

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

As of February 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 13,096.03 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 01.01.2022	Share as of 01.01.2022	Current Value as of 01.02.2022	Share as of 01.02.2022	Increase, Decrease from the Beginning of the Year
Government securities of MF RK	5,104.82	39.13%	5,106.21	38.99%	0.03%
Foreign government securities	2,500.81	19.17%	2,257.71	17.24%	-9.72%
IFO	407.31	3.12%	400.96	3.06%	-1.56%
Corporate bonds of RK issuers	18.19	0.14%	18.11	0.14%	-0.44%
Bonds of quasi-public organizations of RK	1 670.05	12.80%	1,676.01	12.80%	0.36%
Bonds of second tier banks of RK	1 046.62	8.02%	949.57	7.25%	-9.27%
Corporate bonds of foreign issuers	3.93	0.03%	3.85	0.03%	-1.94%
PPN	10.70	0.08%	10.63	0.08%	-0.64%
Shares and depository receipts of RK issuers	304.07	2.33%	267.18	2.04%	-12.13%
Deposits	251.71	1.93%	252.88	1.93%	0.47%
NBRK Deposits	127.00	0.97%	497.10	3.80%	291.42%
Cash on investment accounts	434.75	3.33%	216.54	1.65%	
Repo	215.74	1.65%	-	-	
Assets under external management	1,382.50	10.60%	1,439.27	10.99%	4.11%
<b>Total PA under fiduciary management of NBRK</b>	<b>13,046.57*</b>	<b>100.00%</b>	<b>13,096.03</b>	<b>100.00%</b>	<b>0.38%</b>
Obligations payable on completed transactions	431.64				
Cash on contribution and benefit payment accounts	25.87		11.79		
<b>Total Pension Assets</b>	<b>13,504.08</b>		<b>13,107.83</b>		<b>-2.93%</b>

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

As of 01.02.2022 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 8.0% per annum, including those denominated in tenge – 9.8% per annum, in foreign currency – 1.7% 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 KZT1.39 bln and amounted to KZT5,106.21 bln. Their share in the portfolio amounted to 38.99%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT35 bln with a weighted average yield of 10.97% per annum. There were no redemptions and sales of government securities of the Ministry of Finance of the Republic of Kazakhstan.

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

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 decreased by KZT243.10 bln and amounted to KZT 2,257.71 bln. Their share in the portfolio was 17.24%.

In the reporting period, as part of current liquidity management, as well as index management in accordance with paragraph 27 of the UAPF Investment Declaration, US government securities were sold in the amount of KZT346.75 bln.

In the period under review, within the framework of current liquidity management, as well as index management in accordance with paragraph 27 of the UAPF Investment Declaration, short-term and medium-term US government securities were purchased in the total amount of 130.34 billion tenge with an average weighted yield of 1.19% per annum. There were no redemptions of government securities of foreign states.

The weighted average yield to maturity of government securities of foreign states in the UAPF PA portfolio as of the reporting date was 1.6% per annum.

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

The current value of bonds of international financial organizations for the reporting month decreased by KZT 6.35 bln and amounted to KZT 400.96 bln. Their share in the portfolio was 3.06%.

In the period under review, the bonds of the Asian Development Bank were redeemed in the amount of KZT 7.62 bln.

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 9.9% 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 2.61 years increased by KZT 1.17 bln during the reporting month and amounted to KZT 252.88 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 the National Bank of the Republic of Kazakhstan**

The current value of deposits in the National Bank of the Republic of Kazakhstan as of the reporting date amounted to KZT 497.10 bln. Their share in the portfolio was 3.80%.

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 KZT180.86 bln with an average weighted yield of 9.19% 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 KZT0.08 bln and amounted to KZT 18.11 bln. Their share in the portfolio was 0.14%.

There were no purchases, redemptions and sales 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 5.96 bln and amounted to KZT 1,676.01 bln. Their share in the portfolio was 12.80%.

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 second-tier banks of the Republic of Kazakhstan for the reporting month decreased by KZT 97.06 bln and amounted to KZT 949.57 bln. Their share in the portfolio was 7.25%.

In the reporting period, in accordance with the maturity date set in the prospectus, the principal debt on bonds of Halyk Bank of Kazakhstan JSC was repaid in the amount of KZT 93.62 bln.

There were no sales or purchases 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 10.2% per annum.

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

The current value of corporate bonds of foreign issuers amounted to KZT 3.85 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**

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT10.63 bln. Their share in the portfolio was 0.08%.

There were no sales, redemptions or purchases of PPN (structured notes) of 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 36.89 bln and amounted to KZT267.18 bln. Their share in the portfolio was 2.04%.

In the period under review, there were no purchases of shares and depositary 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**

Currency	Current Value as of 01.01.2022	Share as of 01.01.2022	Current Value as of 01.02.2022	Share as of 01.02.2022	<i>KZT bln</i>
					Increase, Decrease from the Beginning of the Year
National Currency	8,770.15	67.22%	8,926.99	68.17%	1.79%
US dollar	4,267.46	32.71%	4,160.28	31.77%	-2.51%
Russian ruble	8.41	0.06%	8.21	0.06%	-2.31%
Other currencies	0.55	0.00%	0.55	0.00%	-0.13%
<b>Total:</b>	<b>13,046.57</b>	<b>100.00%</b>	<b>13,096.03</b>	<b>100.00%</b>	<b>0.38%</b>

#### **Investment results**

As a result of a decline in the stock market and an increase in bond yields on both external and domestic markets, which occurred amid expectations of a more rapid pace of tightening of the Fed's

monetary policy, the amount of accrued investment income since the beginning of 2022 amounted to KZT12.13 bln. The return on pension assets of the UAPF, distributed to the accounts of contributors (beneficiaries) since the beginning of 2022, amounted to 0.08% with inflation of 0.70%

At the same time, as of February 1, 2022, the return on pension assets for the last 12 months (from February 2021 to January 2022) for UAPF contributors (beneficiaries) amounted to 9.73% with inflation of 8.50%. Thus, over the past 12 months, the real yield on UAPF pension assets amounted to 1.23%.

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**

KZT bln

Description	Investment return of 2021
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	-33.11
Income (loss) from foreign currency revaluation	10.20
Income (loss) on assets under external management	35.08
Other income (losses)	- 0.04
<b>Total</b>	<b>12.13</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 February 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	0.72%	yes
	Cash in foreign currency	0.93%	yes
<b>1</b>	<b>Kazakhstani issuers:</b>	<b>66.03%</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	38.99%	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	3.80%	yes
1.3	Securities of the quasi-public sector entities	14.57%	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:	8.49%	yes
1)	Debt securities	6.51%	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
<b>2</b>	<b>Foreign issuers:</b>	<b>30.98%</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	21.11%	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	5.05%	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	4.74%	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 RK	KZT	Government of RK	35,000,000,000
<b>Total</b>			<b>35,000,000,000</b>

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

Instrument	Currency	Issuer	Transaction Amount, KZT
US GS	USD	US Government (net sales)	216,408,687,609
<b>Total</b>			<b>216,408,687,609</b>

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

Instrument	Currency	Issuer	Transaction Amount, KZT
Bonds	KZT	Halyk Bank of Kazakhstan JSC	93,621,659,000
Bonds	KZT	Asian Development Bank	7,617,200,000
<b>Total</b>			<b>101,238,859,000</b>