposits of second-tier banks of RK in the amount of KZT 4.52 bln took place. There were no allocations of UAPF PA to deposits of second-tier banks of RK.

The weighted average yield to maturity of deposits of second-tier banks of RK as of the reporting date is 10.4% per annum.

Deposits in foreign banks

The current value of deposits in foreign banks with a weighted average maturity period of 1.61 month for the reporting month increased by KZT 80.37 bln and amounted to KZT 541.47 bln. Their share in the portfolio is 6.41%.

There were deposits allocated in foreign banks in amount of KZT 164.83 bln with a weighted average YTM 2.36% per annum. In the reporting period there was deposit redeemed in amount of KZT 105.27 bln.

The weighted average yield to maturity of deposits in the foreign banks in PA portfolio is 2.4% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of the corporate bonds of RK issuers increased by KZT 0.14 bln and amounted to KZT 61.14 bln. Their share in the portfolio is 0.72%.

There were no redemptions, sales or purchases of RK corporate bonds in the reporting period. The weighted average yield to maturity of corporate bonds of RK issuers in UAPF PA portfolio is 8.7%.

Bonds of quasi-public organizations of the Republic of Kazakhstan

The current value of the bonds of RK quasi-public organizations in the reporting month decreased by KZT 0.32 bln and amounted to KZT 731.56 bln. Their share in the portfolio is 8.66%.

There were no redemptions, sales or purchases of bonds of RK quasi-public organizations in the period under review.

As of the reporting date, the weighted average yield to maturity of RK quasi-public organizations bonds nominated in KZT is 11.0% while of those nominated in USD – 5.0% per annum.

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

The current value of the bonds of the second-tier banks of RK decreased by KZT 13.89 bln and amounted to KZT 1 201.69 bln. Their share in the portfolio is 14.22%.

During the reporting period bonds of the second-tier banks of RK were redeemed in amount of KZT 17.92 bln, including bonds of Tsessnabank JSC (NIN: KZP04Y07C362), that are expected to be paid from 30.06.2018. to 17.07.2018.

There were no sales or purchases of the bonds of the second-tier banks of RK.

The weighted average yield to maturity of bonds of the second-tier banks of RK nominated in KZT amounted to 10.0%, while of those nominated in USD – 6.6% per annum.

Corporate bonds of foreign issuers

The current value of the corporate bonds of foreign issuers in the reporting period increased by KZT 0.25 bln and amounted to KZT 9.16 bln. Their share in the portfolio is 0.11%.

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

The weighted average yield to maturity of the corporate bonds of foreign issuers in UAPF PA portfolio as of the reporting date is 7.5% per annum.

Bonds of foreign quasi-public organizations

The current value of the bonds of foreign quasi-public organizations in the reporting month increased by KZT 22.31 bln and amounted to KZT 122.92 bln. Their share in the portfolio is 1.45%.

Within new strategic distribution of FX pension assets portfolio provided in the UAPF Investment Declaration bonds of Chinese and Indian quasi-public organizations nominated in USD were purchased in amount of KZT 18.71 bln by their nominal value with weighted average YTM 4.11% per annum.

The weighted average yield to maturity of the foreign quasi-public organizations in UAPF PA portfolio is 4.8%

PPN (structured notes) of the foreign issuers

The current value of PPN (structured notes) in the reporting month increased by KZT 0.87 bln and amounted to KZT 35.14 bln. Their share in portfolio is 0.42%.

In the reporting period in UAPF PA portfolio there were no purchases, sales or redemptions of foreign PPN (structured notes).

Shares and depository receipts of issuers of the Republic of Kazakhstan

The current value of shares and depository receipts of RK issuers in the reporting period decreased by KZT 14.53 bln and amounted to KZT 150.66 bln. Their share in the portfolio is 1.78%.

In the reporting period RK issuers' shares were sold in the amount of KZT 1.52 bln.

In the reporting period no other purchases with RK issuers' shares and depository receipts in UAPF PA portfolio took place.

Shares and depository receipts of foreign issuers

The current value of shares and depository receipts of foreign issuers in the reporting month decreased by KZT 0.10 bln and amounted to KZT 23.12 bln. Their share in portfolio is 0.27%.

In the reporting period there were no sales or purchases of the shares and depository receipts of foreign issuers.

FX structure

UAPF pension assets investment portfolio of financial instruments by currencies in which the financial instruments nominated is presented in Table 2.

Table 2. Structure of UAPF pension assets investment portfolio under fiduciary management of NBRK by currencies

Currency	<i>KZT bln</i>				
	Current value 01.01.2018	Share 01.01.2018.	Current value 01.06.2018.	Share 01.06.2018.	Growth/loss from the beginning of the year. %
National Currency	5 619.71	72.28%	5 737.09	67.89%	2.09%
US dollars	2 110.34	27.14%	2 670.22	31.60%	26.53%
Russian Rubles	36.90	0.47%	34.76	0.41%	-5.80%
Other currencies	7.88	0.10%	8.29	0.10%	5.22%
Total:	7 774.82	100.00%	8 450.36	100.00%	8.69%

Investment results

The investment return from the beginning of the year amounted to KZT 378.18 bln in result of pension assets investment activity as well as due to FX volatility and change of the market value of financial instruments. Return of UAPF pension assets distributed on members' accounts from the beginning of 2018 is 4.48%.

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

Table 3. Structure of investment return on UAPF PA under fiduciary management of NBRK

Description	<i>KZT bln</i>
	Investment income of 2018
Income as remuneration on securities including deposits and Reverse REPO	268.58
Income (loss) of market revaluation	13.87
Income (loss) of FX revaluation	76.20
Income (loss) of external management	3.66
Other income (loss)	15.87
Total:	378.18

Information on compliance with investment declaration parameters

The structural distribution of UAPF PA under fiduciary management complies with requirements of the UAPF Investment Declaration³. Shares of FX positions are within permitted levels and do not violate requirements of the UAPF Investment Declaration. Information on compliance with UAPF PA investment limits as of 01.07.2018 is presented in Table 4.

Table 4. UAPF PA Investment limits

³ UAPF Investment Declaration was approved by the resolution of the Board of the National Bank of the Republic of Kazakhstan dated March 17, 2016 No 86

No.	Financial instruments	Actual value (in percent of pension assets)	Performance (yes/no)
1	Foreign emitters:	20.77%	yes
1.1	Government, Agents and IFO securities:	12.11%	yes
1)	with rating of no less than BBB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies	8.33%	yes
2)	with rating from BB+ to BB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	3.78%	yes
1.2	Corporate debt securities:	1.56%	yes
1)	with securities and/or emitter's rating of no less than BBB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	1.21%	yes
2)	with securities and/or emitter's rating from BB+ to BB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.35%	yes
1.3	MBS and ABS with securities and/or emitter's rating of no less than BBB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.00%	yes
1.4	Shares, deposit receipts on shares	0.27%	yes
1.5	Deposits in the foreign banks with rating of no less than "A-" on international scale of Standard & Poor's or rating of same level of one of the other rating agencies	6.41%	yes
1.6	Structured products of emitters with rating of no less than BBB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies	0.42%	yes
1.7	Islamic Financing Instruments:	0.00%	yes
1)	with securities and/or emitter's rating of no less than BBB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.00%	yes
2)	with securities and/or emitter's rating from BB+ to BB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.00%	yes
2	Kazakhstani emitters:	75.18%	yes
2.1	GS RK issued by Ministry of Finance of RK, National Bank of RK	46.74%	yes
2.1-1	GS RK issued by local executive bodies of RK	0.00%	yes
2.1-2	Deposits of the National Bank of RK	0.00%	yes
2.2	Securities of the quasi-public sector	9.14%	yes
2.3	Financial instruments of Kazakhstani second tier banks	19.00%	yes
2.4	Non-Government securities except for debt securities of the quasi-public sector and second tier banks of the Republic of Kazakhstan, with securities and/or emitter's rating of no less than B- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies	0.10%	yes
2.4-1	Non-Government securities issued under guaranty and / or warranty of the Government of RK	0.00%	yes
2.5	Non-Government securities except for share securities of the quasi-public sector and second tier banks of the Republic of Kazakhstan included into the first category of the KASE official list	0.20%	yes
2.6	Islamic Financing Instruments included into official list of KASE	0.00%	yes

Table 5. UAPF PA investment limits on certain types of financial instruments

No.	Financial instrument	Actual (in percent of pension assets)	Performance (yes / no)
1	Standard derivatives	0.00%	yes
1)	If the derivatives are used for investment risk hedging	0.00%	yes
2	Gold in bars and AU metallic accounts	0.00%	yes

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

Table 6. Information on financial instruments purchased in the reporting month

Date of transaction	Date of redemption	Instrument	Issuer	ISIN	Nominal value in KZT
01.06.2018	08.06.2018	GS RK	RK National Bank	KZW1KD072877	74 000 000 000
01.06.2018	21.07.2045	GS RK	RK Government	XS1263139856	4 961 700 000
04.06.2018	21.07.2045	GS RK	RK Government	XS1263139856	1 653 650 000
04.06.2018	11.06.2018	GS RK	RK National Bank	KZW1KD072885	25 000 000 000
04.06.2018	04.02.2030	GS RK	RK Government	KZKDKY150123	18 000 000 000
05.06.2018	02.06.2026	Eurobonds	Three Gorges Fin I Cayma	USG8850LAC49	2 025 169 200
05.06.2018	21.07.2045	GS RK	RK Government	XS1263139856	1 654 550 000
06.06.2018	14.10.2044	GS RK	RK Government	XS1120709826	1 659 150 000
06.06.2018	13.06.2018	GS RK	RK National Bank	KZW1KD072901	11 341 442 400
06.06.2018	04.05.2027	Eurobonds	State Grid Overseas Inv	USG8450LAJ38	1 327 320 000
07.06.2018	14.06.2018	GS RK	RK National Bank	KZW1KD072927	77 500 000 000
07.06.2018	14.10.2044	GS RK	RK Government	XS1120709826	1 665 400 000
07.06.2018	02.06.2026	Eurobonds	Three Gorges Fin I Cayma	USG8850LAC49	2 997 720 000
08.06.2018	02.06.2026	Eurobonds	Three Gorges Fin I Cayma	USG8850LAC49	1 670 100 000
08.06.2018	04.05.2027	Eurobonds	State Grid Overseas Inv	USG8450LAJ38	1 670 100 000
08.06.2018	14.10.2044	GS RK	RK Government	XS1120709826	7 816 068 000
08.06.2018	15.06.2018	GS RK	RK National Bank	KZW1KD072935	75 417 164 700
08.06.2018	16.09.2025	Eurobonds	AVI FUNDING CO LTD	XS1291170360	3 340 200 000
08.06.2018	26.04.2026	Eurobonds	Export-Import Bank China	XS1395523779	1 670 100 000
11.06.2018	14.01.2023	Eurobonds	Export-Import BK India	XS0872917660	4 005 600 000
11.06.2018	10.05.2031	GS RK	RK Government	KZKDKY130067	15 000 000 000
12.06.2018	12.06.2021	Bonds	Eurasian bank for development	KZP01Y03E900	5 000 000 000
12.06.2018	12.06.2021	Bonds	Eurasian bank for development	KZP07Y03E907	2 500 000 000
12.06.2018	12.06.2021	Bonds	Eurasian bank for development	KZP02Y03E908	5 000 000 000
13.06.2018	05.04.2019	GS RK	RK National Bank	KZW1KY012383	1 600 350 000
13.06.2018	11.07.2018	GS RK	RK National Bank	KZW1KD282989	101 000 000 000
14.06.2018	21.06.2018	GS RK	RK National Bank	KZW1KD072992	87 000 000 000
15.06.2018	22.06.2018	GS RK	RK National Bank	KZW1KD073008	65 115 554 100
18.06.2018	16.04.2032	GS RK	RK Government	KZKDKY140033	12 000 000 000
19.06.2018	28.02.2029	GS RK	RK Government	KZKAKY170058	4 345 000
19.06.2018	27.08.2029	GS RK	RK Government	KZKAKY180040	12 280 000
19.06.2018	29.09.2030	GS RK	RK Government	KZKAKY190056	35 239 000
19.06.2018	28.06.2029	GS RK	RK Government	KZKAKY170066	44 976 000
19.06.2018	30.05.2030	GS RK	RK Government	KZKAKY180057	76 299 000
19.06.2018	29.12.2031	GS RK	RK Government	KZKAKY200012	11 987 000
19.06.2018	07.07.2021	GS RK	RK Government	KZKAKY080059	46 354 000
19.06.2018	28.05.2026	GS RK	RK Government	KZKAKY170017	36 820 000
19.06.2018	28.10.2025	GS RK	RK Government	KZKAKY150076	24 060 000
19.06.2018	29.03.2026	GS RK	RK Government	KZKAKY140044	27 936 000
19.06.2018	30.09.2026	GS RK	RK Government	KZKAKY130045	27 456 000
19.06.2018	27.04.2025	GS RK	RK Government	KZKAKY130037	59 631 000
19.06.2018	28.04.2023	GS RK	RK Government	KZKAKY120020	2 495 000
19.06.2018	29.04.2024	GS RK	RK Government	KZKAKY110039	8 337 000
19.06.2018	29.11.2022	GS RK	RK Government	KZKAKY110047	29 867 000
19.06.2018	30.05.2022	GS RK	RK Government	KZKAKY110013	100 000 000
19.06.2018	26.06.2018	GS RK	RK National Bank	KZW1KD073032	7 900 000 000
19.06.2018	30.10.2022	GS RK	RK Government	KZKAKY090058	200 000 000
19.06.2018	07.08.2023	GS RK	RK Government	KZKAKY100089	28 163 000
20.06.2018	18.07.2018	GS RK	RK National Bank	KZW1KD283052	129 577 074 200
21.06.2018	28.06.2018	GS RK	RK National Bank	KZW1KD073065	95 000 000 000
22.06.2018	29.06.2018	GS RK	RK National Bank	KZW1KD073073	67 200 000 000
25.06.2018	29.01.2035	GS RK	RK Government	KZKDKY200043	9 000 000 000
25.06.2018	15.03.2019	GS RK	RK National Bank	KZW1KY012227	1 935 000 000
26.06.2018	03.07.2018	GS RK	RK National Bank	KZW1KD073099	19 600 000 000
27.06.2018	25.07.2018	GS RK	RK National Bank	KZW1KD283110	192 030 674 000
28.06.2018	05.07.2018	GS RK	RK National Bank	KZW1KD073123	84 500 000 000

29.06.2018	09.07.2018	GS RK	RK National Bank	KZW1KD103136	83 826 675 100
Total					1 304 937 006 700

Table 7. Information on financial instruments sale in reporting period

Transaction date	Maturity date	Instrument	Issuer	ISIN	KZT amount of transaction
21.06.2018		Preferred shares	Tsessnabank JSC	KZ1P33820112	762 000 000
27.06.2018		Preferred shares	Tsessnabank JSC	KZ1P33820112	753 443 250
Total					1 515 443 250

Table 8. Information on foreign banks deposits allocation in reporting period

Transaction Date	Maturity Date	Bank	KZT amount of transaction
01.06.2018	14.09.2018	Rabobank Nederland	49 617 000 000
01.06.2018	05.09.2018	DBS Bank	49 617 000 000
15.06.2018	01.10.2018	Natixis	65 596 050 000
Total			164 830 050 000

Table 9. Information on principal redemptions in reporting period

ISIN	Instrument	Issuer	Date of actual redemption	KZT maturity amount
KZW1KD072802	GS RK	RK National Bank	01.06.2018	61 815 855 000
KZW1KD072828	GS RK	RK National Bank	04.06.2018	33 500 000 000
KZW1KD072836	GS RK	RK National Bank	05.06.2018	10 200 000 000
KZW1KD072869	GS RK	RK National Bank	07.06.2018	72 000 000 000
KZW1KD072877	GS RK	RK National Bank	08.06.2018	74 000 000 000
KZW1KD072885	GS RK	RK National Bank	11.06.2018	25 000 000 000
KZP03Y10B469	Bonds	KASPI BANK JSC	12.06.2018	3 586 960 000
KZP11Y05E086	Bonds	Tsessnabank JSC	13.06.2018	9 731 480 000
KZW1KD072901	GS RK	RK National Bank	13.06.2018	11 341 442 400
KZW1KD282716	GS RK	RK National Bank	13.06.2018	75 000 000 000
KZW1KD072927	GS RK	RK National Bank	14.06.2018	77 500 000 000
US912796PL77	GS US	US Government	15.06.2018	63 914 100 000
KZW1KD072935	GS RK	RK National Bank	15.06.2018	75 417 164 700
KZW1KD282781	GS RK	RK National Bank	20.06.2018	124 200 000 000
XS1153772725	Bonds	AO "ForteBank"	20.06.2018	49 042 890
KZW1KD072992	GS RK	RK National Bank	21.06.2018	87 000 000 000
KZW1KD073008	GS RK	RK National Bank	22.06.2018	65 115 554 100
US912796MF37	GS US	US Government	22.06.2018	40 151 860 000
KZW1KD073032	GS RK	RK National Bank	26.06.2018	7 900 000 000
KZW1KD282856	GS RK	RK National Bank	27.06.2018	189 400 000 000
KZP05Y05E054	Bonds	AO "KASPI BANK"	27.06.2018	1 600 000 000
KZW1KD073065	GS RK	RK National Bank	28.06.2018	95 000 000 000
KZW1KD073073	GS RK	RK National Bank	29.06.2018	67 200 000 000
US912796PM50	GS US	US Government	29.06.2018	34 108 000 000
KZP04Y07C362	Bonds	Tsessnabank JSC	30.06.2018	2 953 080 000
Total				1 307 684 539 090

Table 10. Information on deposit principal redemption in reporting period

Date of redemption	Date of closing	Bank	KZT maturity amount
06.06.2018	20.10.2019	AsiaCredit Bank JSC*	370 000 000
06.06.2018	15.12.2019	AsiaCredit Bank JSC*	75 000 000
14.06.2018	03.11.2019	KAZKOMMERTSBANK JSC*	2 300 000 000
19.06.2018	28.10.2019	Bank VTB (Kazakhstan) SO JSC*	90 000 000
19.06.2018	29.12.2019	KAZKOMMERTSBANK JSC*	500 000 000
27.06.2018	10.12.2019	Bank CenterCredit JSC*	250 000 000
27.06.2018	27.06.2018	Bank of Tokyo	67 407 120 000
29.06.2018	20.10.2019	AsiaCredit Bank JSC*	631 000 000
29.06.2018	27.10.2019	Capital Bank Kazakhstan JSC*	300 000 000
29.06.2018	29.06.2018	Rabobank Nederland	37 859 880 000
Total			109 783 000 000

* - partial redemption