

Information of the Pension Assets Investment Management of Unified Accumulative Pension Fund Joint Stock Company (UAPF JSC)

As of May 01, 2019 UAPF JSC pension assets (hereinafter referred to as PA) under fiduciary management of the National Bank of RK (hereinafter, NBRK) amounted to KZT 9,761.91 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

<i>KZT bln</i>					
Name	Current Value as of 01/01/2019	Share as of 01/01/2019	Current Value as of 01/05/2019	Share as of 01/05/2019	Increase/Decrease from the Beginning of the Year
Government securities of RK	4,057.98	43.27%	4,150.35	42.52%	2.28%
Foreign government securities	1,191.92	12.71%	1,489.75	15.26%	24.99%
IFO	170.96	1.82%	240.95	2.47%	40.94%
Corporate bonds of RK issuers	42.06	0.45%	30.96	0.32%	-26.39%
Bonds of quasi public organizations of RK	1,299.90	13.86%	1,303.75	13.36%	0.30%
Bonds of second tier banks of RK	1,264.78	13.49%	1,282.18	13.13%	1.38%
Corporate bonds of foreign issuers	8.85	0.09%	9.17	0.09%	3.59%
Bonds of foreign quasi public organizations	232.92	2.48%	231.41	2.37%	-0.65%
PPN	33.95	0.36%	34.37	0.35%	1.25%
Shares and depository receipts of RK issuers	224.40	2.39%	237.90	2.44%	6.02%
Shares and depository receipts of foreign issuers	20.42	0.22%	24.21	0.25%	18.54%
Deposits	277.65	2.96%	264.90	2.71%	-4.59%
Deposits in NBRK	154.07	1.64%	185.00	1.90%	20.07%
Deposits in foreign banks	343.16	3.66%	224.12	2.30%	-34.69%
Cash on investment accounts	126.69	1.35%	43.47	0.45%	
Other assets (accounts receivable ² , past-due accounts, provisions)	15.23	0.16%	20.61	0.21%	
Assets under external management by Aviva Investors Global Services Limited*	82.80	0.88%	88.17	0.90%	6.49%
Total PA under fiduciary management of NBRK**	9,378.03**	100.00%	9,761.91***	100.00%	4.09%
Cash on investment accounts for settlement of transactions	169.71		99.36		
Cash on contribution and benefit payment accounts	7.12		2.47		
Total PA	9,554.86		9,863.74		3.23%

* - Within Global Bonds of Developing Markets mandate

** - Taking into account dues for the transactions consummated in amount of KZT 169.71 bln

*** - Taking into account dues for the transactions consummated in amount of KZT 99.36 bln

Average yield to maturity of debt financial instruments in the Fund's PA investment portfolio as of May 01, 2019 is 7.0% including those nominated in KZT – 8.4% and nominated in foreign currency – 3.9% per annum.

Government securities of the Republic of Kazakhstan

The main part of UAPF PA portfolio is occupied by government securities of RK with the current value of KZT 4,150.35 increasing by KZT 230.00 bln. Their share in the portfolio amounted to 42.52%.

In the reporting period the following instruments were acquired:

¹ less cash on contribution and benefit payment accounts.

² accounts receivable include amounts to receive on interest and/or principle debt on coupon date, but not maturity date in accordance with prospectus of share issue.

- short-term discount notes of NBRK in amount of KZT 476.42 bln with a weighted average yield 8.73% per annum;

- Government securities of the Ministry of Finances of RK nominated in KZT in amount of KZT 46.00 bln with yield to maturity 8.69% per annum.

During the reporting period, government securities of the Ministry of Finances and the discount notes of NBRK were redeemed in amount of KZT 275.67 bln.

As of the reporting date, the average yield to maturity of KZT nominated government securities of RK in UAPF PA portfolio is 7.3% per annum, while those nominated in USD – 4.4% per annum.

Foreign government securities

Current value of foreign government securities for the reporting month decreased by KZT 16.26 bln and amounted to KZT 1,489.75 bln. Their share in the portfolio is 15.26%.

In the reporting period short-term US Government securities were acquired in amount of KZT 168.71 bln on their nominal value with average yield to maturity 2.43% per annum.

In the reporting period foreign government securities redeemed in amount of KZT 132.64 bln.

In the reporting period remaining part of government securities of the Republic of Azerbaijan was sold in amount of KZT 54.36 bln (USD 143.46 mln).

The average yield to maturity of foreign government securities in UAPF PA portfolio as of reporting date is 3.4% per annum.

Bonds of International Financial Organizations

The current value of bonds of International Financial Organizations for the reporting month increased by KZT 30.78 bln and amounted to KZT 240.95 bln. Their share in the portfolio is 2.47%.

There were acquired indexed bonds of the European Bank for Reconstruction and Development in amount of KZT 30.00 bln by their nominal value with return equal to inflation rate and premium of 1% per annum.

No other transactions with the securities of International Financial Organizations took place in the reporting period.

The average weighted yield to maturity of the bonds of the International Financial Organizations nominated in KZT is 5.9% per annum while the ones nominated in USD – 5.0%.

Deposits in the second-tier banks of the Republic of Kazakhstan

The current value of deposits in second-tier banks of RK having a weighted average maturity period of 5.08 years in the reporting month decreased by KZT 1.25 bln and amounted to KZT 264.90 bln. Their share in the portfolio is 2.71%.

In the reporting period partial early payment of deposits of second-tier banks of RK in the amount of KZT 1.62 bln took place. There were no allocations into deposits of STB RK.

The weighted average yield to maturity of deposits of second-tier banks of RK as of the reporting date is 9.4% per annum.

Deposits in foreign banks

The current value of deposits in foreign banks with a weighted average maturity period of 2 months for the reporting month increased by KZT 6.89 bln and amounted to KZT 224.12 bln. Their share in the portfolio is 2.30%.

There were deposits in foreign banks nominated in US Dollars and allocated in amount of KZT 213.00 bln with a weighted average yield of 2.65% per annum.

In the reporting period there was a deposit redeemed in amount of KZT 205.81 bln.

The weighted average yield to maturity of deposits in the foreign banks in PA portfolio is 2.9% per annum.

Deposits in the National Bank of the Republic of Kazakhstan

The current value of deposits in the National Bank amounted to KZT 185.00 bln. Their share is 1.90%.

In the reporting month within the current liquidity management in order to maintain return on PA KZT 5,806.00 bln were invested in overnight deposits of the National Bank of RK with average yield to maturity 8.14% per annum. In the reporting period deposits were redeemed in amount of KZT 5,886.00 bln.

The weighted average yield to maturity of deposits in the National Bank of the Republic of Kazakhstan is 8.00% per annum.

Corporate bonds of the issuers of the Republic of Kazakhstan

The current value of the corporate bonds of RK issuers increased by KZT 0.18 bln and amounted to KZT 30.96 bln. Their share in the portfolio amounted to 0.32%.

There were no purchases of RK corporate bonds in the reporting period.

The weighted average yield to maturity of corporate bonds of RK issuers in UAPF PA portfolio is 8.0%.

Bonds of quasi-public organizations of the Republic of Kazakhstan

The current value of the bonds of RK quasi-public organizations in the reporting month increased by KZT 0.66 bln and amounted to KZT 1,303.75 bln. Their share in the portfolio amounted to 13.36%.

In the reporting period there was early payment of principal debt on bonds of KazMunaiGas JSC in amount of KZT 3.86 bln.

There were no purchases, and sales of the bonds of the quasi-public organizations of the RK issuers in the reporting period.

As of the reporting date, the weighted average yield to maturity of RK quasi-public organizations bonds nominated in KZT is 10.3% while of those nominated in USD – 5.0% per annum.

Bonds of the second-tier banks of the Republic of Kazakhstan

The current value of the bonds of the second-tier banks of RK decreased by KZT 13.31 bln and amounted to KZT 1,282.18 bln. Their share in the portfolio is 13.13%.

The bonds of the Halyk Bank of Kazakhstan JSC and Tsessnabank JSC were redeemed in the amount of KZT 5.48 bln as well as bonds of BankCenterCredit in amount of KZT 14.98 bln (the repayment is expected in period from 26/04/2019 to 15/05/2019). There were no other transactions with bonds of STB RK.

The weighted average yield to maturity of bonds of the second-tier banks of RK nominated in KZT amounted to 10.0%, while of those nominated in USD – 6.5% per annum.

Corporate bonds of foreign issuers

The current value of the corporate bonds of foreign issuers in the report period amount increased by KZT 0.06 bln and amounted to KZT 9.17 bln. Their share in the portfolio amounted to 0.09%.

Within the reporting period there were no acquisitions, redemptions, sales of the corporate bonds of foreign issuers.

The weighted average yield to maturity of the corporate bonds of foreign issuers in UAPF PA portfolio as of the reporting date is 7.8% per annum.

Bonds of the quasi-public sector foreign issuers

The current value of the bonds of foreign quasi-public organizations in the reporting month increased by KZT 0.80 bln and amounted to KZT 231.41 bln. Their share in the portfolio is 2.37%.

Within the reporting period there were no acquisitions, redemptions, sales of the corporate bonds of foreign quasi-public organizations.

The weighted average yield to maturity of the bonds of foreign quasi-public organizations in UAPF PA portfolio is 4.6%

PPN (structured notes) of the foreign issuers

The current value of PPN (structured notes) in the reporting month increased by KZT 0.21 bln and amounted to KZT 34.37 bln. Their share in portfolio is 0.35%.

In the reporting period there were no acquisitions, redemptions and sales of foreign PPN (structured notes).

Shares and depository receipts of issuers of the Republic of Kazakhstan

The current value of shares and depository receipts of RK issuers in the report period increased by KZT 9.46 bln and amounted to KZT 237.90 bln. Their share in the portfolio came to 2.44%.

No shares and depository receipts of RK issuers were acquired.

Shares and depository receipts of foreign issuers

The current value of shares and depository receipts of foreign issuers in the reporting month increased by KZT 0.56 bln and amounted to KZT 24.21 bln. Their share in portfolio amounted to 0.25%.

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

FX structure

UAPF PA investment portfolio of financial instruments by currencies in which the financial instruments nominated is presented in Table 2.

Table 2. Structure of UAPF PA investment portfolio under fiduciary management of NBRK by currencies

Currency	<i>KZT bln</i>				
	Current Value as of 01/01/2019	Share as of 01/01/2019	Current Value as of 01/05/2019	Share as of 01/05/2019	Increase/Decrease from the Beginning of the Year
National currency	6,304.73	67.23%	6,613.15	67.74%	4.89%
US dollar	3,035.86	32.37%	3,107.63	31.83%	2.36%
Russian ruble	30.28	0.32%	32.96	0.34%	8.84%
Other currencies	7.16	0.08%	8.17	0.08%	14.10%
Total:	9,378.03	100.00%	9,761.91	100.00%	4.09%

Investment results

The investment return from the beginning of the year amounted to KZT 172.39 bln in result of PA investment activity as well as due to FX volatility and change of the market value of financial instruments. Return of UAPF PA distributed on members' accounts from the beginning of 2019 is 1.62%.

As of May 01, 2019 the return of the UAPF PA distributed to the accounts of the contributors (beneficiaries) in the last 12 months (May 2018 – May 2019) amounted to 10.70% at the inflation rate of 4.90%. So the actual return of UAPF PA was 5.80%.

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

Table 3. Structure of investment return on UAPF PA under fiduciary management of NBRK

Description	<i>KZT bln</i>
	Investment Return in 2019
Income as remuneration on securities including deposits and Reverse REPO	214.31
Income (loss) of market revaluation	-29.51
Income (loss) of FX revaluation	-20.82
Income (loss) of external management	5.38
Other income (loss)	3.03
Total:	172.39

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 01/05/2019 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)
1	Foreign issuers:	23.99%	yes
1.1	Government, Agents and IFO securities:	18.58%	yes
1)	with 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	18.08%	yes
2)	with rating from BB+ to BB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.50%	yes
1.2	Corporate debt securities:	2.51%	yes
1)	with securities and/or issuer's 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.	2.40%	yes
2)	with securities and/or issuer's rating from BB+ to BB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.11%	yes
1.3	MBS and ABS with securities and/or issuer's 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.	0.00%	yes
1.4	Shares, deposit receipts on shares	0.25%	yes
1.5	Deposits in the foreign banks with rating of no less than "A-" on international scale of Standard & Poor's or rating of same level of one of the other rating agencies	2.30%	yes
1.6	Structured products of issuers with 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	0.35%	yes
1.7	Islamic Financing Financial instruments :	0.00%	yes
1)	with securities and/or issuer's 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.	0.00%	yes
2)	with securities and/or issuer's rating from BB+ to BB- on international scale of Standard & Poor's or rating of same level of one of the other rating agencies.	0.00%	yes
2	Kazakhstani issuers:	76.11%	yes
2.1	GS RK issued by Ministry of Finance of RK, National Bank of RK	42.52%	yes
2.1-1	GS RK issued by local executive bodies of RK	0.00%	yes
2.1-2	Deposits of the National Bank of RK	1.90%	yes
2.2	Securities of the quasi-public sector	14.49%	yes
2.3	Financial instruments of Kazakhstani second tier banks	16.85%	yes
2.4	Non-Government securities except for debt securities of the quasi-public sector and second tier banks of the Republic of Kazakhstan, with securities and/or issuer's 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	0.09%	yes
2.4-1	Non-Government securities issued under guaranty and / or warranty of the Government of RK	0.00%	yes
2.5	Non-Government securities except for share securities of the quasi-public sector and second tier banks of the Republic of Kazakhstan included into the first category of the KASE official list	0.27%	yes
2.6	Islamic Financing Financial instruments included into official list of KASE	0.00%	yes

Table 5. UAPF PA investment limits on certain types of financial instruments

No.	Financial Instrument Types	Actual Value (Expressed as Percentage from the PA)	Performance (Yes/No)
1	Standard derivative financial instruments	0.00%	Yes
1)	In case if derivative financial instruments are used for hedging investment risk	0.00%	Yes
2	Gold in bars and AU metallic accounts	0.00%	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

**Information on acquisitions, sales and redemptions of the financial instruments
in UAPF PA investment portfolio**

Table 6. Information on financial instruments acquired in the reporting month

Transaction Date	Maturity Date	Instrument Type	Security's Issuer	ISIN	Nominal Value in KZT
01/04/2019	02/05/2019	GS RK	The National Bank of RK	KZW100011037	100,000,000,000
03/04/2019	08/08/2019	US GS	US Government	US912796SC42	56,874,000,000
04/04/2019	15/08/2019	US GS	US Government	US912796QV41	56,743,500,000
08/04/2019	08/05/2019	GS RK	The National Bank of RK	KZW100011052	11,492,857,900
08/04/2019	10/05/2031	GS RK	RK Government	KZKD00000964	10,000,000,000
08/04/2019	08/05/2019	GS RK	The National Bank of RK	KZW100011052	79,900,000,000
15/04/2019	15/05/2019	GS RK	The National Bank of RK	KZW100011078	93,981,174,500
16/04/2019	05/09/2019	US GS	The US Government	US912796SG55	55,094,200,000
22/04/2019	22/05/2019	GS RK	The National Bank of RK	KZW100011086	91,041,644,600
22/04/2019	11/02/2037	GS RK	RK Government	KZKD00001079	16,000,000,000
23/04/2019	25/04/2024	Eurobond	EBRD	XS1982112069	30,000,000,000
29/04/2019	29/05/2019	GS RK	The National Bank of RK	KZW100011102	100,000,000,000
29/04/2019	29/01/2035	GS RK	RK Government	KZKD00000832	20,000,000,000
Total					721,127,377,000

Table 7. Information on financial instruments sold in the reporting month

Transaction Date	Maturity Date	Instrument Type	Securities' Issuer	ISIN	Nominal Value in KZT
08/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	18,309,705,912
09/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	9,959,308,991
10/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	8,348,001,274
11/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	1,667,744,467
15/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	1,665,337,711
16/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	9,993,299,655
17/04/2019	01/09/2032	Government securities of the Republic of Azerbaijan	The Government of the Republic of Azerbaijan	XS1678623734	4,415,809,345
30/04/2019	16/05/2019	US GS	The US Government	US912796RQ47	38,067,385,340
Total					92,426,592,695

Table 8. Data on the Placement in relation to the Deposits in the Reporting Month

Transaction Date	Maturity Date	Name of the Bank	Transaction Amount in KZT
01/04/2019	02/04/2019	The National Bank of RK	266,000,000,000
02/04/2019	03/04/2019	The National Bank of RK	271,000,000,000
03/04/2019	04/04/2019	The National Bank of RK	313,000,000,000
04/04/2019	05/04/2019	The National Bank of RK	315,000,000,000
05/04/2019	08/04/2019	The National Bank of RK	322,000,000,000
08/04/2019	09/04/2019	The National Bank of RK	312,000,000,000
09/04/2019	10/04/2019	The National Bank of RK	313,000,000,000
10/04/2019	11/07/2019	CREDIT AGRICOLE	37,933,000,000
10/04/2019	11/04/2019	The National Bank of RK	256,000,000,000
11/04/2019	12/04/2019	The National Bank of RK	259,000,000,000

12/04/2019	15/04/2019	The National Bank of RK	259,000,000,000
15/04/2019	16/04/2019	The National Bank of RK	261,000,000,000
15/04/2019	17/07/2019	DBS BANK LTD	60,729,600,000
16/04/2019	17/04/2019	The National Bank of RK	270,000,000,000
17/04/2019	18/04/2019	The National Bank of RK	280,000,000,000
18/04/2019	19/04/2019	The National Bank of RK	287,000,000,000
19/04/2019	22/04/2019	The National Bank of RK	289,000,000,000
22/04/2019	23/04/2019	The National Bank of RK	276,000,000,000
23/04/2019	24/04/2019	The National Bank of RK	290,000,000,000
24/04/2019	25/04/2019	The National Bank of RK	211,000,000,000
24/04/2019	25/07/2019	ING BANK N.V.	54,891,200,000
25/04/2019	26/04/2019	The National Bank of RK	190,000,000,000
26/04/2019	29/04/2019	The National Bank of RK	198,000,000,000
29/04/2019	30/04/2019	The National Bank of RK	183,000,000,000
30/04/2019	01/08/2019	BANK OF TOKYO-MITSUBISHI	59,448,480,000
30/04/2019	02/05/2019	The National Bank of RK	185,000,000,000
Total			6,019,002,280,000

Table 9. Data on the Repayment of the Principal Debt for Securities in the Reporting Month

ISIN	Instrument Type	Security's Issuer	Actual Maturity Date	Amount Repayable in KZT
KZW100010963	GS RK	The National Bank of RK	03/04/2019	140,000,000,000
US912796RD34	US GS	The US Government	04/04/2019	94,572,500,000
XS1134544151	Eurobonds	KazMunaiGaz JSC	04/04/2019	3,858,558,000
KZW100007977	GS RK	The National Bank of RK	05/04/2019	1,600,350,000
KZW100010971	GS RK	The National Bank of RK	10/04/2019	32,071,113,000
KZW100010997	GS RK	The National Bank of RK	17/04/2019	100,000,000,000
KZ2C00002616	Bonds	Tsessnabank JSC	22/04/2019	2,981,480,000
KZK200000620	GS RK	The Government of RK	24/04/2019	2,000,000,000
KZ2C00000800	Bonds	Halyk Bank of Kazakhstan JSC	26/04/2019	2,499,900,000
Total				379,583,901,000

Table 10. Data on the Repayment of the Principal Debt for the Deposits in the Reporting Month

Transaction Date	Bank	Transaction Amount in KZT
01/04/2019	The National Bank of RK	265,000,000,000
02/04/2019	The National Bank of RK	266,000,000,000
03/04/2019	The National Bank of RK	271,000,000,000
04/04/2019	The National Bank of RK	313,000,000,000
04/04/2019	Bank Kassa Nova JSC	23,000,000
05/04/2019	The National Bank of RK	315,000,000,000
08/04/2019	The National Bank of RK	322,000,000,000
09/04/2019	The National Bank of RK	312,000,000,000
09/04/2019	VTB Bank (Kazakhstan) SB JSC	60,000,000
10/04/2019	The National Bank of RK	313,000,000,000
10/04/2019	SOCIETE GENERALE PARIS	60,692,800,000
11/04/2019	The National Bank of RK	256,000,000,000
12/04/2019	The National Bank of RK	259,000,000,000
15/04/2019	The National Bank of RK	259,000,000,000
15/04/2019	BANK OF TOKYO-MITSUBISHI	48,204,120,000
16/04/2019	The National Bank of RK	261,000,000,000
17/04/2019	The National Bank of RK	270,000,000,000
18/04/2019	The National Bank of RK	280,000,000,000
19/04/2019	The National Bank of RK	287,000,000,000
22/04/2019	The National Bank of RK	289,000,000,000
22/04/2019	DBS BANK LTD	37,711,000,000
23/04/2019	The National Bank of RK	276,000,000,000
24/04/2019	The National Bank of RK	290,000,000,000
25/04/2019	The National Bank of RK	211,000,000,000
26/04/2019	The National Bank of RK	190,000,000,000
29/04/2019	CREDIT AGRICOLE	59,200,700,000
29/04/2019	The National Bank of RK	198,000,000,000

30/04/2019	The National Bank of RK	183,000,000,000
30/04/2019	VTB Bank (Kazakhstan) SB JSC	65,000,000
30/04/2019	AsiaCredit Bank JSC	807,511,267
30/04/2019	AsiaCredit Bank JSC	661,045,886
Total		6,093,425,177,153