

INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC

As of May 1, 2024, 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 KZT18,878.61 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 01.01.2024	Share as of 01.01.2024	Current Value as of 01.05.2024	Share as of 01.05.2024	Increase/Decrease from the beginning of the year
GS MF RK	8,289.48	46.55%	8,876.68	47.02%	7.08%
Foreign GS	22.36	0.13%	665.32	3.52%	2875.68%
IFO	359.46	2.02%	359.88	1.91%	0.12%
Corporate bonds of RK issuers	14.01	0.08%	13.86	0.07%	-1.11%
Bonds of quasi-public organizations of RK	1,619.89	9.10%	1,823.79	9.66%	12.59%
Bonds of STB of RK	848.05	4.76%	803.33	4.26%	-5.27%
PPN	7.23	0.04%	7.15	0.04%	-1.13%
Shares and depository receipts of RK issuers	350.53	1.97%	371.12	1.97%	5.87%
Deposits	197.21	1.11%	195.19	1.03%	-1.02%
NBRK Deposits	876.66	4.92%	335.31	1.78%	-61.75%
Cash in investment accounts	48.34	0.27%	2.03	0.01%	-95.80%
REPO	26.71	0.15%	-	0.00%	-100.00%
Index asset management, including:	5,146.10	28.90%	5,424.95	28.74%	5.42%
Assets of developed countries	1,644.24	9.23%	1,575.14	8.34%	-4.20%
Assets of developing countries	1,122.87	6.31%	1,079.85	5.72%	-3.83%
assets under external management	2,378.99	13.36%	2,769.96	14.67%	16.43%
under the developing country bond mandate:					
Aviva Investors Global Services Limited	173,41	0,97%	173,89	0,92%	0,28%
under Global Shares mandate:					
Invesco Asset Management Deutschland GmbH	170,5	0,96%	231,80	1,23%	35,95%
HSBC Global Asset Management (UK) Limited	311,96	1,75%	385,15	2,04%	23,46%
UBS Asset Management (UK) Ltd	226,16	1,27%	294,69	1,56%	30,30%
Blackrock Financial Management	176,62	0,99%	196,77	1,04%	11,41%
BlackRock Investment Management	116,41	0,65%	142,93	0,76%	22,79%
Robeco Institutional Asset Management B.V.	219,38	1,23%	250,34	1,33%	14,11%
under mandate of investment grade corporate bonds:					
Principal Global Investors (Europe) Limited	489,75	2,75%	491,83	2,61%	0,42%
PGIM Limited	494,79	2,78%	499,77	2,65%	1,01%
PIMCO Asia Pte Ltd	-	-	102,78	0,54%	100,00%
Total PA under fiduciary management of NBRK	17,806.03	100.00%	18,878.61	100.00%	6.02%
Cash in contribution and benefit payment accounts	38.97		7.72		
Total Pension Assets	17,845.01		18,886.33		5.84%

As of May 01, 2024 the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of PA UAPF amounted to 10.24% per annum, including those denominated in tenge - 11.52% per annum, in foreign currency - 5.40% per annum.

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.

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

The main share in the PA UAPF portfolio is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which during the reporting month increased by KZT95.45 bln and amounted to KZT8,876.68 bln. Their share in the portfolio was 47.02%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT221.00 bln at par value with a weighted average yield of 12.13% per annum.

In the period under review, part of the Eurobonds of the government securities of the Ministry of Finance of the Republic of Kazakhstan was sold in the amount of KZT9.03 bln, and the government securities of the Ministry of Finance of the Republic of Kazakhstan were repaid in the amount of 9.56 bln.

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 was 11.7% per annum, in US dollars - 3.6% per annum.

Government securities of foreign countries in the liquidity sub-portfolio

The current value of government securities of foreign countries in the liquidity sub-portfolio for the reporting month increased by KZT248.67 bln and amounted to KZT665.32 bln. Their share in the portfolio was 3.52%.

In the period under review, US government securities were purchased in a total volume of 307.01 bln with a weighted average yield of 5.34% per annum.

During the reporting period, US government securities were repaid in the amount of KZT46.65 bln. There were no sales of government securities of foreign countries.

The weighted average yield to maturity of government securities of foreign countries in the liquidity sub-portfolio of the currency portfolio of the UAPF PA as of the reporting date amounted to 5.5% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations during the reporting month decreased by KZT28.49 bln and amounted to KZT359.88 bln. Their share in the portfolio was 1.91%.

During the reporting period, in accordance with the maturity date established in the prospectus, the principal debt on bonds of the European Bank for Reconstruction and Development was repaid in the amount of KZT30.00 bln.

There were no purchases or 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 11.40% 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 a weighted average maturity of 0.38 year, during the reporting month increased by KZT1.21 bln and amounted to KZT195.19 bln. Their share in the portfolio was 1.03%.

There were no placements or redemptions of deposits from 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 9.17% per annum.

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 amounted to KZT335.31 bln. Their share in the portfolio was 1.78%.

In the reporting month, as part of current liquidity management in order to maintain return on pension assets, investments were made into deposits of the National Bank of the Republic of

Kazakhstan. The average volume of transactions amounted to KZT192.86 bln with an average weighted yield of 13.97% 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 KZT13.86 bln. Their share in the portfolio was 0.07%.

During the period under review, there were no purchases or redemptions of corporate bonds of Kazakhstan 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 decreased by KZT3.44 bln and amounted to KZT1,823.79 bln. Their share in the portfolio was 9.66%.

During the reporting period, there were no purchases, redemptions, or sales of securities of quasi-state organizations of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of quasi-state organizations of the Republic of Kazakhstan denominated in tenge was 11.3% 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 STBs of the Republic of Kazakhstan for the reporting month increased by KZT4.74 bln and amounted to KZT803.33 bln. Their share in the portfolio was 4.26%.

There were no purchases or sales of bonds from STBs of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of STBs of the Republic of Kazakhstan amounted to 10.6% per annum.

PPN

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT7.15 bln. Their share in the portfolio was 0.04%.

There were no sales, redemptions or 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 issuers of the Republic of Kazakhstan for the reporting month decreased by KZT0.84 bln and amounted to KZT371.12 bln. Their share in the portfolio was 1.97%.

During the period under review, there were no purchases or sales of shares and depositary receipts of RK issuers.

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 2.

In the reporting period, in order to maintain the foreign exchange share of pension assets at the level of 30%, 500.00 million US dollars were purchased on the Kazakhstan Stock Exchange to diversify the investment portfolio.

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

Currency	<i>KZT bln</i>				
	Current Value as of 01.01.2024	Share as of 01.01.2024	Current Value as of 01.05.2024	Share as of 01.05.2024	Increase/Decrease from the beginning of the year
National Currency	12,161.38	68.30%	12,523.70	66.34%	2.98%
US dollar	5,639.89	31.67%	6,354.38	33.66%	12.67%
Other currencies	4.76	0.03%	0.53	0.00%	-88.79%
Total:	17,806.03	100.00%	18,878.61	100.00%	6.02%

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 2024 amounted to KZT530.34 bln.

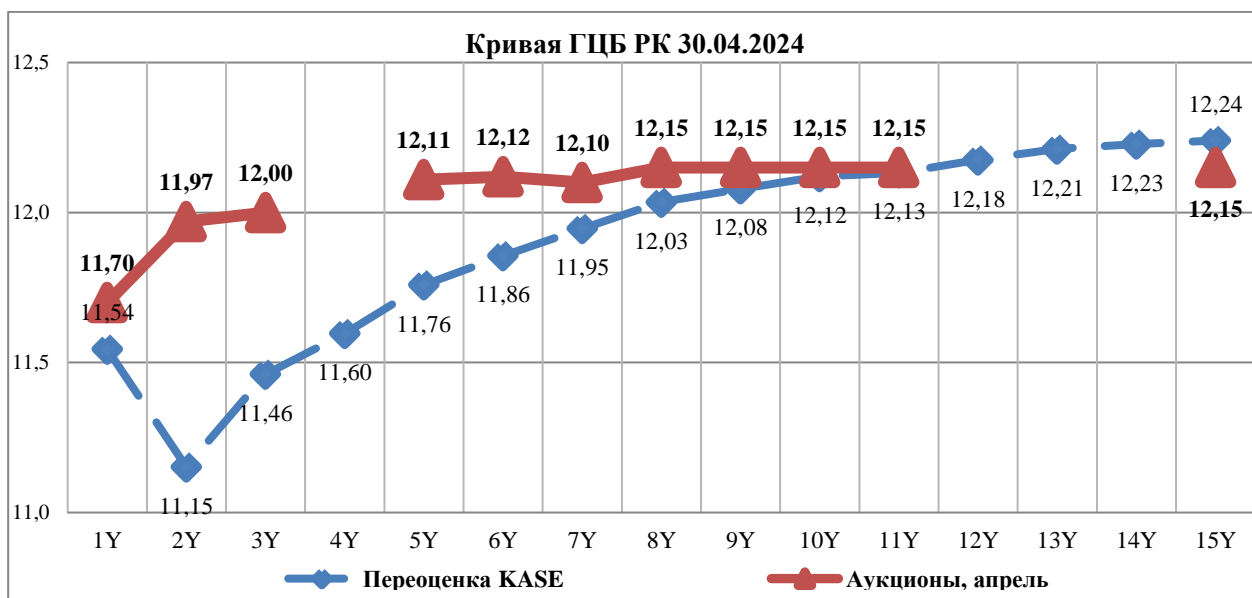
As of May 1, 2024, the return on UAPF pension assets over the last 12 months, distributed to the accounts of contributors (beneficiaries), amounted to 9.83% with inflation of 8.70%. The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) has amounted to 2.87% since the beginning of 2024.

In April 2024, there was a significant reversal in market expectations for the US base rate against the backdrop of persistent inflation and strong labor market statistics. At the same time, the rhetoric of US representatives was hawkish in nature - representatives of the US Federal Reserve are inclined to maintain rates at a high level for a longer time. If at the beginning of the month the market expected 3 rate cuts by the end of 2024, then by the end of the month expectations shifted to only one rate cut.

Against this background, at the end of April, the yield on the benchmark 10-year US Treasury bonds increased by 48 bps. Spreads on corporate bonds and on emerging market bonds narrowed by 3 bps. and 7 bps. respectively. At the same time, the MSCI World share index fell by 3.85%.

On placements of government securities of the Republic of Kazakhstan, there was an increase in yields on short-term government securities of the Republic of Kazakhstan against the backdrop of the NBRK's decision to maintain the base rate at 14.75%. At the same time, at the end of April, inflation decreased to 8.7% per annum (9.1% in March) or 0.6% in April (0.7% in March).

There was also a decrease in market demand for placements against the backdrop of an increase in borrowing volumes. Average demand at government securities auctions of the Republic of Kazakhstan exceeded supply by 1.4 times, while the main demand was concentrated on placements of short-term government securities.



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

Table 3. Structure of investment income received from PA UAPF, which is in trust management of the National Bank of Kazakhstan

KZT bln

Description	Investment income in 2024
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	464.03
Income (loss) from foreign currency revaluation	-89.06

Income (loss) on assets under external management	156.81
Other income (losses)	-1.44
Total	530.34

Information on compliance with the investment declaration parameters

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 May 1, 2024 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	0.01%	yes
	Cash in foreign currency	0.11%	yes
1	Kazakhstani issuers:	65.36%	
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	47.02%	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	1.78%	yes
1.3	Securities of the quasi-public sector entities	11.18%	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:	5.04%	yes
1)	Debt securities	3.92%	yes
2)	Equity securities	0.10%	yes
3)	Deposits	1.03%	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	0.34%	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:	33.81%	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	20.10%	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	5.76%	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

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

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	7.91%	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	0.41%	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
US GS	USD	US Government	307,013,910,000
GS RK	KZT	Government of RK	221,000,000,000
Total			528,013,910,000

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

Instrument	Currency	Issuer	Transaction amount in KZT
Eurobonds	USD	Government of RK	9,034,020,045,
Total			9,034,020,045

Table 7. Information on repayments of principal debt on securities in the reporting month

Instrument	Currency	Issuer	Amount to be repaid in tenge
US GS	USD	US Government	46,653,600,000
IFO bonds	KZT	Eurasian Development Bank	30,000,000,000
GS RK	KZT	Government of RK	9,564,584,000
Total			86,218,184,000