

Information on investment management of pension assets of UAPF JSC in trust management of BCC Invest JSC

As of January 1, 2023, pension assets (hereinafter referred to as PA) of the UAPF held in trust by BCC Invest JSC (hereinafter referred to as BCC Invest) amounted to KZT 1,521.31 mln.

The structure of the investment portfolio of financial instruments formed at the expense of UAPF pension assets held in trust by BCC Invest is shown in Table 1

Table 1. The structure of the investment portfolio of UAPF PA held in trust by BCC Invest, in the context of financial instruments

<i>KZT mln</i>					
Description	Current value as of 01.01.2022	Share as of 01.01.2022	Current value as of 01.01.2023	Share as of 01.01.2023	Increase / decrease within the reporting period
Bonds of quasi-public organizations of the Republic of Kazakhstan	208.46	17.04%	334.36	21.98%	60.40%
RK Government bonds	0.0	0.0	662.38	43.54%	0.00%
Bonds of STB RK	84.90	6.94%	27.66	1.82%	-67.42%
Corporate bonds of issuers-residents of the Republic of Kazakhstan	83.78	6.85%	80.37	5.28%	-4.06%
Bonds of IFO	97.82	8.00%	90.74	5.96%	-7.24%
ETF	311.74	25.48%	117.70	7.74%	-62.24%
Shares and depository receipts of foreign issuers	121.29	9.91%	76.68	5.04%	-36.78%
Shares and depository receipts issued by organizations of the Republic of Kazakhstan	0.0	0.0	4.2	0.28%	0.00%
Cash in investment accounts	60.64	4.96%	17.67	1.16%	-70.86%
REPO	254.40	20.79%	108.21	7.11%	-57.47%
Other assets (accounts receivable, overdue debt, provisions)	0.50	0.04%	1.34	0.09%	167.43%
Total PA managed by the IPM	1,223.53	100.00%	1,521.31	100.00%	
Obligations to pay for completed transactions	0.00	0.00%	0.00	0.00%	
Total pension assets	1,223.53		1,521.31		24.34%

As of January 1, 2023, the weighted average yield to maturity (YTM) of debt financial instruments and repo transactions in the investment portfolio of UAPF PA was 13.94% per annum.

Cash and reverse REPO

Until the acquisition of financial instruments into the portfolio, in accordance with the investment strategy and investment declaration, temporarily free funds are placed in reverse repo transactions subject to diversification requirements and investment limits. As of January 1, 2023, claims on reverse repo transactions amounted to KZT108.21 mln, and income on repo transactions for the period from December 01 to December 31, 2022 amounted to KZT560,319.52. At the end of the reporting period, the cash balances on investment accounts amounted to KZT17.67 mln. The total share of cash and claims under reverse repo transactions at the end of the reporting month amounted to 8.27%.

Bonds of second-tier banks of the Republic of Kazakhstan

In the reporting period, bonds of second-tier banks of the Republic of Kazakhstan were not included in the portfolio.

As of the reporting date, the weighted average yield to maturity on bonds of second-tier banks denominated in tenge amounted to 12.36% per annum.

The current value of bonds of second-tier banks, nominated in tenge, at the end of the reporting month amounted to KZT27.66 mln. Their share in the portfolio was 1.82%.

Besides, bonds of Home Credit Bank JSC in the amount of KZT54.0 mln were redeemed in the reporting period.

Bonds of quasi-public organizations of the Republic of Kazakhstan

In the reporting period, bonds of quasi-public organizations of the Republic of Kazakhstan were purchased as part of the portfolio.

The current value of bonds of quasi-public organizations of the Republic of Kazakhstan at the end of the reporting month amounted to KZT 334.36 mln. Their share in the portfolio was 21.98%. The weighted average yield to maturity on bonds of quasi-public organizations of the Republic of Kazakhstan as of the reporting date was 11.3% per annum. In the reporting period, bonds of Kazakhstan Sustainability Fund JSC were purchased in the amount of KZT100.00 mln.

Bonds of IFO

In the reporting period, bonds of international financial organizations were not purchased as part of the portfolio.

The current value of bonds of international financial organizations of the Republic of Kazakhstan, denominated in tenge, at the end of the reporting month amounted to KZT90.74 mln. Their share in the portfolio was 5.96%.

As of the reporting date, the weighted average yield to maturity on bonds of international financial organizations of the Republic of Kazakhstan, denominated in tenge, amounted to 11.75% per annum.

Corporate bonds of issuers-residents of the Republic of Kazakhstan

In the reporting period, bonds of issuers-residents of the Republic of Kazakhstan were not included in the portfolio.

The current value of corporate bonds of issuers-residents of the Republic of Kazakhstan at the end of the reporting month amounted to KZT80.37 mln. Their share in the portfolio was 5.28%.

As of the reporting date, the yield to maturity on corporate bonds of issuers-residents of the Republic of Kazakhstan amounted to 12.21% per annum.

Thus, the current value of debt financial instruments of Kazakh issuers (quasi-public, corporate, second-tier banks of the Republic of Kazakhstan, government securities of the Republic of Kazakhstan), as well as international financial organizations nominated in tenge, at the end of the reporting month amounted to KZT1,104.82 mln. Their share in the portfolio was 72.62%.

The planned share of debt financial instruments of Kazakhstani issuers (state, quasi-state, and corporate), as well as international financial organizations denominated in tenge, in the target structure of the UAPF PA portfolio in trust management of BCC Invest is up to 50%.

Shares and depositary receipts of foreign issuers and ETFs

In the reporting period, no ETFs were purchased as part of the UAPF PA portfolio in trust management of BCC Invest.

The current value of the ETF at the end of the reporting month was KZT117.70 mln, the share in the portfolio was 7.74%.

The current value of shares and depositary receipts of foreign issuers amounted to KZT76.68 mln. Their share in the portfolio was 5.04%.

In the reporting period, common shares of the National Company KazMunayGas JSC were purchased for the amount of KZT4.2 mln.

In addition, Novartis A.G. depository receipts were sold in the amount of KZT24.98 mln, Johnson & Johnson shares in the amount of KZT19.94mln, VANGUARD VALUE ETF shares in the amount of KZT66.26 mln and SPDR S&P 500 ETF TRUST shares in the amount of KZT37.01mln.

The planned share of ETFs, shares and depository receipts of foreign issuers in the target structure of the UAPF PA portfolio in trust management of BCC Invest is up to 49%.

Currency structure

The investment portfolio of financial instruments by currency, in which financial instruments are denominated, acquired at the expense of UAPF pension assets in trust management of BCC Invest, is presented in Table 2.

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

Table 2. The structure of the investment portfolio of PA UAPF held in trust by BCC Invest, by currency
KZT mln

Currency	Current value as of 01.01.2022.	Share as of 01.01.2022.	Current value as of 01.01.2023.	Share as of 01.01.2023.	Increase / decrease within reporting period
National currency	731.95	59.82%	1 218.58	80.10%	66.48%
US dollars	491.58	40.18%	302.73	19.90%	-38.42%
Total	1 223.53	100.00%	1 521.31	100.00%	

Investment results

As a result of investment activity, the amount of accrued investment income amounted to KZT42.82 mln. The yield on pension assets amounted to 2.75%. Most of the accrued investment income came from interest on reverse repo transactions and income from the market revaluation of securities. The structure of accrued investment income for the specified period is presented in Table 3.

Table 3. Structure of investment income received from UAPF PAs held in trust by BCC Invest
KZT mln

Description	Investment Return as of 01.01.2023
Income in the form of interest on securities, including on placed deposits and reverse REPO operations	118.38
Income (loss) from market revaluation of securities	-86.40
Income (loss) from revaluation of foreign currency	9.71
Income (loss) from revaluation of other assets (ETF)	
Income (loss) on assets under external management	
Other income (loss)	1.13
Total:	42.82

Information about the value of a notional pension unit

The dynamics of the value of the notional pension unit of UAPF PA held in trust by BCC Invest is presented in Table 4.

Table 4. Value of one notional pension unit of UAPF PA held in trust by BCC Invest

No.	Date	Value of one notional pension unit, KZT
1	01.12.2022	1,001.4759882
2	02.12.2022	1,001.4759882

3	03.12.2022	1,001.4759882
4	04.12.2022	1,001.4759882
5	05.12.2022	1,009.4691520
6	06.12.2022	1,009.4691520
7	07.12.2022	1,009.4691520
8	08.12.2022	1,009.4691520
9	09.12.2022	1,009.4691520
10	10.12.2022	1,009.4691520
11	11.12.2022	1,009.4691520
12	12.12.2022	1,008.7833275
13	13.12.2022	1,008.7833275
14	14.12.2022	1,008.7833275
15	15.12.2022	1,008.7833275
16	16.12.2022	1,008.7833275
17	17.12.2022	1,008.7833275
18	18.12.2022	1,008.7833275
19	19.12.2022	1,002.9631229
20	20.12.2022	1,002.9631229
21	21.12.2022	1,002.9631229
22	22.12.2022	1,002.9631229
23	23.12.2022	1,002.9631229
24	24.12.2022	1,002.9631229
25	25.12.2022	1,002.9631229
26	26.12.2022	1,000.5794857
27	27.12.2022	1,000.5794857
28	28.12.2022	1,000.5794857
29	29.12.2022	1,000.5794857
30	30.12.2022	1,000.5794857
31	31.12.2022	1,001.5692946

Information on compliance with the parameters of the investment declaration

The structural distribution of UAPF PA held in trust by BCC Invest complies with the requirements of the Investment Declaration. The shares of foreign exchange positions remain within the acceptable level and do not violate the requirements of the Investment Declaration. Information on compliance with investment limits for UAPF PA held in trust by BCC Invest, as of January 1, 2023, is presented in Table 5.

Table 5. Investment limits for UAPF PA held in trust by BCC Invest

No.	Type of the Financial Instrument	Actual value (as a percentage of the total PA volume)	Execution (yes / no)
1	Cash in national currency - tenge (KZT).	0.09%	yes
2	Foreign currencies of countries with a sovereign rating of at least "BBB" according to the international scale of Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch.	1.16%	yes

3	Government securities of the Republic of Kazakhstan (including those issued in accordance with the legislation of foreign states) issued by the Ministry of Finance of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan, as well as securities issued under a guarantee and (or) surety of the Government of the Republic of Kazakhstan.	50.65%	yes
4	Debt securities issued by local executive bodies of the Republic of Kazakhstan.	0.00%	yes
5	Debt securities issued by a legal entity, 100% of whose shares are owned by the National Bank of the Republic of Kazakhstan.	8.97%	yes
6	Debt securities issued by the Development Bank of Kazakhstan Joint Stock Companies, Samruk-Kazyna National Welfare Fund, Baiterek National Managing Holding, Problem Loans Fund in accordance with the legislation of the Republic of Kazakhstan and other states.	0.65%	yes
7	Deposits in second-tier banks of the Republic of Kazakhstan, subject to one of the following conditions: banks have a long-term credit rating not lower than "BB-" according to the international scale of the agency Standard & Poor's or a rating of the same level of agencies Moody's Investors Service or Fitch, or a rating not lower than "kzA-" on the national scale of Standard & Poor's; banks are subsidiary banks-residents, the parent non-resident bank of which has a long-term credit rating on the international scale of the agency Standard & Poor's not lower than "A-" or a rating of a similar level of agencies Moody's Investors Service or Fitch	0.00%	yes
8	Deposits in non-resident banks with a long-term rating of at least "A-" according to the international scale of Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch	0.00%	yes
9	Debt securities issued by the following international financial institutions that have a rating of at least "BB +" according to the international scale of Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch: the Asian Development Bank; the Inter-American Development Bank; the African Development Bank; the Eurasian Development Bank; the European Bank for Reconstruction and Development; the European Investment Bank; the Council of Europe Development Bank; the Islamic Corporation for the Development of the Private Sector; the Islamic Development Bank; the Multilateral Investment Guarantee Agency; the Nordic Investment Bank; the International Monetary Fund; the International Development Association; the International Centre for Settlement of Investment Disputes; the International Bank for Reconstruction and Development; the International Finance Corporation.	5.96%	yes
10	Government securities issued by the central governments of foreign countries with a sovereign rating of at least BB + on the international scale of Standard & Poor's or a rating of a similar level from one of the other rating agencies.	0.00%	yes
11	Non-government securities issued by foreign organizations: shares of foreign issuers with a rating of at least "BB" according to the international scale of the agency Standard & Poor's or a rating of the same level of agencies Moody's Investors Service or Fitch; shares of foreign issuers included in the main stock indices and depositary receipts, the underlying asset of which is these shares; debt securities rated at least "BB" on the international scale of Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch.	5.04%	yes
12	Non-government securities issued by organizations of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan and other states: shares of issuers of the quasi-public sector of the Republic of Kazakhstan, placed (placed) as part of a public offer (sale) among a wide range of investors on the stock exchange, and (or) depositary receipts, the underlying asset of which is these shares;	19.74%	yes

	<p>shares of legal entities included in the official list of the stock exchange that meet the requirements of the "premium" category of the "shares" sector of the "Main" site of the official list of the stock exchange and depositary receipts, the underlying assets of which are these shares;</p> <p>shares of legal entities included in the main stock indices;</p> <p>debt securities with a rating of at least "B +" according to the international scale of Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch, or a rating of at least "kzBBB" according to the national scale of Standard & Poor's;</p> <p>securities issued as part of the restructuring of the issuer's obligations in order to exchange for previously issued securities or other obligations of this issuer.</p>		
13	<p>Shares of Exchange Traded Funds, Exchange Traded Commodities, Exchange Traded Notes rated at least 3 stars by the Morningstar rating agency;</p> <p>Exchange Traded Funds shares, the structure of assets of which repeats the structure of one of the main stock indices, or the pricing of shares of which is tied to the main stock indices.</p>	7.74%	yes
14	<p>Shares of interval mutual investment funds, the management company of which is a legal entity created in accordance with the legislation of the Republic of Kazakhstan, included in the official list of the stock exchange, complying with the requirements of the "securities of investment funds" sector of the "Mixed" platform of the official list of the stock exchange.</p>	0.00%	yes
15	<p>Refined precious metals that meet international quality standards adopted by the London bullion market association and designated in the documents of this association as "London good delivery", and metal deposits, including in non-resident banks of the Republic of Kazakhstan, with a rating of at least "AA" by the agency Standard & Poor's or a rating of a similar level from one of the other rating agencies, for a period not exceeding twelve months.</p>	0.00%	yes
16	<p>The following derivative financial instruments entered into for hedging purposes, the underlying asset of which is financial instruments permitted for purchase using pension assets in accordance with this appendix:</p> <p>options;</p> <p>futures;</p> <p>forwards;</p> <p>swaps;</p> <p>derivative financial instruments, which are a combination of the above derivative financial instruments.</p>	0.00%	yes
17	Maximum share of open foreign exchange position	19.90%	yes

Information on purchases, sales and redemption of financial instruments in the investment portfolio of UAPF PA in trust management of BCC Invest

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

Type of Instrument	Currency	Issuer of a Security	Transaction Amount in KZT
Shares	KZT	National Company "KazMunayGas" JSC	4,203,000.00
Bonds	KZT	Kazakhstan Sustainability Fund JSC	94,562,444.44
Total			98,765,444.44

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

Type of Instrument	Currency	Issuer of a Security	Transaction Amount in KZT
Depository receipt	USD	Novartis A.G.	24,979,818.76
Shares	USD	Johnson & Johnson	19,942,203.24
ETF	USD	VANGUARD VALUE ETF	66,261,930.92
ETF	USD	SPDR S&P 500 ETF TRUST	37,006,338.00
Total			148,190,290.92

Table 8. Information on principal repayments on securities in the reporting month

Type of Instrument	Currency	Issuer of a Security	Transaction Amount in KZT
Bonds	KZT	Home Credit Bank JSC	54 000 000.00
Total			54 000 000.00

Table 9. Information on placements in deposits of foreign banks in the reporting month

Type of Instrument	Currency	Bank	Transaction Amount in KZT
Total			

Table 10. Information on principal repayments on deposits in the reporting month

Type of Instrument	Currency	Bank	Amount due in KZT
no			
Total			

Note. Information on the supervisory response measures applied to BCC Invest is available on the website at: www.bcc-invest.kz