

“UAPF” JSC

Information on pension assets investment management in September 2015

As of October 01, 2015 the pension assets (further – PA) of “UAPF” JSC amounted to KZT 5 363.72 bln.

Pension assets portfolio

Table 1. Structure of UAPF PA assets by financial instruments and their shares

Financial instrument	Current value in bln KZT on 01.09.2015.	Share on 01.09.2015	Current value in bln KZT on 01.10.2015.	Share on 01.10.2015	Growth of PA
Government securities of RK	2 164.09	41.59%	2 337.56	43.58%	8.02%
Foreign government securities	61.60	1.18%	69.85	1.30%	13.39%
IFO	83.60	1.61%	84.58	1.58%	1.18%
Corporate bonds of RK emitters	1 842.45	35.41%	2 056.07	38.33%	11.59%
Corporate bonds of foreign emitters	117.39	2.26%	133.89	2.50%	14.06%
PPN	44.75	0.86%	47.84	0.89%	6.90%
Shares and depository receipts of RK emitters	104.57	2.01%	103.04	1.92%	-1.46%
Shares and depository receipts of foreign emitters	9.89	0.19%	11.05	0.21%	11.78%
Derivatives	-	0.00%	-	0.00%	-
Deposits	519.77	9.99%	388.25	7.24%	-25.30%
REPO	32.57	0.63%	-	0.00%	-
Cash on investment account	209.90	4.03%	118.17	2.20%	-43.70%
Other assets	12.20	0.24%	13.42	0.25%	9.99%
Total PA	5 202.78	100.00%	5 363.72	100.00%	3.10%

Average yield to maturity of the Fund’s PA investment portfolio from January 01, 2015 to September 30, 2015 was 9.08%.

Table 2. Share distribution of PA investment portfolio of UAPF

Financial instrument	Share on 01.10.2015
Debt financial instruments	95.42%
Share financial instruments	2.13%
Cash	2.45%
Total:	100.00%

Average yield to maturity of the debt instruments in the Fund’s PA investment portfolio on October 01, 2015 was 7.12% per annum.

Changes in PA portfolio in the last month

Table 3. Pension assets investment in September 2015

Financial instrument	Currency	Amount. KZT bln	Average YTM of purchase. % per annum
GS of RK	KZT	149.09	8.00
GS of RK	USD	30.99	6.12
Bonds of RK	KZT	155.00	9.75
Bonds of RK	USD	2.85	5.30
Total:		337.93	8.61

Government securities of the Republic of Kazakhstan

Government securities of RK take main share of UAPF PA portfolio. In the report month their amount was increased by KZT 173.47 bln and came to KZT 2 337.56 bln. They took 43.58%.

Within the report month there was purchase of the long-term Government securities of RK nominated in USD in amount of KZT 30.99 bln with average YTM 6.12% per annum and short-term Government securities of RK denominated in the national currency in amount of KZT 149.09 bln with average YTM 8.00% per annum. Also, there was repayment of the Government securities of RK in amount of KZT 5.31 bln. No sale took place in report period.

Average yield to maturity of the Government securities of RK in UAPF PA portfolio increased from 5.56% to 5.72%.

Foreign government securities

Amount of foreign government securities came to KZT 69.85 bln. Their share in the portfolio came to 1.30%.

No transactions with foreign government securities took place in report period.

Within the report period average yield to maturity of foreign government securities in the PA portfolio decreased from 3.03% to 3.01% per annum.

IFO Bonds

Amount of IFO bonds was increased by KZT 0.98 bln and came to KZT 84.58 bln. Their share came to 1.58% of portfolio.

In the report month there was repayment of IFO in amount of KZT 205.86 mln. Neither sale no purchase of IFO bonds took place.

Average yield to maturity of the IFO bonds in UAPF PA portfolio came to 7.29% per annum.

Deposits in the second tier banks of the Republic of Kazakhstan

In the period amount of STB deposits decreased by KZT 131.52 bln and came to KZT 388.25 bln. Their share decreased from 9.99% to 7.24%.

Within report period there was redemption in amount of KZT 123.50 bln. No deposits were allocated.

Average yield to maturity of STB deposits in PA portfolio was 8.71% per annum.

Corporate bonds of RK emitters

In the report month amount of corporate bonds of RK emitters increased by KZT 213.62 bln and came to KZT 2 056.07 bln. Their share increased from 35.41% to 38.33%.

There was purchase of corporate bonds of RK emitters in amount of KZT 157.85 bln with average YTM of 9.67%. At this within the report period there were bonds redeemed in amount of KZT 7.19 bln.

Average yield to maturity of corporate bonds of RK emitters came to 8.52%.

Foreign corporate bonds

In the report period amount of foreign corporate bonds increased by KZT 16.50 bln and came to KZT 133.89 bln. The share came to 2.50%.

In the report period there was redemption of foreign corporate bonds emitters in amount of KZT 318.00 mln.

There were no foreign corporate bonds purchased or sold.

Average yield to maturity of corporate bonds emitters in PA portfolio was 7.47% per annum.

PPN (structured notes) of foreign emitters

PPN (structured notes) amount in the report period amounted to KZT 47.84 bln with share in portfolio of 0.89%.

In the report period no PPN (structured notes) transactions took place.

Shares and depository receipts of RK emitters

In the report period amount of shares and depository receipts of RK emitters decreased by KZT 1.53 bln and amounted to KZT 103.04 bln. The share came to 1.92% of the portfolio.

In the report period there were neither sales nor purchase of shares of RK emitters.

Foreign shares and depository receipts

In the report period amount of foreign shares and depository receipts increased by KZT 1.16 bln and amounted to KZT 11.05 bln. Their share in portfolio came to 0.21%.

There were neither sales nor purchases of these instruments in the period.

Structure of PA portfolio by currencies

Table 4. Structure of UAPF PA portfolio by currency types

Currency	Current value in bln KZT on 01.09.2015.	Share on 01.09.2015	Current value in bln KZT on 01.10.2015.	Share on 01.10.2015	Growth / loss
National currency	4 511.14	86.71%	4 579.31	85.38%	1.50%
US dollars	659.98	12.68%	749.04	13.96%	13.65%
Russian rubles	22.43	0.43%	26.09	0.48%	16.31%
Malaysian ringgits	3.39	0.07%	3.71	0.07%	9.22%
Euro	1.21	0.02%	1.49	0.03%	23.55%
UK pounds	1.62	0.03%	1.57	0.03%	-3.30%
Brazil reals	2.71	0.05%	2.51	0.05%	-7.18%
Mexican peso	0.30	0.01%	0	0.00%	-100.00%
Total	5 202.78	100.00%	5 363.72	100.00%	3.10%

Investment results

In September 2015 accrued investment income of UAPF pension assets amounted to KZT 116.85 bln.

Structure of investment income / loss:

- ✓ Investment income on deposits in second tier banks – KZT 2.88 bln.
- ✓ Investment income on securities - KZT 108.33 bln.
- ✓ Investment income on foreign currency accounts - KZT 5.64 bln.

Growth rate of UAPF nominal pension unit in September 2015 came to 2.19%

Compliance with investment declaration parameters

Structure distribution of UAPF PA in the trust management complies with requirements of the SAPF Investment declaration. Shares of foreign currencies positions are within permitted levels and do not violate requirements of the UAPF Investment declaration.

Table 5. List and limits of investment objects as of 01.10.2015

№	Financial instruments	Actual value (in % of pension assets)	Requirement performance (yes / no)
Cash		2.20%	yes
Debt instruments		87.79%	yes
1	Government securities of RK (including emitted in accordance with legislation of other countries). issued by MinFin of RK and National Bank of RK as well as securities guaranteed by the Government of RK including reverse REPO securities.	43.60%	yes
2	Securities with status of Government's issued by foreign central governments including:	1.30%	yes
	1) with sovereign rating of no less than BBB- on international scale of Standard&Poor's or rating of same level of one of the other rating agencies	0.56%	yes
	2) with sovereign from BBB- to B on international scale of Standard&Poor's or rating of same level of one of the other rating agencies.	0.74%	yes
3	Bonds issued by local executive bodies of RK included into official list of KASE	0%	yes
4	Non-Government debt securities of RK emitters except second tier banks including:	11.50%	yes
	1) debt securities with rating of no less than B- on international scale of Standard&Poor's or rating of same level of one of the other rating agencies. or rating of no less than kzB on the national scale of Standard & Poor's or rating of same level of one of the other rating agencies	0.00%	yes
	2) debt securities issued by subject of quasi-public sector;	9.30%	yes
	3) infrastructure bonds of organizations of the Republic of Kazakhstan with Government guaranty included into the official list of KASE	0.50%	yes
	4) debt securities. included into the official list of KASE	1.71%	yes
5	debt securities issued by international finance organizations: – International Bank of Reconstruction and Development; – European Bank of Reconstruction and Development; – Interamerican Development Bank; – Bank for International Settlements; – Asian Development Bank; – African Development Bank; – International Finance Corporation; – Islamic Development Bank; – European Investment Bank; – Eurasian Development Bank.	1.58%	yes
6	Non-Government debt securities issued by foreign organizations including:	2.50%	yes
	1) with rating no less than BBB- on international scale of Standard&Poor's or rating of same level of one of the other rating agencies;	0.12%	yes
	2) with rating from «BBB-» to «B» on international scale of Standard&Poor's or rating of same level of one of the other rating agencies.	2.37%	yes
7	Principal protected notes. issued by organizations with rating of no less «A-» on international scale of Standard&Poor's or rating of same level of one of the other rating agencies	0.59%	yes
Share instruments		2.13%	yes
8	Share securities issued by organizations of the Republic of Kazakhstan and foreign organizations including :	2.13%	yes
	1) ordinary and preferred shares issued by organizations of the Republic of Kazakhstan, depositary receipts issued by organizations of the Republic of Kazakhstan	1.93%	yes
	2) ordinary and preferred shares issued by foreign organizations, depositary receipts issued by foreign organizations of the Republic of Kazakhstan	0.20%	yes
Financial instruments of second tier banks including deposits		34.74%	yes
Other instruments		0.00%	yes

10	Refined precious metals meeting international quality standards. accepted by London bullion market association) and indicated on the documents of this association as «London good delivery») standard and metallic deposits including in non-resident banks with rating of no less than «AA» of «Standard&Poor's» or rating of similar level of other rating agencies on term of no less than twelve months	0.00%	yes
11	Derivatives including but not limited with option, forward, swop, futures with basic asset being financial instruments permitted to purchase on account of pension assets, foreign currency and indices:	0.00%	yes
	1) in case if derivatives are used for investment risk hedging;	0.00%	yes
	2) Indices: 1. MICEX (Moscow Interbank Currency Exchange Index); 2. DAX (DeutscherAktienindex); 3. CAC 40 (Compagnie des Agents de Change 40 Index); 4. NIKKEI - 225 (NIKKEI - 225 Index); 5. TOPIX (TokyoPriceIndex); 6. HSI (HangSengIndex); 7. ENXT 100 (Euronext 100); 8. RTSI (Russian Trade System Index); 9. DJIA (Dow Jones Industrial Average); 10. S&P 500 (Standard and Poor's 500 Index); 11. FTSE 100 (Financial Times Stock Exchange 100 Index); 12. KASE (KazakhstanStockExchange); 13. MSCI World Index (Morgan Stanley Capital International World Index).	0.00%	yes
Currency position		14.63%	yes
12	Open FX position in USD, Euro, UK pounds	14.03%	yes
13	Open FX position in other currencies	0.60%	yes