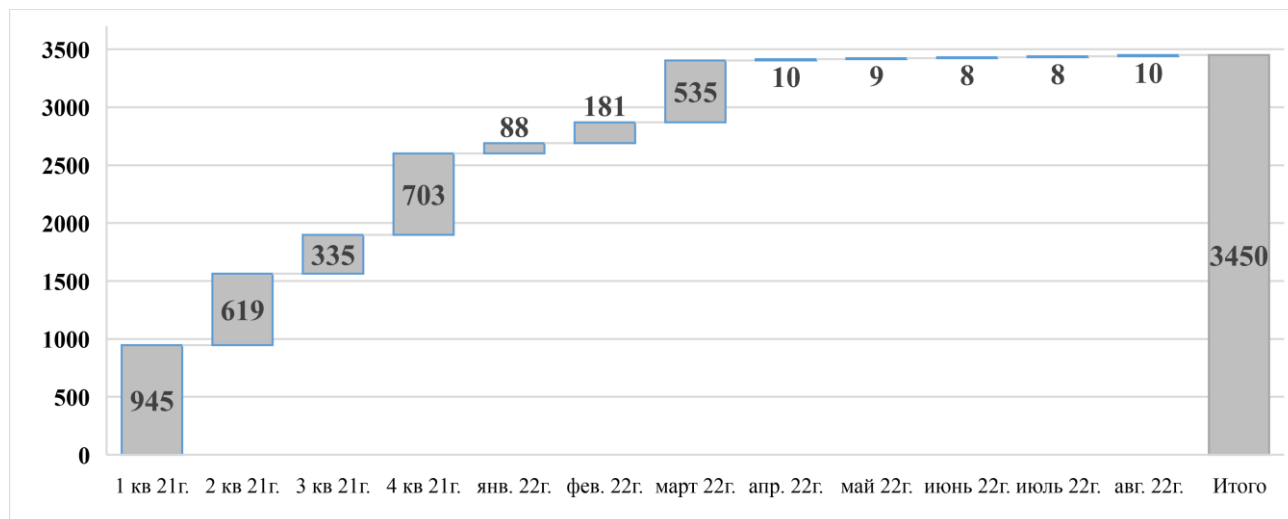


## INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC

As of September 1, 2022, UAPF pension assets (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 KZT13,965.12 bln.

The volume of LPB executed by UAPF for crediting by authorized operators to special accounts of applicants and transfer to investment portfolio managers in August this year. amounted to KZT10.0 bln, from the beginning of 2022 - KZT848.0 bln, for the entire period from February 2021 - KZT3.45 trln.

### Volumes of withdrawals of pension savings, KZT bln



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 NBK, by financial instruments**

Description	<i>KZT bln</i>				
	Current Value as of 01.01.2022	Share as of 01.01.2022	Current Value as of 01.09.2022	Share as of 01.09.2022	Increase/Decrease from the beginning of the year
Government securities of MF RK	5,104.82	39.13%	6,235.81	44.65%	22.16%
Foreign government securities	855.31	6.56%	140.80	1.01%	-83.54%
IFO	407.31	3.12%	376.73	2.70%	-6.99%
Corporate bonds of RK issuers	18.19	0.14%	15.04	0.11%	-17.31%
Bonds of quasi-public organizations of RK	1,670.05	12.80%	1,714.32	12.28%	2.65%
Bonds of second tier banks of RK	1,046.62	8.02%	924.19	6.62%	-11.70%
Corporate bonds of foreign issuers	3.93	0.03%	6.36	0.05%	62.02%
PPN	10.70	0.08%	11.49	0.08%	7.36%
Shares and depository receipts of RK issuers	304.07	2.33%	276.25	1.98%	-9.15%
Deposits	251.71	1.93%	201.23	1.44%	-20.06%
NBRK Deposits	127.00	0.97%	31.20	0.22%	-75.43%
Deposits in foreign banks	-	-	704.12	5.04%	-
Cash in investment accounts	434.40	3.33%	5.30	0.04%	-98.78%
REPO	215.74	1.65%	250.09	1.79%	15.92%
Other assets	-	-	21.42	0.15%	-
Index asset management, including:	3,028.36	23.21%	3,050.76	21.85%	0.74%

Government securities of developed countries	1,068.35	8.19%	1,101.88	7.89%	3.14%
Government securities of developing countries	577.50	4.43%	535.07	3.83%	-7.35%
Assets under external management	1,382.50	10.60%	1,413.81	10.12%	2.26%
<b>Total PA under fiduciary management of NBRK</b>	<b>13,046.57*</b>	<b>100.00%</b>	<b>13,965.12</b>	<b>100.00%</b>	<b>7.04%</b>
Obligations payable on completed transactions	431.64				
Cash on contribution and benefit payment accounts	25.87		5.07		
<b>Total Pension Assets</b>	<b>13,504.08</b>		<b>13,970.19</b>		<b>3.45%</b>

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

As of September 01, 2022 the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of UAPF PA was 9.8% per annum, including 11.3% per annum on those denominated in tenge, and 3.4% per annum in foreign currency.

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

The main share in the portfolio of PA UAPF 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 KZT235.21 bln and amounted to KZT6,235.81 bln. Their share in the portfolio was 44.65%.

In the reporting period, the government securities of the Ministry of Finance of the Republic of Kazakhstan were redeemed in the amount of KZT0.70 bln.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT200.10 bln with a weighted average yield of 14.36% per annum. There were no 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 11.3% 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 in the liquidity sub-portfolio for the reporting month decreased by KZT116.83 bln and amounted to KZT140.80 bln. Their share in the portfolio was 1.01%.

In the reporting period, the US government securities were redeemed in the amount of KZT119.25 bln.

There were no sales or purchases of government securities of foreign countries.

The weighted average yield to maturity of government securities of foreign states in the liquidity sub-portfolio of the currency portfolio of UAPF PA as of the reporting date was 2.2% per annum.

### **IFO**

The current value of bonds of international financial organizations for the reporting month decreased by KZT16.61 bln and amounted to KZT378.85 bln. Their share in the portfolio amounted to 2.71%.

In the period under review, in accordance with the maturity date set in the prospectus, the principal debt on Eurobonds of the Eurasian Development Bank in the amount of KZT19.30 bln was repaid (payment is expected from 28.08.2022 to 12.09.2022).

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 9.47% 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 STBs of the Republic of Kazakhstan with an average weighted maturity of 2.03 years decreased by KZT0.63 bln for the reporting month and amounted to KZT201.23 bln. Their share in the portfolio was 1.44%.

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 with the National Bank of the Republic of Kazakhstan as of the reporting date was KZT31.20 bln. Their share in the portfolio was 0.22%.

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 KZT232.00 bln with an average weighted yield of 13.52% per annum.

### **Deposits in foreign banks**

The current value of deposits in foreign banks as of the reporting date was KZT704.12 bln. Their share in the portfolio was 5.04%.

In the reporting month, deposits in foreign banks were redeemed for a total of KZT369.43 bln.

In the period under review, in order to maintain the profitability of the currency portfolio, deposits were placed in foreign banks denominated in US dollars for a total of KZT500.89 bln with an average weighted yield of 2.67% per annum and a maturity of 1.8 months to 2 months.

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

The current value of corporate bonds of RK issuers for the reporting month decreased by KZT1.10 bln and amounted to KZT15.04 bln. Their share in the portfolio was 0.11%.

In the period under review, there were no purchases, sales and 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 KZT10.53 bln and amounted to KZT1,714.32 bln. Their share in the portfolio was 12.28%.

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 10.9% 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 KZT11.75 bln and amounted to KZT924.19 bln. Their share in the portfolio was 6.62%.

In the reporting period, there were no sales, redemptions and purchases of bonds of second-tier banks 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 10.5% per annum.

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

The current value of corporate bonds of foreign issuers amounted to KZT6.36 bln. Their share in the portfolio was 0.05%.

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 9.5% per annum.

### PPN

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT11.49 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 KZT15.91 bln and amounted to KZT276.25 bln. Their share in the portfolio was 1.98%.

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 transactions of purchase and sale 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 01.09.2022	Share as of 01.09.2022	Increase/Decrease from the beginning of the year
National Currency	8,770.15	67.22%	9,683.07	69.34%	10.41%
US dollar	4,267.46	32.71%	4,271.26	30.59%	0.09%
Russian ruble	8.41	0.06%	10.26	0.07%	22.08%
Other currencies	0.55	0.00%	0.52	0.00%	-5.93%
<b>Total:</b>	<b>13,046.57</b>	<b>100.00%</b>	<b>13,965.12</b>	<b>100.00%</b>	<b>7.04%</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 KZT718.05 bln.

Against the background of the aggravation of the geopolitical situation, increased volatility in global financial markets, accelerating inflation, as well as rising yields on bonds of developed and developing countries, the return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2022 amounted to 5.18%.

At the same time, as of September 1, 2022, the return on pension assets for the last 12 months (from September 2021 to August 2022) for UAPF contributors (beneficiaries) amounted to 8.58%.

The cumulative return for the period from April 2014, when the consolidation of pension assets was completed, to August 2022 amounted to 113.16%. For 8 years from 2014 to 2021, in annual terms, the return on pension assets of the UAPF is 9.68% per annum.

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 the NBRK**

Description	<i>KZT bln</i>
	Investment return of 2022
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	501.87
Income (loss) from foreign currency revaluation	239.85
Income (loss) on assets under external management	-34.98
Other income (losses)	11.31
<b>Total</b>	<b>718.05</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<sup>1</sup>. 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 September 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	0.02%	yes
	Cash in foreign currency	0.18%	yes
<b>1</b>	<b>Kazakhstani issuers:</b>	<b>66.53%</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	44.65%	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	0.22%	yes
1.3	Securities of the quasi-public sector entities	14.01%	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:	7.48%	yes
1)	Debt securities	6.00%	yes
2)	Equity securities	0.04%	yes
3)	Deposits	1.44%	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	0.17%	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>30.12%</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	15.84%	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	4.52%	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	4.64%	yes

<sup>1</sup> 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

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	5.04%	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	0.13%	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

### 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	200,100,000,000
<b>Total</b>			<b>200,100,000,000</b>

**Table 6. Information on principal repayments on securities in the reporting month**

Instrument	Currency	Issuer	Amount due in tenge
US GS	USD	US Government	119,248,750,000
GS RK	KZT	RK Government	700,000,000
<b>Total</b>			<b>119,948,750,000</b>

**Table 7. Information on placements in deposits in the reporting month**

Instrument	Currency	Bank	Transaction amount in KZT
Deposit	USD	Sumitomo Mitsui Banking	95,678,000,000
Deposit	USD	Credit Agricole	95,158,000,000
Deposit	USD	Bank of China	94,090,000,000
Deposit	USD	MUFG Bank, Ltd.	84,763,600,000
Deposit	USD	Rabobank Nederland	71,697,000,000
Deposit	USD	Mizuho Corporate Bank	59,501,250,000
<b>Total</b>			<b>500,887,850,000</b>

**Table 8. Information on principal repayments on deposits in the reporting month**

Instrument	Currency	Bank	Amount due in tenge
Deposit	USD	Credit Agricole	95,902,000,000
Deposit	USD	Sumitomo Mitsui Banking	95,324,000,000
Deposit	USD	Societe Generale	94,798,000,000
Deposit	USD	Mizuho Corporate Bank	83,401,500,000
<b>Total</b>			<b>369,425,500,000</b>