

«UAPF» JSC
Information on pension assets investment management in April 2016

As of May 01, 2016 the pension assets (further – PA) of “UAPF” JSC under the management of the National Bank of RK amounted to KZT 6 088.25 bln¹.

Pension assets portfolio

Table 1. Pension assets

Instrument	Current value in bln KZT on 01.04.2016.	Share on 01.04.2016.	Current value in bln KZT on 01.05.2016.	Share on 01.05.2016.	Growth / loss
Government securities of RK	2 739.69	45.16%	2 599.79	42.70%	-5.11%
Foreign government securities	51.28	0.85%	218.58	3.59%	326.25%
IFO	85.74	1.41%	84.53	1.39%	-1.41%
Corporate bonds of RK emitters	2 217.74	36.55%	2 245.14	36.88%	1.24%
Corporate bonds of foreign emitters	168.57	2.78%	158.09	2.59%	-6.22%
PPN	42.55	0.70%	41.95	0.69%	-1.41%
Shares and depository receipts of RK emitters	112.19	1.85%	101.50	1.67%	-9.53%
Shares and depository receipts of foreign emitters	15.03	0.25%	16.23	0.27%	7.97%
Deposits	338.13	5.57%	381.23	6.26%	12.75%
REPO	18.20	0.30%	-	0.00%	-
Cash on investment account	267.51	4.41%	229.46	3.77%	-14.22%
Other assets (accounts receivable ² , past-due debt, provisions)	10.22	0.17%	11.75	0.19%	15.01%
PA Total under fiduciary management of NBRK	6 066.85	100.00%	6 088.25	100.00%	0.35%
Cash on benefit payment accounts	1.62		1.78		
PA Total	6 068.47		6 090.03		0.33%

Average yield to maturity of the Fund’s PA allocated on its members’ accounts for the period from 01.01.2016 till 30.04.2016 was 2.2%.

Table 2. Share distribution of UAPF PA under fiduciary management of NB RK

Instrument type	Share on 01.05.2016
Debt financial instruments	94.10%
Share financial instruments	1.94%
Cash	3.77%
Other assets (receivables, past due debts, provisions)	0.19%
PA Total under management of NBRK:	100.00%

Weighted average yield to maturity of the debt instruments in the Fund’s PA investment portfolio on May 01, 2016 was 10.3% per annum.

UAPF PA investment of the last month

In accordance with the Minutes of the Kazakhstan National Fund Management Board No 01-9.2 dated February 20th, 2016, the UAPF pension assets shall be invested in following directions:

- acquisition of the Government securities of the Republic of Kazakhstan to finance a fiscal deficit;

¹ less cash on 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.

- acquisition of foreign currency to invest on foreign financial markets;
- investing into contingent financial instruments of the second tier banks to finance small and medium businesses;
- investing into contingent securities of quasi-public sector' subjects.

Government securities of the Republic of Kazakhstan

Government securities of RK take main share of UAPF PA portfolio. In the report month their amount was decreased by KZT 139.9 bln and came to KZT 2 599.79 bln. They took 42.70% of the portfolio.

Within the report month there was purchase of the short-term Government securities of RK in amount of KZT 231.32 bln with average YTM 16.23% per annum.

There was repayment of short-term Government securities of RK in nominal amount of KZT 337.35 bln.

Short-term GS RK were sold in amount of KZT 46.58 bln.

Average yield to maturity of the Government securities of RK in UAPF PA portfolio came to 12.5%.

Foreign government securities

Amount of foreign government securities came to KZT 218.58bln. Their share in the portfolio came to 3.59%.

There were foreign government securities purchased in amount of KZT 260.41 bln with average YTM 0.19%. At this there was a redemption of the principle debt in amount of KZT 81.92 bln.

No sale took place in the report period.

Within the report period average yield to maturity of foreign government securities in the PA portfolio came to 1.5% per annum.

IFO Bonds

Amount of IFO bonds was decreased by KZT 2.21bln and came to KZT 84.53bln. Their share came to 1.39% of portfolio.

In the report month there were no transactions with the IFO bonds

Average yield to maturity of the IFO bonds in UAPF PA portfolio came to 7.3% per annum.

Deposits in the second tier banks of the Republic of Kazakhstan

In the period amount of STB deposits increased by KZT 43.1bln and came to KZT 381.23 bln. Their share came to 6.26%.

Within the report period there were deposits allocated in STB in amount of KZT 49/1 bln with the average interest rate of 15.24 % per annum. Within report period there was principal redemption in amount of KZT 6.0 bln.

Average yield to maturity of STB deposits in PA portfolio was 9.8% per annum.

Corporate bonds of RK emitters

In the report month amount of corporate bonds of RK emitters increased by KZT 27.4bln and came to KZT 2 245.14 bln. Their share came to 36.88%.

There was principal redemption of corporate bonds of RK emitters in amount of KZT 5.17 bln. Within the report period there were RK corporate bonds purchased in amount of KT 50.0 bln with average YTM of 16.92% and corporate bonds of RK emitters were sold in amount of KZT 0.21 bln with average YTM of 4.75% per annum

Average yield to maturity of corporate bonds of RK emitters came to 8.9%.

Foreign corporate bonds

In the report period amount of foreign corporate bonds decreased by KZT 10.48bln and came to KZT 158.09 bln. The share came to 2.59%.

There were no transactions with foreign corporate bonds in the report period.

Average yield to maturity of corporate bonds emitters in PA portfolio was 7.5% per annum.

PPN (structured notes) of foreign emitters

PPN (structured notes) amount in the report period amounted to KZT 41.95 bln with share in portfolio of 0.69%.

There were no transactions with foreign PPN.

Shares and depository receipts of RK emitters

In the report period amount of shares and depository receipts of RK emitters decreased by KZT 10.69 bln and amounted to KZT 101.50bln. The share came to 1.67% of the portfolio.

In the report period there were neither sales nor purchase of shares of RK emitters.

Foreign shares and depository receipts

In the report period amount of foreign shares and depository receipts amounted to KZT 16.23 bln. Their share in portfolio came to 0.27%.

There were neither sales nor purchases of these instruments in the period.

Structure of PA portfolio by currencies

Table 3. Structure of UAPF PA portfolio by currency types

Currency	Current value in bln KZT on 01.04.2016, KZT bln	Share on 01.04.2016	Current value in bln KZT on 01.05.2016, KZT bln	Share on 01.05.2016	Growth / loss in the last month
National currency	4 868.43	80.25%	4 944.73	81.22%	1.57%
US Dollars	1 154.63	19.03%	1 099.86	18.06%	-4.74%
Russian Rubles	32.71	0.53%	32.63	0.54%	-0.25%
Malaysian Ringgits	5.28	0.09%	5.05	0.08%	-4.34%
Brazilian Reals	2.88	0.05%	2.85	0.05%	-1.03%
UK Pounds	1.88	0.03%	2.06	0.03%	9.42%
Euro	1.04	0.02%	1.07	0.02%	2.79%
Total	6 066.85	100.00%	6 088.25	100.00%	0.35%

Investment results

In April 2016 accrued investment loss of UAPF pension assets amounted to KZT 9.86 bln.

Structure of investment income / loss:

- ✓ Investment income on deposits in second tier banks – KZT 2.51 bln.
- ✓ Investment loss on securities - KZT 6.30bln.
- ✓ Investment loss on foreign currency accounts - KZT 6.07bln.

Growth rate of UAPF nominal pension unit in April 2016 came to -0.19%

Compliance with investment declaration parameters

Structure distribution of UAPF PA in the trust management complies with requirements of the SAPF Investment declaration. Shares of foreign currencies positions are within permitted levels and do not violate requirements of the UAPF Investment declaration.

Table 4. List and limits of investment objects as of 01.05.2016

No	Financial instruments	Actual value (in % of pension assets)	Requirement performance (yes / no)
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1	Foreign emitters:	8.36%	yes
1.1	Government, Agents and IFO securities:	4.98%	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	4.20%	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.	0.78%	yes
1.2	Corporate debt securities:	2.43%	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.	0.11%	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.	2.32%	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	0.00%	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	0.69%	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:	85.56%	yes
2.1	Government Securities of the Republic of Kazakhstan	42.70%	yes
			yes
2.2	Securities of the quasi-public sector	10.00%	yes
2.3	Financial instruments of Kazakhstani second tier banks	32.57%	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	0.11%	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	0.18%	yes
2.6	Islamic Financing Instruments included into the official list of KASE	0.00%	yes

Table 5. Investment limits on certain types of financial limits

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