

INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC IN TRUST MANAGEMENT OF BCC INVEST JSC

As of April 1, 2021, 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 304,415,740 tenge.

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 01.03.2021.	Share as of 01.03.2021.	Current value as of 01.04.2021.	Share as of 01.04.2021r.	Increase / decrease since the beginning of the year
Bonds of quasi-public organizations of the Republic of Kazakhstan	0.00	0.00%	38.01	12.49%	0.00
Shares (ETF on indices)	0.00	0.00%	20.89	6.86%	0.00
Shares and depositary receipts of foreign issuers	0.00	0.00%	24.49	8.05%	0.00
Cash in investment accounts	0.00	0.00%	194.88	64.02%	0.00
Repo	0.00	0.00%	55.11	18.10%	0.00
Total PA in trust by BCC Invest	0.00	0.00%	304.42	100.00%	0.00
Obligations to pay for completed transactions			28.98	9.52%	0.00
Total Pension Assets	0.00	0.00%	333.39		0.00

As of 01.04.2021 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 11.75% per annum.

Cash and reverse REPO transactions

Until the acquisition of financial instruments in the portfolio, in accordance with the investment strategy and investment declaration, temporarily free funds are placed in reverse repo transactions, taking into account the requirements for diversification and investment limits. As of April 1, 2021, claims on reverse repo transactions amounted to KZT 55,113,369, and income from repo transactions for the period from March 15 to March 31, 2021 amounted to KZT 377,680. At the end of the reporting period, cash balances on investment accounts amounted to KZT 194,884,985. The total share of cash and claims on reverse repo transactions at the end of the reporting month was 82.12%.

Bonds of quasi-public organizations of the Republic of Kazakhstan

In the reporting period, the following financial instruments were acquired:

- bonds of Baiterek National Managing Holding JSC in the amount of KZT 9,000,000 at par value with a yield to maturity of 11.00% per annum;
- bonds of KazAgroFinance JSC in the amount of KZT 28,000,000 at par value with a yield to maturity of 12.00% per annum (value date 02.04.2021).

In the reporting period, there were no sales and redemption of bonds 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 KZT, amounted to 11.75% per annum.

The current value of bonds of quasi-public organizations of the Republic of Kazakhstan at the end of the reporting month amounted to KZT 38,006,330. Their share in the portfolio was 12.49%.

The planned share of debt financial instruments of Kazakhstani issuers (government, quasi-public, and corporate) denominated in KZT in the target structure of the UAPF PA portfolio in trust management of BCC Invest is up to 50%.

Shares and depository receipts of foreign issuers and ETFs

In the reporting period, ETFs on Dow Jones U.S. indices were acquired as part of the UAPF PA portfolio held in trust by BCC Invest. Large-Cap Value Total Stock Market Index, CRSP US Large Cap Value Index, S & P® Developed Ex-U.S. Broad Market Index, MSCI Emerging Markets Investable Market Index, WisdomTree Emerging Markets ex-State-Owned Enterprises Index which does not exceed 20%).

In addition, shares, depository receipts of individual US issuers, developed and emerging markets with credit ratings from AAA to BBB + were acquired as part of the UAPF PA portfolio in trust management of BCC Invest.

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

The current value of ETF at the end of the reporting month amounted to KZT 20,893,294, the share in the portfolio is 6.86%.

The current value of shares and depository receipts of foreign issuers amounted to KZT 24,493,842. Their share in the portfolio was 8.05%.

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

Currency structure

The investment portfolio of financial instruments by currencies, in which financial instruments are denominated, acquired from the pension assets of the UAPF in trust with BCC Invest, is presented in Table 2.

In the reporting period, purchase and sale transactions with foreign currency on the Kazakhstan Stock Exchange were concluded for the purchase of USD 107,234.64.

Table 2. Structure of the investment portfolio of UAPF PA held in trust by BCC Invest, by currencies

<i>KZT mln</i>					
Currency	Current value as of 01.03.2021.	Share as of 01.03.2021.	Current value as of 01.04.2021.	Share as of 01.04.2021r.	Increase / decrease since the beginning of the year
National Currency	0.00	0.00%	259.01	85.08%	0.00
US Dollars	0.00	0.00%	45.41	14.92%	0.00
Russian Rubles	0.00	0.00%	0.00	0.00	0.00
Other currencies	0.00	0.00%	0.00	0.00	0.00
Total:			304.42	100.00%	

Investment Results

As a result of investment activities, the amount of accrued investment income amounted to KZT 0.94 million. The return on pension assets was 0.29%.

Most of the accrued investment income was attributable to interest on reverse repo transactions and gains from foreign currency revaluation.

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

Table 3. Structure of investment income received by UAPF PA held in trust by BCC Invest

<i>KZT mln</i>	
Description	Investment income as of 01,04,21,
Income in the form of interest on securities, including on placed deposits and reverse REPO operations	0.46
Income (loss) from market revaluation of securities	0.01
Income (loss) from revaluation of foreign currency	0.48

Income (loss) from revaluation of other assets (PFI)	0
Income (loss) on assets under external management	0
Other income (loss)	-0.01
Total:	0.94

Information about the value of a standard unit

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

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

No.	Date	Value of one standard unit, KZT
1	15.03.2021	899.4814074
2	16.03.2021	899.4330679
3	17.03.2021	899.4491654
4	18.03.2021	900.3045501
5	19.03.2021	902.3182193
6	20.03.2021	902.4233285
7	21.03.2021	902.5284377
8	22.03.2021	902.6335469
9	23.03.2021	902.7386561
10	24.03.2021	902.8437653
11	25.03.2021	900.2985184
12	26.03.2021	900.2985184
13	27.03.2021	900.2985184
14	28.03.2021	900.2985184
15	29.03.2021	901.4019321
16	30.03.2021	901.4019321
17	31.03.2021	902.0745882

Information on compliance with the parameters of the investment declaration

The structural distribution of PA UAPF held in trust by BCC Invest complies with the requirements of the Investment Declaration. 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 April 1, 2021, 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 the national currency - KZT.	64.04%	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.	0.01%	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.	2.96%	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, one hundred percent of whose shares are owned by the National Bank of the Republic of Kazakhstan.	2.96%	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.	2.97%	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 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, or a rating of at least "kzA-" according to the national scale of Standard & Poor's; banks are subsidiary resident banks, the parent non-resident bank of which has a long-term credit rating on the international scale of Standard & Poor's not lower than "A-" or a rating of a similar level by 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 with 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 Center for Settlement of Investment Disputes; the International Bank for Reconstruction and Development; the International Finance Corporation.	0.00%	yes
10	Government securities issued by the central governments of foreign countries with a sovereign rating of at least 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
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 Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch; shares of foreign issuers, included in the main stock indices, and depository 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.	8.04%	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) depository receipts, the underlying asset of which is these shares; 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 depository receipts, the underlying assets of which are these shares; shares of legal entities included in the main stock indices; debt securities rated at least "B +" on the international scale of Standard & Poor's or a rating of a similar level by Moody's Investors Service or Fitch, or	21.71%	yes

	a rating of at least " kzBBB "on the national scale of Standard & Poor's (Standard & Poor's); 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.		
13	Shares of Exchange Traded Funds, Exchange Traded Commodities, Exchange Traded Notes rated at least 3 stars by the Morningstar rating agency; 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.	6.86%	yes
14	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 sector "securities of investment funds" of the site "Mixed" of the official list of the stock exchange.	0.00%	yes
15	Refined precious metals that meet international quality standards adopted by the London bullion market association and designated in the documents of this association as the London good delivery standard, and metal deposits, including non-resident banks of the Republic of Kazakhstan that have a rating not lower than "AA" by Standard & Poor's or a rating of a similar level from one of the other rating agencies, for a period not exceeding twelve months.	0.00%	yes
16	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: options; futures; forwards; swaps; derivative financial instruments, which are a combination of the above derivative financial instruments.	0.00%	yes
17	Maximum share of open foreign exchange position	14.91%	yes

Information on purchases, sales and redemption of financial instruments held in a portfolio of financial instruments formed from pension assets held in trust by BCC Invest

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

Type of Instrument	Currency	Issuer of a Security	Nominal Value in KZT
Shares	USD	Apple Inc AAPL US	4,204,482
Shares	USD	Bank of America Corp BAC US	4,046,541
Shares	USD	Johnson & Johnson JNJ US	4,040,676
Depository receipt	USD	JD.com Inc. JD US	3,905,568
Depository receipt	USD	Novartis A.G. NVS US	3,946,377
Depository receipt	USD	Taiwan Semiconductor Manufacturing Company Ltd TSM US	4,023,500
Bonds	KZT	Baiterek National Managing Holding JSC BTRKb7	9,000,000
Exchange Traded Funds Shares	USD	iShares Core MSCI Emerging ETF IEMG US	4,119,228
Exchange Traded Funds Shares	USD	Schwab U.S. Large-Cap Value ETF SCHV US	4,111,058
Exchange Traded Funds Shares	USD	SPDR Portfolio Developed World (ETF ex-US) SPDW US	4,187,724
Exchange Traded Funds Shares	USD	Vanguard Value ETF VTV US	4,135,252
Exchange Traded Funds Shares	USD	Wisdom Tree Emerging Markets ex-State-Owned Enterprises Fund XSOE US	4,198,784
Total			53,919,190

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
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no			
Total			

Table 8. Information on repayment of the principal debt on securities in the reporting month

Type of Instrument	Currency	Issuer of a Security	Transaction Amount in KZT
no			
Total			

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

Type of Instrument	Currency	Bank	Transaction Amount in KZT
no			
Total			

Table 10. Information on repayment of the principal debt on deposits in the reporting month

Type of Instrument	Currency	Bank	Amount to be Paid in KZT
no			
Total			