

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

As of October 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 13,088.87 bln<sup>1</sup>.

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 01.10.2021	Share as of 01.10.2021	Increase/Decrease from the Beginning of the Year
Government securities of MF RK	5,648.40	43.80%	4,958.73	37.89%	-12.21%
Notes of NB RK	81.65	0.63%	-	0.00%	-100.00%
Foreign government securities	1 280.10	9.93%	1 340.12	10.24%	4.69%
IFO	531.43	4.12%	515.44	3.94%	-3.01%
Corporate bonds of RK issuers	29.80	0.23%	23.47	0.18%	-21.24%
Bonds of quasi-public organizations of RK	1 821.67	14.13%	1 737.85	13.28%	-4.60%
Bonds of second tier banks of RK	1 158.49	8.98%	1 042.37	7.96%	-10.02%
Corporate bonds of foreign issuers	6.89	0.05%	3.89	0.03%	-43.56%
Bonds of foreign quasi-public organizations	256.44	1.99%	-	0.00%	-100.00%
PPN	33.34	0.26%	10.26	0.08%	-69.21%
Shares and depository receipts of RK issuers	294.31	2.28%	420.18	3.21%	42.77%
Shares and depository receipts of foreign issuers	30.50	0.24%	0.20	0.002%	-99.33%
Deposits	251.71	1.95%	248.28	1.90%	-1.37%
NBRK Deposits	332.19	2.58%	390.15	2.98%	17.45%
Deposits in foreign banks	282.90	2.19%	931.15	7.11%	229.15%
Cash on investment accounts	12.02	0.09%	152.89	1.17%	1171.47%
Repo	26.25	0.20%	-	0.00%	-100.00%
Assets under external management	816.53	6.33%	1,313.88	10.04%	60.91%
<b>Total PA under fiduciary management of NBRK</b>	<b>12,894.60</b>	<b>100.00%</b>	<b>13,088.87</b>	<b>100.00%</b>	<b>1.51%</b>
Cash on contribution and benefit payment accounts	22.51		7.34		
<b>Total Pension Assets</b>	<b>12,917.11</b>		<b>13,096.22</b>		<b>1.39%</b>

As of 01.10.2021 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 7.7% per annum, including those denominated in tenge – 9.7% per annum, in foreign currency – 0.6% per annum.

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

The main share in the portfolio of PA UAPF is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which for the reporting month decreased by KZT 12.02 bln and amounted to KZT 4,958.73 bln. Their share in the portfolio was 37.89%.

<sup>1</sup> less cash on contribution and benefit payment accounts.

In the reporting period, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, Eurobonds of the Ministry of Finance of the Republic of Kazakhstan were sold in the amount of KZT 79.97 bln. There were no repayments of government securities of the Ministry of Finance of the Republic of Kazakhstan.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT 30.00 bln with an average weighted yield of 10.80% 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 9.3% per annum, in US dollars - 3.8% per annum.

### **Foreign government securities**

The current value of government securities of foreign countries for the reporting month increased by KZT 13.53 bln and amounted to KZT 1,340.12 bln. Their share in the portfolio was 10.24%.

In the reporting period, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, government securities of foreign states (USA, Peru, Philippines, Indonesia and Chile) were sold in the total volume of KZT 167.09 bln, and also the repayment of US government securities in the amount of KZT 353, 24 bln.

In the period under review, short-term US government securities were purchased in the amount of KZT 378.92 bln with a weighted average yield of 0.05% per annum, as well as within the framework of the transition to index management in accordance with paragraph 27 of the UAPF Investment Declaration, government securities of Mexico, Qatar, Colombia, Kuwait, Indonesia were acquired, Saudi Arabia and Abu Dhabi in a total volume of KZT 138.75 bln with a weighted average yield of 2.39% per annum.

There were no repayments of government securities of foreign states.

The weighted average yield to maturity of government securities of foreign countries in the UAPF PA portfolio as of the reporting date amounted to 0.4% per annum.

### **Bonds of international financial organizations**

The current value of bonds of international financial organizations for the reporting month decreased by KZT 0.39 bln and amounted to KZT 515.44 bln. Their share in the portfolio was 3.94%.

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 10.1% 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 STBs of the Republic of Kazakhstan with an average weighted maturity of 2.95 years decreased by KZT 3.76 bln during the reporting month and amounted to KZT 248.28 bln. Their share in the portfolio was 1.90%.

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

The weighted average yield to maturity of deposits of second-tier banks of the Republic of Kazakhstan as of the reporting date was 9.1% per annum.

### **Deposits in foreign banks**

The current value of deposits in foreign banks as of the reporting date amounted to KZT 931.15 bln. Their share in the portfolio was 7.11%.

In the reporting month, deposits in foreign banks were repaid in the amount of KZT 247.78 bln.

In the period under review, in order to maintain the yield of the foreign exchange portfolio, deposits with foreign banks with maturities from 2 to 3 months, denominated in US dollars, were placed in the amount of KZT 223.63 bln with an average weighted yield of 0.10% 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 390.15 bln. Their share in the portfolio was 2.98%.

In the reporting month, within the framework of current liquidity management in order to maintain profitability 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 156.20 bln with an average weighted yield of 8.69% per annum.

### **Corporate bonds of issuers of the Republic of Kazakhstan**

The current cost of corporate bonds of RK issuers for the reporting month increased by KZT 1.47 bln and amounted to KZT 23.47 bln. Their share in the portfolio was 0.18%.

There were no purchases, sales, 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 increased by KZT 10.54 bln and amounted to KZT 1,737.85 bln. Their share in the portfolio was 13.28%.

There were no purchases, redemptions, 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 STB RK for the reporting month decreased by KZT 16.02 bln and amounted to KZT 1,042.37 bln. Their share in the portfolio was 7.96%.

In the period under review, bonds of RBK Bank JSC were sold in the amount of KZT 45.81 bln, and bonds of RBK Bank JSC were purchased in the amount of KZT 24.50 bln with a yield of 12.50% per annum. There were no redemptions of bonds of STB RK.

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

### **Corporate bonds of foreign issuers**

The current value of corporate bonds of foreign issuers was KZT 3.89 bln. Their share in the portfolio was 0.03%.

In the period under review, within the framework of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, corporate Eurobonds of IBM STK were sold in the amount of KZT 0.22 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 10.6% per annum.

### **Foreign bonds of the quasi-public sector**

In the reporting period, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, quasi-government Eurobonds of the Indonesian oil and gas company Pertamina Persero PT were sold for a total amount of KZT 4.43 bln. There were no purchases and redemption of bonds of foreign issuers of the quasi-public sector.

### **PPN (structured notes) of foreign issuers**

The current cost of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT 10.26 bln. Their share in the portfolio was 0.08%.

There were no sales, redemptions and 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 increased by KZT 53.05 bln and amounted to KZT 420.18 bln. Their share in the portfolio was 3.21%. 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 was KZT 0.20 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**

<i>KZT bln</i>					
Currency	Current Value as of 01.01.2021	Share as of 01.01.2021	Current Value as of 01.10.2021	Share as of 01.10.2021	Increase/Decrease from the Beginning of the Year
National Currency	9,143.27	70.91%	8,888.68	67.91%	-2.78%
US dollar	3,726.85	28.90%	4,191.57	32.02%	12.47%
Russian ruble	17.48	0.14%	8.08	0.06%	-53.78%
Other currencies	7.00	0.05%	0.55	0.01%	-92.21%
<b>Total:</b>	<b>12,894.60</b>	<b>100.00%</b>	<b>13,088.87</b>	<b>100.00%</b>	<b>1.51%</b>

### 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 1,118.88 bln. The profitability of the UAPF pension assets distributed to the accounts of contributors (recipients) since the beginning of 2021 amounted to 8.89% with inflation of 6.20%. Thus, the real return on the UAPF's pension assets amounted to 2.69%.

At the same time, as of October 1, 2021, the profitability of pension assets for the last 12 months (from October 2020 to September 2021) for contributors (recipients) of the UAPF was 10.08% with inflation of 8.90%. Thus, over the past 12 months, the real return on the UAPF's pension assets amounted to 1.18%.

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**

<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.	660.61
Income (loss) from market revaluation of securities	128.94
Income (loss) from revaluation of foreign currency	30.45
Income (loss) on assets under external management	137.02
Other income (loss)	161.86
<b>Total:</b>	<b>1,118.88</b>

### **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 October 1, 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)
	<b>Cash KZT</b>	<b>0.01%</b>	<b>yes</b>
	<b>Cash in foreign currency</b>	<b>1.16%</b>	<b>yes</b>
<b>1</b>	<b>Kazakhstani issuers:</b>	<b>65.97%</b>	
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	37.89%	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	2.98%	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:	9.77%	yes
1)	Debt securities	6.75%	yes
2)	Equity securities	1.12%	yes
3)	Deposits	1.90%	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	0.14%	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
<b>2</b>	<b>Foreign issuers:</b>	<b>31.12%</b>	<b>yes</b>
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	15.01%	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	5.08%	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	0.0%	yes

	standard agency "Standard & Poor's" rating or a rating of a similar level from one of the other rating agencies		
2.6	Shares, depository receipts for shares	3.82%	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	7.11%	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	0.00%	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)	219,751,283,721
GS Mexico	USD	Government of Mexico	39,524,300,000
GS Qatar	USD	Government of Qatar	31,887,950,000
GS Columbia	USD	Government of Columbia	29,174,594,000
GS Kuwait	USD	Government of Kuwait	15,830,833,540
GS Saudi Arabia	USD	Government of Saudi Arabia	7,440,562,200
GS the Republic of Indonesia	USD	Government of the Republic of Indonesia (net purchases)	6,974,927,829
GS Abu Dhabi	USD	Government of Abu Dhabi	6,374,800,000
<b>Total</b>			<b>356,959,251,290</b>

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

Instrument	Currency	Issuer	Transaction Amount, KZT
GS RK	USD, KZT	Government of RK (net sales)	49,969,996,111
Bonds	KZT	Bank RBK JSC (net sales)	,21,310,400,702
QPS of the Republic of Indonesia	USD	Pertamina Persero PT	4,426,038,000
GS Republic of Peru	USD	Government of Republic of Peru	3,562,222,071
GS Republic of Philippines	USD	Government of Republic of Philippines	1,553,818,459
GS Republic of Chile	USD	Government of Republic of Chile	1,266,220,467
Eurobonds	USD	IBM STK	216,018,187
<b>Total</b>			<b>82,304,713,997</b>

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

Instrument	Currency	Issuer	Transaction Amount, KZT
GS USA	USD	Government of USA	353,235,000,000
<b>Total</b>			<b>353,235,000,000</b>

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

Instrument	Currency	Bank	Transaction Amount, KZT
Deposit	USD	Canadian Imperial Bank of commerce	85,276,000,000
Deposit	USD	Bank of Tokyo-Mitsubishi	85,198,000,000

Deposit	USD	Credit Agricole CIB Hongkong branch	31,869,000,000
Deposit	USD	Bank of Montreal	21,283,000,000
<b>Total</b>			<b>223,626,000,000</b>

**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	Natixis	77,530,180,000
Deposit	USD	Societe Generale	51,939,060,000
Deposit	USD	ING Bank N.V.	47,227,170,000
Deposit	USD	Sumitomo Mitsui Banking	45,553,110,000
Deposit	USD	Credit Agricole CIB Hongkong branch	25,528,200,000
<b>Total</b>			<b>247,777,720,000</b>