

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

As of January 01, 2022 UAPF JSC pension assets (hereinafter referred to as PA) under fiduciary management of the National Bank of RK (hereinafter, NBRK) amounted to KZT 13,046.57 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

Description	Current Value as of 01.01.2021	Share as of 01.01.2021	Current Value as of 01.01.2022	Share as of 01.01.2022	Increase, Decrease from the Beginning of the Year
Government securities of MF RK	5,648.40	43.80%	5,104.82	39.13%	-9.62%
Notes of NB RK	81.65	0.63%	-	0.00%	-100.00%
Foreign government securities	1,280.10	9.93%	2,500.81	19.17%	95.36%
IFO	531.43	4.12%	407.31	3.12%	-23.36%
Corporate bonds of RK issuers	29.80	0.23%	18.19	0.14%	-38.96%
Bonds of quasi-public organizations of RK	1,821.67	14.13%	1,670.05	12.80%	-8.32%
Bonds of second tier banks of RK	1,158.49	8.98%	1,046.62	8.02%	-9.66%
Corporate bonds of foreign issuers	6.89	0.05%	3.93	0.03%	-42.97%
Bonds of foreign quasi-public organizations	256.44	1.99%	-	0.00%	-100.00%
PPN	33.34	0.26%	10.70	0.08%	-67.90%
Shares and depository receipts of RK issuers	294.31	2.28%	304.07	2.33%	3.31%
Shares and depository receipts of foreign issuers	30.50	0.24%	-	0.00%	-100.00%
Deposits	251.71	1.95%	251.71	1.93%	0.00%
NBRK Deposits	332.19	2.58%	127.00	0.97%	-61.77%
Deposits in foreign banks	282.90	2.19%	-	0.00%	-100.00%
Cash on investment accounts	12.02	0.09%	434.75	3.33%	
Repo	26.25	0.20%	215.74	1.65%	721.92%
Assets under external management	816.53	6.33%	1,382.50	10.60%	69.32%
Total PA under fiduciary management of NBRK	12,894.60	100.00%	13,046.57*	100.00%	1.18%
Cash on contribution and benefit payment accounts			431.64		
Total Pension Assets	22.51		25.87		
Government securities of MF RK	12,917.11		13,504.08		

* - taking into account obligations payable on completed transactions in the amount of KZT431.64 bln

As of 01.01.2022 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 7.8% per annum, including those denominated in tenge – 9.7% per annum, in foreign currency – 1.3% per annum.

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

The main share in the UAPF PA portfolio is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which for the reporting month increased by KZT10.70 bln and amounted to KZT5,104.82 bln. Their share in the portfolio amounted to 39.13%.

¹ less cash on contribution and benefit payment accounts.

In the reporting period, as part 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 in the amount of KZT10.46 bln were sold, and government securities of the Ministry of Finance of the Republic of Kazakhstan were redeemed in the amount of KZT 3.40 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 9.68 bln with a weighted average yield of 10.60% 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 9.4% per annum, in US dollars - 3.4% per annum.

Foreign government securities

The current value of government securities of foreign states for the reporting month increased by KZT 320.94 bln and amounted to KZT 2,500.81 bln. Their share in the portfolio was 19.17%.

In the reporting period, 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 amount of KZT 524.94 bln.

In the period under review, short-term and as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, medium-term US GS in the total volume of KZT 851.87 bln with an average weighted yield of 0.22% per annum, as well as GS of Mexico and Colombia in the total volume of KZT 5.65 bln with an average weighted yield of 4.30% per annum.

The weighted average yield to maturity of government securities of foreign states in the UAPF PA portfolio as of the reporting date was 1.2% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations for the reporting month decreased by KZT 69.85 bln and amounted to KZT 407.31 bln. Their share in the portfolio was 3.12%.

In the period under review, the bonds of the European Bank for Reconstruction and Development in the amount of KZT 64.00 bln were redeemed, and the principal debt on the bonds of the European Bank for Reconstruction and Development in the amount of KZT 39.00 bln was paid (the decrease in the current value occurred in the previous month).

There were no purchases and 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 10.1% 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 second-tier banks of the Republic of Kazakhstan with a weighted average maturity of 2.69 years increased by KZT 1.90 bln during the reporting month and amounted to KZT 251.71 bln. Their share in the portfolio was 1.93%.

There were no placements and repayments of deposits of 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 9.1% per annum.

Deposits in foreign banks

In the reporting month there was a repayment of deposits in foreign banks in the amount of KZT 174.10 bln.

There were no placements of deposits in foreign banks in the period under review.

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 127.00 bln. Their share in the portfolio was 0.97%.

In the reporting month, within the framework of current liquidity management in order to maintain profitability on pension assets, investments were made in deposits of the National Bank of the Republic of Kazakhstan. The average volume of transactions amounted to KZT 125.33 bln with an average weighted yield of 8.87% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of corporate bonds of RK issuers for the reporting month decreased by KZT 5.76 bln and amounted to KZT 18.19 bln. Their share in the portfolio was 0.14%.

In the reporting period, in accordance with the maturity date set in the prospectus, the principal debt on bonds of Fincraft Resources JSC was repaid in the amount of KZT 10.52 bln.

There were no purchases and sales of corporate bonds of issuers of the Republic of Kazakhstan.

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 62.33 bln and amounted to KZT 1,670.05 bln. Their share in the portfolio was 12.80%.

In the reporting period, in accordance with the maturity date set in the prospectus, the principal debt on the bonds of Agrarian Credit Corporation JSC was repaid in the amount of KZT 7.57 bln.

There were no purchases and sales 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 second-tier banks of the Republic of Kazakhstan for the reporting month increased by KZT 10.78 bln and amounted to KZT 1,046.62 bln. Their share in the portfolio was 8.02%.

In the reporting period, in accordance with the maturity date set in the prospectus, the principal debt on bonds of SB Home Credit and Finance Bank JSC in the amount of KZT 7.85 bln was repaid.

In the period under review, within the framework of the Economy of Simple Things program, bonds of Eurasian Bank JSC and Bank RBK JSC were purchased in the total amount of KZT 15.76 bln with an average weighted yield of 11.85%.

There were no sales of bonds of second-tier banks of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of second-tier banks of the Republic of Kazakhstan amounted to 10.0% per annum.

Corporate bonds of foreign issuers

The current value of corporate bonds of foreign issuers amounted to KZT 3.93 bln. Their share in the portfolio was 0.03%.

There were no purchases, sales or redemptions 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 10.5% 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 10.70 bln. Their share in the portfolio was 0.08%.

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 RK issuers for the reporting month decreased by KZT 167.01 bln and amounted to KZT 304.07 bln. Their share in the portfolio was 2.33%.

In the period under review, as part of the buyback, the issuer sold common shares and depository receipts of Halyk Bank of Kazakhstan JSC for a total of KZT 141.31 bln.

There were no purchases of shares and depository receipts of RK 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

<i>KZT bln</i>					
Currency	Current Value as of 01.01.2021	Share as of 01.01.2021	Current Value as of 01.01.2022	Share as of 01.01.2022	Increase, Decrease from the Beginning of the Year
National Currency	9,143.27	70.91%	8,770.15	67.22%	-4.08%
US dollar	3,726.85	28.90%	4,267.46	32.71%	14.51%
Russian ruble	17.48	0.14%	8.41	0.06%	-51.91%
Other currencies	7.00	0.05%	0.55	0.00%	-92.09%
Total:	12,894.60	100.00%	13,046.57	100.00%	1.18%

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 2021 amounted to KZT 1,398.85 bln. The return on pension assets of the UAPF, distributed to the accounts of contributors (beneficiaries) for 2021, amounted to 11.13% with inflation of 8.40%. Thus, the real yield on UAPF pension assets amounted to 2.73%.

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, which are in fiduciary management of the NBRK

<i>KZT bln</i>	
Description	Investment return of 2021
Income in the form of interest on securities, including on placed deposits and reverse REPO operations.	873.20
Income (loss) from market revaluation of securities	146.57
Income (loss) from revaluation of foreign currency	68.32
Income (loss) on assets under external management	140.97
Other income (loss)	169.79
Total:	1,398.85

Information on compliance with the Investment Declaration parameters

The structural distribution of UAPF PA in trust meets the requirements of the UAPF Investment Declaration. 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 January 1, 2022 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	3.33%	yes
1	Kazakhstani issuers:	64.41%	

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	39.13%	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	0.97%	yes
1.3	Securities of the quasi-public sector entities	14.87%	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:	9.26%	yes
1)	Debt securities	7.28%	yes
2)	Equity securities	0.05%	yes
3)	Deposits	1.93%	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	0.18%	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
2	Foreign issuers:	32.65%	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	23.10%	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	5.11%	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	4.36%	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	0.00%	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	0.14%	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, KZT
GS USA	USD	Government of USA (net purchases)	326,932,634,301
Bonds	KZT	Bank RBK JSC	12,682,834,000
GS Columbia	USD	Government of Columbia	3,475,200,000
Bonds	KZT	Eurasian Bank JSC	3,076,693,700
GS Mexico	USD	Government of Mexico	2,172,300,000
Total			348,339,662,001

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

Instrument	Currency	Issuer	Transaction Amount, KZT
Ordinary shares	KZT	Halyk Bank of Kazakhstan JSC	127,245,926,861
Depository receipts	USD	Halyk Bank of Kazakhstan JSC	14,063,153,196
GS RK	USD/KZT	Government of RK (net sales)	782,570,773
Total			142,091,650,830

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

Instrument	Currency	Issuer	Transaction Amount, KZT
Eurobonds	KZT	European Bank for Reconstruction and Development	103,000,000,000
Bonds	KZT	Fincraft Resources JSC	10,522,647,700
Bonds	KZT	Home Credit and Finance Bank SB JSC	7,847,900,000
Bonds	KZT	Agrarian Credit Corporation JSC	7,567,724,000
GS RK	KZT	Government of RK	3,399,000,000
Total			132,337,271,700

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

Type	Currency	Bank	Amount to be paid, KZT
Deposit	USD	DBS BANK	65,377,500,000
Deposit	USD	Canadian Imperial Bank of Commerce	43,576,000,000
Deposit	USD	Mizuho Corporate Bank	43,353,000,000
Deposit	USD	Bank of Montreal	21,792,500,000
Total			174,099,000,000