

INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC

As of April 1, 2025, UAPF pension assets¹ (hereinafter referred to as PA) held in trust by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the NBRK) amounted to KZT22,333.29 bln².

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

Table 1. Structure of the investment portfolio of UAPF PAs held in trust by the NBRK, by financial instruments

KZT bln

Description	Current Value as of 01.01.2025	Share as of 01.01.2025	Current Value as of 01.04.2025	Share as of 01.04.2025	Increase/Decrease from the beginning of the year
GS MF RK	9,317.68	41.57%	9,289.31	41.59%	-0.30%
Foreign GS	16.12	0.07%	80.67	0.36%	400.52%
IFO	283.73	1.27%	308.17	1.38%	8.61%
Corporate bonds of RK issuers	12.20	0.05%	11.88	0.05%	-2.59%
Bonds of quasi-public organizations of RK	1,982.17	8.84%	1,982.98	8.88%	0.04%
Bonds of STB of RK	960.30	4.28%	705.21	3.16%	-26.56%
PPN	8.64	0.04%	8.41	0.04%	-2.64%
Shares and depository receipts of RK issuers	378.64	1.69%	338.00	1.51%	-10.73%
NBRK Deposits	696.91	3.11%	861.41	3.86%	23.60%
Cash in investment accounts	2.63	0.01%	64.08	0.29%	2,339.45%
REPO	16.01	0.07%	104.56	0.47%	553.26%
Other assets (accounts receivable, overdue debt, provisions)	0.02	0.00%	0.00	0.00%	-100.00%
Index asset management, including:	8,739.96	38.99%	8,578.61	38.41%	-1.85%
Assets of developed countries	2,571.58	11.47%	2,540.44	11.38%	-1.21%
Assets of developing countries	1,367.36	6.10%	1,351.85	6.05%	-1.14%
assets under external management	4,801.02	21.42%	4,686.32	20.98%	-2.39%
under the emerging market bond mandate:					
Aviva Investors Global Services Limited	268.05	1.20%	261.48	1.17%	-2.45%
TCW Asset Management Company LLC	131.38	0.59%	178.70	0.80%	36.02%
PIMCO Asia Pte Ltd	231.00	1.03%	224.08	1.00%	-2.99%
mandate of global shares:					
Invesco Asset Management Deutschland GmbH	355.97	1.59%	342.34	1.53%	-3.83%
HSBC Global Asset Management (UK) Limited	574.47	2.56%	549.49	2.46%	-4.35%
UBS Asset Management (UK) Ltd	454.12	2.03%	435.68	1.95%	-4.06%
Blackrock Financial Management	402.40	1.80%	386.89	1.73%	-3.86%
BlackRock Investment Management	233.72	1.04%	224.57	1.01%	-3.91%
Robeco Institutional Asset Management B.V.	361.95	1.61%	348.18	1.56%	-3.80%
mandate of investment grade corporate bonds:					
Principal Global Investors (Europe) Limited	613.03	2.73%	593.81	2.66%	-3.13%
PGIM Limited	622.99	2.78%	603.65	2.70%	-3.11%
PIMCO Asia Pte Ltd	551.94	2.46%	537.44	2.41%	-2.63%

¹ formed from compulsory pension contributions, compulsory occupational pension contributions and voluntary pension contributions

² excluding money in the accounts of pension contributions and benefits.

Total PA under fiduciary management of NBRK	22,415.00	100.00%	22,333.29	100.00%	-0.36%
Cash in contribution and benefit payment accounts	75.49		32.88		
Total Pension Assets	22,490.49		22,366.18		

As of April 01, 2025, the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of the UAPF PA amounted to 11.02% per annum, including 12.91% per annum for those denominated in tenge, and 4.70% per annum in foreign currency.

Government securities of the Ministry of Finance of the Republic of Kazakhstan

The main share in the portfolio of the UAPF PA is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which as of the reporting date was KZT9,289.31 bln. Their share in the portfolio was 41.59%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased for a total of KZT525.52 bln at par value, including: KZT465.52 bln with a fixed interest rate and an average weighted yield of 14.76% per annum, as well as KZT60.00 bln with a yield tied to the inflation rate plus 2.5%. In the reporting month, government securities of the Ministry of Finance of the Republic of Kazakhstan were redeemed in the amount of KZT15.00 bln. There were no sales of government securities of the Ministry of Finance of the Republic of Kazakhstan in the reporting month.

As of the reporting date, the average weighted yield to maturity on government securities of the Ministry of Finance of the Republic of Kazakhstan was 13.28% per annum.

Foreign government securities in the liquidity sub-portfolio

The current value of foreign government securities in the liquidity sub-portfolio increased by KZT55.38 bln during the reporting month and amounted to KZT80.67 bln. Their share in the portfolio was 0.36%.

In the period under review, US government securities were purchased in the total amount of KZT54.61 bln with an average weighted yield of 4.29% per annum, and US government securities were redeemed in the amount of KZT19.81 bln. There were no sales of foreign government securities in the reporting month.

The average weighted yield to maturity of foreign government securities in the liquidity sub-portfolio of the currency portfolio of the UAPF PA as of the reporting date was 3.52% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations increased by KZT8.19 bln during the reporting month and amounted to KZT308.17 bln. Their share in the portfolio was 1.38%.

In the period under review, bonds of the Asian Development Bank were purchased in the total amount of KZT8.60 bln with an average weighted yield of 15.35% per annum.

In the reporting month, there were no sales or redemptions of securities of international financial organizations.

The average weighted yield to maturity on bonds of international financial organizations denominated in tenge with a fixed interest rate was 12.32% per annum, with an indexed interest rate - inflation and premium.

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 was KZT861.41 bln. Their share in the portfolio was 3.86%.

In the reporting month, as part of current liquidity management in order to maintain the profitability of pension assets, investments were made in deposits of the National Bank of the Republic of Kazakhstan. The average volume of transactions amounted to KZT382.83 bln with an average weighted yield of 15.70% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of corporate bonds of issuers of the Republic of Kazakhstan amounted to KZT 11.88 bln. Their share in the portfolio amounted to 0.05%.

In the period under review, there were no purchases, sales or redemptions of corporate bonds of issuers of the Republic of Kazakhstan.

Bonds of quasi-public organizations of the Republic of Kazakhstan

The current value of quasi-public bonds of RK organizations increased by 38.76 bln during the reporting month and amounted to KZT1,982.98 bln. Their share in the portfolio was 8.88%.

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

As of the reporting date, the average weighted yield to maturity on quasi-public bonds of RK organizations denominated in tenge was 10.23% per annum, in US dollars - 5.49% per annum.

Bonds of second-tier banks of the Republic of Kazakhstan

The current value of bonds of STB RK for the reporting month decreased by KZT70.94 bln and amounted to KZT705.21 bln. Their share in the portfolio was 3.16%.

There were no purchases and sales of securities of STB RK in the period under review. In the reporting month, bonds of First Heartland Jusan Bank JSC were redeemed in the amount of KZT81.52 bln.

As of the reporting date, the average weighted yield to maturity on bonds of the second-tier banks of the Republic of Kazakhstan was 12.03% per annum.

PPN (structured notes) of foreign issuers

The current value of PPN (structured notes) of foreign issuers in the reporting month was KZT8.41 bln. Their share in the portfolio was 0.04%.

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

Shares and depositary receipts of issuers of the Republic of Kazakhstan

The current value of shares and depositary receipts of issuers of the Republic of Kazakhstan for the reporting month decreased by KZT29.28 bln and amounted to KZT338.00 bln. Their share in the portfolio was 1.51%.

There were no purchases and sales of shares and depositary receipts of RK issuers in the period under review.

Index management of currency portfolio assets

Index management of assets involves the formation of an investment portfolio in relation to a benchmark portfolio, which is a set of securities reflecting the investor's strategic interests. The yield of the benchmark portfolio serves as a measure for assessing the effectiveness of investment portfolio management. Indices developed and monitored by leading global financial companies or the NBRK are used as a benchmark portfolio.

According to the strategic distribution of the currency portfolio, index asset management is applied to the sub-portfolio of developed countries bonds, the sub-portfolio of developing countries bonds, the sub-portfolio of corporate bonds and the sub-portfolio of shares.

Index asset management is carried out both by the NBRK independently and with the involvement of foreign management companies. The NBRK carries out index management of the sub-portfolio of developed countries and part of the sub-portfolio of developing countries bonds.

The allocation of the currency portfolio of the UAPF PA, which are in the trust management of the NBRK as of April 1, 2025, is presented in Table 2.

Table 2. Strategic distribution of the currency portfolio of the UAPF PA as of April 01, 2025.

Subportfolio	Target value (tolerance)	Value, in millions of US dollars	Value, in KZT bln	Share of currency portfolio, %	Share of UAPF PA, %
Developed Market Bonds	30% ($\pm 10\%$)	5,036.16	2,540.44	28.39%	11.38%
Developing Market Bonds	25% ($\pm 10\%$)	3,996.75	2,016.12	22.53%	9.03%
Corporate Bonds	20% ($\pm 10\%$)	3,439.26	1,734.90	19.39%	7.77%
Stocks	25% ($-17\%/+10\%$)	4,534.04	2,287.15	25.56%	10.24%
Gold	0% ($+40\%$)	729.96	368.22	4.12%	1.65%
Liquidity		17,736.17	8,946.84	100.00%	40.06%

Sub-portfolio of bonds of developed countries

The current value of the sub-portfolio of bonds of developed countries increased by KZT57.24bln during the reporting month and amounted to KZT2,540.44 bln. The share of the sub-portfolio of bonds of developed countries in the portfolio of the UAPF PA was 11.38%.

The reference portfolio for the sub-portfolio of bonds of developed countries is the Custom Index (G502), consisting of US government securities with a maturity of up to 10 years, denominated in US dollars. As of April 1, 2025, this index includes 203 bond issues.

Sub-portfolio of bonds of developing countries

The current value of the sub-portfolio of bonds of developing countries increased by KZT47.62 bln during the reporting month and amounted to KZT2,016.12 bln. The share of the sub-portfolio of bonds of developing countries in the portfolio of the UAPF PA was 9.03%.

The reference portfolio for the sub-portfolio of bonds of developing countries is the Custom Index (Q979), consisting of bonds denominated in US dollars, issued by developing countries with a rating of at least "BB". As of April 1, 2025, this index includes 429 issues of bonds denominated in US dollars, issued by 29 developing countries.

Sub-portfolio of corporate bonds

The current value of the sub-portfolio of corporate bonds for the reporting month increased by KZT52.31 bln and amounted to KZT1,734.90 bln. The share of the sub-portfolio of corporate bonds in the portfolio of the UAPF PA was 7.77%.

The benchmark portfolio for the corporate bonds sub-portfolio is the Custom Index (Q980), consisting of corporate securities denominated in US dollars, the issuers of which are residents of developed and developing countries with high capitalization and a rating of at least "BBB". As of April 1, 2025, this index includes 7,651 bond issues issued by 1,329 issuers.

Equity sub-portfolio

The current value of the equity sub-portfolio for the reporting month increased by KZT7.27 bln and amounted to KZT2,287.15 bln. The share of the equity sub-portfolio in the UAPF PA portfolio was 10.24%.

The benchmark portfolio for the equity sub-portfolio is the Custom MSCI World Index, consisting of shares of companies from developed countries. As of April 1, 2025, this index includes 1,311 shares of large- and mid-capitalization companies from 23 developed countries. The main share of the index, 74%, is occupied by shares of US companies. The index also includes shares of countries such as Japan, Great Britain, France, Canada and others.

Currency structure

The investment portfolio of financial instruments by currencies in which financial instruments acquired using the pension assets of the UAPF are denominated is presented in Table 3.

In the reporting period, in order to maintain the foreign currency share of pension assets at a level of at least 40%, 250.00 million US dollars were purchased on the Kazakhstan Stock Exchange to diversify the investment portfolio.

Table 2. Structure of the investment portfolio of UAPF PA, which are in trust management of the NBRK, by currency

KZT bln

Currency	Current Value as of 01.01.2025	Share as of 01.01.2025	Current Value as of 01.04.2025	Share as of 01.04.2025	Increase/Decrease from the beginning of the year
National Currency	13,400.82	59.79%	13,386.46	59.94%	-0.11%
US dollar	9,013.29	40.21%	8,945.33	40.05%	-0.75%
Other currencies	0.88	0.00%	1.51	0.01%	71.31%
Total:	22,415.00	100.00%	22,333.29	100.00%	-0.36%

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 2025 amounted to KZT(-) 446.48 bln. The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2025 amounted to (-) 1.97%.

The main reasons for the negative investment income since the beginning of the current year are:

1) exchange rate revaluation due to the strengthening of the tenge against the US dollar from 525.11 to 504.44 tenge in March (from 525.11 to 518.14 tenge in January, from 518.14 to 499.22 tenge in February); 2) a decrease in the market value of government securities of the Ministry of Finance of the Republic of Kazakhstan due to an increase in their yields against the backdrop of rising inflation and inflation expectations, as well as an increased supply of these securities from the Ministry of Finance of the Republic of Kazakhstan.

It is important to note that the return on pension assets for individual short-term periods of time is not an indicator of the effectiveness of their management, since income in the form of remuneration for financial instruments and other transactions accrued over a short period of time does not always cover fluctuations in the value of securities and exchange rates for a given period. Therefore, it is advisable to make an objective analysis of the amount of investment income for a period of at least one year.

Thus, despite short-term fluctuations in return, over the past 12 months from April 2024 to March 2025, the amount of accrued investment income amounted to about KZT2.37 trln, the return for this period was 11.99% with inflation at 10.00%.

In March 2025, the market saw increased volatility amid the escalation of trade wars and the US President's threats to impose new tariffs. At the same time, inflation showed signs of slowing down, and the labor market maintained stable dynamics. Inflation in the US in March fell to 2.4% per annum (2.8% per annum in February), and monthly inflation slowed from 0.2% to (-) 0.1%. The number of new jobs created in the non-farm sector in March increased to 228 thousand jobs, while the unemployment rate increased from 4.1% in February to 4.2% in March. At the same time, the market expects 3 cuts in the base rate by the end of 2025.

As a result, the yield on the benchmark 10-year US Treasury bonds changed little in March. Emerging market bond spreads widened by 14 bps, while corporate bond spreads widened by 7 bps. At the same time, the MSCI World stock index showed a 5% decline. In March, yields increased at the near and middle sections of the curve at auctions to place Kazakhstan government securities. The National Bank of the Republic of Kazakhstan decided to raise the base rate by 125 bps to 16.5%. Inflation accelerated to 10% per annum (9.4% in February) or 1.3% in March (1.5% in February).

The main demand at auctions was concentrated on medium-term placements of Kazakhstan government securities. At the same time, the Ministry of Finance increased borrowing volumes from KZT595 bln in February to KZT642 bln in March.

GS RK, YTM (%)



The structure of accrued investment income for the specified period is presented in Table 4.

Table 4. Structure of investment income received from UAPF PA, which is in trust management of the National Bank of Kazakhstan

		KZT bln
Description	Investment income in 2025	
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	433.21	
Income (loss) from market revaluation of securities	-611.75	
Income (loss) from foreign currency revaluation	-156.13	
Income (loss) on assets under external management	-114.7	
Other income (losses)	2.89	
Total	-446.48	

Information on compliance with the parameters of the investment declaration

The structural distribution of UAPF PA in trust meets the requirements of the UAPF Investment Declaration³. 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 April 1, 2025 is presented in Table 5.

Table 5. UAPF PA Investment limits

No.	Financial Instrument Type	Actual Value (Expressed as Percentage from the PA)	Compliance (Yes/No)
	Cash KZT	0.00%	yes
	Cash in foreign currency	0.35%	yes
1	Kazakhstani issuers:	58.72%	yes

³ The investment declaration of the UAPF was approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 24, 2020 No. 10

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	41.59%	yes
1.1.1	Government securities of the Republic of Kazakhstan issued by local executive bodies of the Republic of Kazakhstan	0.00%	yes
1.2	Deposits of the National Bank of the Republic of Kazakhstan	3.86%	yes
1.3	Securities of the quasi-public sector entities	9.99%	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:	2.99%	yes
1)	Debt securities	2.89%	yes
2)	Equity securities	0.10%	yes
3)	Deposits	0.00%	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	0.00%	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	0.29%	yes
1.7	Islamic finance instruments included in the official list of the Kazakhstan Stock Exchange and / or AIFC Exchange	0.00%	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	0.00%	yes
2	Foreign financial instruments, including instruments traded on foreign financial markets:	39.67%	yes
2.1	Government, agency and securities of international financial organizations with a rating of the security and/or issuer not lower than "BB-" on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	21.36%	yes
2.2.	Municipal securities as part of investing in government and agency securities	0.00%	yes
2.3	Corporate debt securities with a rating of the security and/or issuer not lower than "BB-" on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	8.08%	yes
2.4	Securities secured by real estate (MBS) and assets (ABS) with a security and/or issuer rating of at least "BBB-" on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	0.00%	yes
2.5	Convertible securities as part of an investment in corporate securities with a rating of the security and/or issuer not lower than "BB-" on the international scale of the Standard & Poor's agency or a rating of a similar level by one of the other rating agencies	0.00%	yes
2.6	Shares, depositary receipts for shares	10.19%	yes
2.7	Deposits (contributions) with counterparties having a rating of at least "A-" on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	0.00%	yes
2.8	Structured products issued by organizations that have a rating of at least "BBB-" on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	0.04%	yes
2.9	Islamic finance instruments with a rating of at least "BB-" on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	0.48%	yes

No.	Financial Instrument Type	Actual Value (% of PA)	Performance (Yes / No)
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

Table 6. Information on compliance with the UAPF Investment Declaration on Foreign Exchange Portfolio Management

Subportfolio	Actual value (as a percentage of the currency portfolio)	Share of sub- portfolio under external management	Mandate	Share of the stock sub- portfolio	Execution (yes/no)
Developed Market Bonds	28.39%	-			yes
Developing Market Bonds	22.53%	32.95%			yes
Corporate bonds	19.39%	100.00%			yes
Shares	26.56%	100.00%	Passive control, including:	52.89%	yes
			<i>ESG</i>	9.40%	yes
			<i>quality</i>	9.89%	yes
			<i>min.vol</i>	4.71%	yes
			<i>classic</i>	28.90%	yes
			Active control	47.11%	yes
Liquidity	4,12%	-			yes
Total currency portfolio	100,00%				yes

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

Table 7. Information on the purchase of financial instruments in the reporting month

Instrument	Currency	Issuer	Nominal value in KZT
GS RK	KZT	Government of RK	525,521,123,000
Foreign GS	USD	US Treasury	54,605,100,000
IFO bonds	KZT	Asian Development Bank	8,600,000,000
Total			588,726,223,000

Table 8. Information on the sale of financial instruments in the reporting month

Instrument	Currency	Issuer	Transaction value in KZT
GS RK	KZT	Government of RK	15,000,000,000
Foreign GS	USD	US Treasury	19,811,200,000
STB bonds	KZT	First Heartland Jusan Bank JSC	81,521,502,800
Total			116,332,702,800