

INFORMATION OF THE PENSION ASSETS INVESTMENT MANAGEMENT OF THE UNIFIED ACCUMULATIVE PENSION FUND JOINT STOCK COMPANY (UAPF JSC)

As of August 01, 2021 UAPF JSC pension assets (hereinafter referred to as PA) under fiduciary management of the National Bank of RK (hereinafter, NBRK) amounted to KZT 12,811.56 bln¹.

Structure of UAPF PA investment portfolio is presented in Table 1.

Table 1. Structure of UAPF PA investment portfolio under fiduciary management of the National Bank of RK by financial instruments

KZT bln

Name	Current Value as of 01/01/2021	Share as of 01/01/2021	Current Value as of 01/08/2021	Share as of 01/08/2021	Increase/Decrease from the Beginning of the Year
Government securities of MF RK	5,648.40	43.80%	4,966.95	38.77%	-12.06%
Notes of NB RK	81.65	0.63%	-	-	-100.00%
Foreign government securities	1,280.10	9.93%	1,193.86	9.32%	-6.74%
IFO	531.43	4.12%	514.78	4.02%	-3.13%
Corporate bonds of RK issuers	29.80	0.23%	23.15	0.18%	-22.31%
Bonds of quasi-public organizations of RK	1,821.67	14.13%	1,749.38	13.65%	-3.97%
Bonds of second tier banks of RK	1,158.49	8.98%	1,069.10	8.34%	-7.72%
Corporate bonds of foreign issuers	6.89	0.05%	4.01	0.03%	-41.84%
Bonds of foreign quasi-public organizations	256.44	1.99%	5.64	0.04%	-97.80%
PPN	33.34	0.26%	10.49	0.08%	-68.54%
Shares and depository receipts of RK issuers	294.31	2.28%	355.76	2.78%	20.88%
Shares and depository receipts of foreign issuers	30.50	0.24%	0.20	0.002%	-99.35%
Deposits	251.71	1.95%	253.56	1.98%	0.73%
NBRK Deposits	332.19	2.58%	207.12	1.62%	-37.65%
Deposits in foreign banks	282.90	2.19%	867.69	6.77%	206.72%
Cash on investment accounts	12.02	0.09%	246.69	1.93%	
Other assets (accounts receivable ² , arrears, provisions)			4.93	0.04%	
REPO	26.25	0.20%	98.90	0.77%	276.80%
Assets under external management	816.53	6.33%	1,239.35	9.67%	51.78%
Total PA under fiduciary management of NBRK	12,894.60	100.00%	12,811.56	100.00%	-0.64%
Cash on contribution and benefit payment accounts	22.51		5.64		
Total Pension Assets	12,917.11		12,817.20		-0.77

As of 01.08.2021 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 7.6% per annum, including those denominated in tenge - 9.6% per annum, in foreign currency – 0.8% per annum.

¹ less cash on contribution and benefit payment accounts.

² accounts receivable include amounts receivable for interest and / or principal, for which the date of commencement of repayment of the debt by the issuer has come in accordance with the terms of the prospectus for the issue of a financial instrument, as well as cash receivable from the sale of FI

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

The main part of UAPF PA portfolio is occupied by the Government Securities of the Ministry of Finances of RK with the current value of KZT 4,966.95 bln decreasing by KZT 45.72 bln. Their share in the portfolio amounted to 38.77%.

In the reporting period, the government securities of the Ministry of Finance of the Republic of Kazakhstan were repaid in the amount of KZT 28.31 bln, and within the framework of the transition to index management in accordance with paragraph 27 of the UAPF Investment Declaration, Eurobonds of the Ministry of Finance of the Republic of Kazakhstan were sold in the amount of KZT 102.73 bln.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT 80.00 bln with an average weighted yield of 10.73% per annum.

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 9.1% per annum, in US dollars - 4.2% per annum.

Foreign government securities

The current value of government securities of foreign countries for the reporting month decreased by KZT 30.66 bln and amounted to KZT 1,193.86 bln. Their share in the portfolio was 9.32%.

In the reporting period, US government securities were repaid in the amount of KZT 186.52 bln, and as part of the transition to index management in accordance with paragraph 27 of the UAPF Investment Declaration, US government securities were sold in the total amount of KZT 106.10 bln.

In the reporting period, US government securities were purchased in the amount of KZT 273.50 bln with an average weighted yield of 0.04% per annum.

The weighted average yield to maturity of government securities of foreign countries in the UAPF PA portfolio as of the reporting date amounted to 0.2% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations for the reporting month increased by KZT 1.76 bln and amounted to KZT 514.78 bln. Their share in the portfolio was 4.02%.

There were no purchases, redemptions or sales of securities of international financial institutions.

The weighted average yield to maturity on bonds of international financial organizations, denominated in tenge, with a fixed interest rate was 10.2% 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 3.1 years increased by KZT 1.90 bln and amounted to KZT 253.56 bln. Their share in the portfolio was 1.98%.

There were no placements and redemption of deposits by STBs of the Republic of Kazakhstan.

The weighted average yield to maturity of deposits of STB RK as of the reporting date amounted to 9.1% per annum.

Deposits in foreign banks

The current value of deposits in foreign banks at the reporting date amounted to KZT 867.69 bln. Their share in the portfolio was 6.77%.

In the reporting month, deposits in foreign banks were repaid in the amount of KZT 280.59 bln.

In the period under review, in order to maintain the profitability of the foreign exchange portfolio, deposits were placed with foreign banks with maturities from 1 day to 3 months, denominated in US dollars, in the amount of KZT 337.69 bln with an average weighted yield of 0.12% 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 amounted to KZT 207.12 bln. Their share in the portfolio was 1.62%.

In the reporting month, within the framework of current liquidity management in order to maintain return on pension assets, investments were made in the deposits of the National Bank of the Republic of Kazakhstan. The average volume of transactions amounted to KZT 146.08 bln with an average weighted yield of 8.26% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current cost of corporate bonds of RK issuers for the reporting month decreased by KZT 2.21 bln and amounted to KZT 23.15bln. Their share in the portfolio was 0.18%.

In the period under review, part of the infrastructure bonds of Dosjan Temir Joly JSC in the amount of KZT 2.14 bln was sold as part of the buyback.

There were no purchases and redemption 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 decreased by KZT 1.51 bln and amounted to KZT 1,749.38 bln. Their share in the portfolio was 13.65%.

In the period under review, in accordance with the period specified in the issue prospectus, the principal debt on bonds of Agrarian Credit Corporation JSC in the amount of KZT 5.05 bln was repaid.

There were no sales and purchases 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 10.8% 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 STB RK for the reporting month decreased by KZT 3.95 bln and amounted to KZT 1,069.10 bln. Their share in the portfolio was 8.34%.

In the period under review, in accordance with the period specified in the issue prospectus, the principal debt on the bonds of Kaspi Bank JSC in the amount of 7.67 KZT bln was repaid.

There were no purchases and sales of bonds of STB RK.

As of the reporting date, the weighted average yield to maturity on bonds of STB RK was 10.0% per annum.

Corporate bonds of foreign issuers

The current value of corporate bonds of foreign issuers was KZT 4.01 bln. Their share in the portfolio was 0.03%.

In the period under review, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, corporate Eurobonds of the Peruvian mining company Southern Copper were sold in the amount of 0.83 KZT bln.

There were no purchases or redemption 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 10.2% per annum.

Foreign bonds of the quasi-public sector

The current value of bonds of foreign issuers of the quasi-public sector for the reporting month decreased by KZT 2.86 bln and amounted to KZT 5.64 bln. Their share in the portfolio was 0.04%.

In the reporting period, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, bonds of foreign issuers of the quasi-public sector were sold for a total amount of 3.20 KZT bln. There were no purchases or redemption of bonds of foreign issuers of the quasi-public sector.

The weighted average yield to maturity of bonds of foreign issuers of the quasi-public sector in the UAPF PA portfolio as of the reporting date was 4.4% per annum.

PPN (structured notes) of foreign issuers

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT 10.49 bln. Their share in the portfolio was 0.08%.

There were no sales, redemptions, and purchases of PPNs (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 decreased by KZT 48.50 bln and amounted to KZT 355.76 bln. Their share in the portfolio was 2.78%.

There were no purchases and sales of shares and depositary receipts of RK issuers.

Shares and depositary receipts of foreign issuers

The current value of shares and depositary receipts of foreign issuers for the reporting month decreased by 0.002 KZT bln and amounted to 0.20 KZT bln. Their share in the portfolio was 0.002%.

There were no purchases or sales of shares and depositary receipts of foreign 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 sale and purchase transactions 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 01/01/2021	Share as of 01/01/2021	Current Value as of 01/08/2021	Share as of 01/08/2021	Increase/Decrease from the Beginning of the Year
National Currency	9,143.27	70.91%	8,736.92	68.20%	-4.44%
US dollar	3,726.85	28.90%	4,065.80	31.74%	9.09%
Russian ruble	17.48	0.14%	8.27	0.06%	-52.68%
Other currencies	7.00	0.05%	0.56	0.00%	-91.95%
Total:	12,894.60	100.00%	12,811.56	100.00%	-0.64%

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 from the beginning of 2021 amounted to KZT 821.40 bln. The return on pension assets of the UAPF, distributed to the accounts of contributors (beneficiaries) since the beginning of 2021, amounted to 6.48% with inflation of 5.30%. Thus, the real return on UAPF pension assets was 1.18%.

At the same time, as of August 1, 2021, the profitability of pension assets for the last 12 months (from August 2020 to July 2021) for contributors (beneficiaries) of the UAPF was 10.56% with inflation of 8.40%. Thus, over the past 12 months, the real return on the UAPF's pension assets amounted to 2.16%.

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

Table 3. Structure of investment income received by UAPF PA, which are in fiduciary management of the NBRK

Description	Investment return of 2021
Income in the form of interest on securities, including on placed deposits and reverse REPO operations.	517.44
Income (loss) from market revaluation of securities	48.65
Income (loss) from revaluation of foreign currency	22.59
Income (loss) on assets under external management	104.95
Other income (loss)	127.77
Total:	821.40

Information on compliance with investment declaration parameters

The structural distribution of UAPF PA under fiduciary management complies with requirements of the UAPF Investment Declaration³. Shares of FX positions are within permitted levels and do not violate requirements of the UAPF Investment Declaration. Information on compliance with UAPF PA investment limits as of August 01, 2021 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	1.91%	yes
1	Kazakhstani issuers:	65.86%	
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	38.77%	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	1.62%	yes
1.3	Securities of the quasi-public sector entities	15.19%	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:	10.09%	yes
1)	Debt securities	7.10%	yes
2)	Equity securities	1.01%	yes
3)	Deposits	1.98%	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	0.20%	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

³ UAPF Investment Declaration was approved by the resolution of the Board of the National Bank of the Republic of Kazakhstan dated March 17, 2016 No 86

2	Foreign issuers:	29.41%	yes
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	14.14%	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	5.16%	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	3.26%	yes
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	6.77%	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	0.00%	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	0.0%	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, KZT
US GS	USD	US Government (net purchases)	167,394,229,782
Total			167,394,229,782

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

Instrument	Currency	Issuer	Transaction Amount, KZT
RK GS	USD, KZT	RK Government (net purchases)	22,733,101,600
EuroBonds of QPC of Indonesia	USD	Perusahaan Listrik Negar	2,499,947,097
Infrastructure bonds	KZT	Dosjan Temir Joly JSC	2,142,205,556
Corporate eurobonds	USD	Southern Copper	829,570,896
EuroBonds of QPC of China	USD	Rongshi International	697,438,376
Total			28,902,263,525

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

Type	Currency	Issuer	Transaction Amount, KZT
US GS	USD	US Government	186,517,160,000
RK GS	KZT	RK Government	28,309,368,000
Bonds	KZT	KASPI BANK JSC	7,674,000,000
US GS	USD	Agrarian Credit Corporation JSC	5,045,147,000
Total			227,545,675,000

Table 8. Information on placements in deposits of foreign banks in the reporting month

Type	Currency	Issuer	Transaction Amount, KZT
Deposit	USD	Credit Agricole	92,972,020,000
Deposit	USD	Natixis	77,837,760,000
Deposit	USD	Bank of Montreal	72,734,500,000
Deposit	USD	ING Bank	51,422,400,000
Deposit	USD	DBS Bank	42,719,000,000
Total			337,685,680,000

Table 9. Information on repayment of the principal debt on deposits in the reporting month

Type	Currency	Bank	Amount to be paid, KZT
Deposit	USD	Credit Agricole	99,154,280,000
Deposit	USD	DBS Bank	51,262,800,000
Deposit	USD	Bank of Nova Scotia	38,214,000,000
Deposit	USD	Rabobank Nederland	70,567,200,000
Deposit	USD	Mizuho Corporate Bank	21,392,500,000
Total			280,590,780,000