

“SAPF” JSC
Information on pension assets investment management in June 2015

As of July 01, 2015 the pension assets (further – PA) of “SAPF” JSC amounted to KZT 4 928.96 bln.

Pension assets portfolio

Table 1. Structure of SAPF PA assets by financial instruments and their shares

Financial instrument	Current value in bln KZT on 01.06.2015.	Share on 01.06.2015	Current value in bln KZT on 01.07.2015.	Share on 01.07.2015	Growth of PA
Government securities of RK	2 083,05	42,87%	2 071,94	42,04%	-0,53%
Foreign government securities	51,89	1,07%	51,94	1,05%	0,11%
IFO	82,68	1,70%	82,35	1,67%	-0,39%
Corporate bonds of RK emitters	1 509,94	31,08%	1 593,14	32,32%	5,51%
Corporate bonds of foreign emitters	95,39	1,96%	92,06	1,87%	-3,49%
PPN	49,27	1,01%	41,93	0,85%	-14,90%
Shares and depository receipts of RK emitters	127,72	2,63%	109,22	2,22%	-14,49%
Shares and depository receipts of foreign emitters	10,60	0,22%	9,77	0,20%	-7,77%
Deposits	639,22	13,16%	601,99	12,21%	-5,82%
Cash on investment account	191,52	3,94%	259,16	5,26%	35,32%
Other assets (cash on payment accounts)	17,20	0,35%	15,46	0,31%	-10,18%
Total PA	4 858,46	100,00%	4 928,96	100,00%	1,45%

Average yield to maturity of the Fund’s PA investment portfolio from January 01, 2015 to June 30, 2015 was 3.04%.

Table 2. Share distribution of PA investment portfolio of SAPF

Financial instrument	Share on 01.06.2015.
Debt financial instruments	92,0%
Share financial instruments	2,4%
Cash	5,6%
Total:	100,00%

Average yield to maturity of the debt instruments in the Fund’s PA investment portfolio on July 01, 2015 was 7.11% per annum.

Changes in PA portfolio in the last month

Table 3. Pension assets investment in the last month

Financial instrument	Currency	Amount. KZT bln	Average YTM of purchase. % per annum
Bonds of RK	KZT	65,17	9,78%
Bonds of RK	USD	15,01	7,21%
Shares of RK	KZT	1,20	-
Depository receipts of RK	USD	3,98	-
Total:		85,36	8,73%

Government securities of the Republic of Kazakhstan

Government securities of RK take main share of SAPF PA portfolio. In the report month their amount was decreased by KZT 11.11 bln and came to KZT 2 071.94 bln. Their share in the portfolio came 42.04%.

Within the report month there was sale of the Government securities of RK on amount of KZT 14,91 bln. No purchase took place in report period.

Average yield to maturity of the Government securities of RK in SAPF PA portfolio decreased from 5.93% to 5.50%.

Foreign government securities

Amount of foreign government securities came to KZT 51.94 bln. Their share in the portfolio came to 1.05%.

Within the report period there were no transactions with foreign government securities.

Within the report period average yield to maturity of foreign government securities in the PA portfolio decreased from 2.82% to 2.97% per annum.

IFO Bonds

Amount of IFO bonds was increased by KZT 0.33 bln and came to KZT 82.35 bln. Their share came to 1.70% of portfolio from 1.67%.

In the report month there were no transactions with the bonds of international financial organizations.

Average yield to maturity of the IFO bonds in SAPF PA portfolio came to 7.29% per annum.

Deposits in the second tier banks of the Republic of Kazakhstan

In the period amount of STB deposits decreased by KZT 37.23 bln and came to KZT 601.99 bln. Their share decreased from 13.16% to 12.21%.

Within report period there was redemption in amount of KZT 40.2 bln. No deposits were allocated.

Average yield to maturity of STB deposits in PA portfolio was 8.82% per annum.

Corporate bonds of RK emitters

In the report month amount of corporate bonds of RK emitters increased by KZT 83.20 bln and came to KZT 1 593.14 bln. Their share increased from 31.08% to 32.32%.

There was purchase of corporate bonds of RK emitters in amount of KZT 80.18 bln with average YTM of 9.30%. At this within the report period there were bonds redeemed in amount of KZT 1.4 bln.

Average yield to maturity of corporate bonds of RK emitters came to 8.62%.

Foreign corporate bonds

In the report period amount of foreign corporate bonds increased by KZT 3.33 bln and came to KZT 92.06 bln. The share came to 1.87%.

In the report period was the repayment of corporate bonds of foreign issuers in amount of KZT 3.75 bln.

There were no foreign corporate bonds purchased or sold.

Average yield to maturity came to 7.47% per annum.

PPN

PPN amount in the report period amounted to KZT 41.93 bln with share in portfolio of 0.85%.

In the report period there was PPN redemption in amount of KZT 0.83 bln. Neither sale. Nor purchase took place.

Shares and depository receipts of RK emitters

In the report period amount of shares and depository receipts of RK emitters decreased by KZT 18.50 bln and amounted to KZT 109.22 bln. The share decreased from 2.63% to 2.22% of the portfolio.

There were shares of RK emitters purchased in amount of KZT 5.18 bln. In the report period was the sale of shares of issuers of RK in the amount of KZT 22.33 bln.

Foreign shares and depository receipts

In the report period amount of foreign shares and depository receipts increased by KZT 0.83 bln and amounted to KZT 9.77 bln. Their share in portfolio came to 0.20%.

There were neither sales nor purchases of these instruments in the period.

Structure of PA portfolio by currencies

Table 4. Structure of SAPF PA portfolio by currency types

Currency	Current value in bln KZT on 01.06.2015.	Share on 01.06.2015	Current value in bln KZT on 01.07.2015.	Share on 01.07.2015	Growth / loss %
National currency	4 306,57	88,64%	4 377,74	88,82%	1,65%
US dollars	516,30	10,63%	517,07	10,49%	0,15%
Russian rubles	23,40	0,48%	22,06	0,45%	-5,74%
Malaysian ringgits	3,08	0,06%	3,01	0,06%	-2,31%
Euro	1,04	0,02%	1,06	0,02%	1,96%
UK pounds	1,65	0,03%	1,56	0,03%	-5,65%
Brazil reals	2,34	0,05%	2,39	0,05%	1,97%
Mexican peso	0,26	0,01%	0,25	0,01%	-1,79%
Chinese Yuan	3,81	0,08%	3,82	0,08%	0,26%
Total	4 858,46	100,00%	4 928,96	100,00%	1,45%

Investment results

In June 2015 accrued investment income of SAPF pension assets amounted to KZT 23.45 bln.

Structure of investment income / loss:

- ✓ Investment income on deposits in second tier banks – KZT 4.41 bln.
- ✓ Investment income on securities - KZT 18.60 bln.
- ✓ Investment income on foreign currency accounts - KZT 0.44 bln.

Growth rate of SAPF nominal pension unit in June 2015 came to 0.40%

Compliance with investment declaration parameters

Structure distribution of SAPF PA in the trust management complies with requirements of the SAPF Investment declaration. Shares of foreign currencies positions are within permitted levels and do not violate requirements of the SAPF Investment declaration.

Table 5. List and limits of investment objects as of 01.07.2015

№	Financial instruments	Actual value (in % of pension assets)	Requirement performance (yes / no)
Cash		5.26%	yes
Debt instruments		79.43%	yes
1	Government securities of RK (including emitted in accordance with legislation of other countries). issued by MinFin of RK and National Bank of RK as well as securities guaranteed by the Government of RK including reverse REPO securities.	41.95%	yes
2	Securities with status of Government's issued by foreign central governments including:	1.05%	yes
	1) with sovereign 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	0,50%	yes
	2) with sovereign from BBB- to B on international scale of Standard&Poor's or rating of same level of one of the other rating agencies.	0,56%	yes
3	Bonds issued by local executive bodies of RK included into official list of KASE	0.11%	yes
4	Non-Government debt securities of RK emitters except second tier banks including:	9.76%	yes
	1) debt securities with 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. or rating of no less than kzB on the national scale of Standard & Poor's or rating of same level of one of the other rating agencies	0.00%	yes
	2) debt securities issued by subject of quasi-public sector;	7.15%	yes
	3) infrastructure bonds of organizations of the Republic of Kazakhstan with Government guaranty included into the official list of KASE	0.56%	yes
	4) debt securities. included into the official list of KASE	2.05%	yes
5	debt securities issued by international finance organizations: – International Bank of Reconstruction and Development; – European Bank of Reconstruction and Development; – Interamerican Development Bank; – Bank for International Settlements; – Asian Development Bank; – African Development Bank; – International Finance Corporation; – Islamic Development Bank; – European Investment Bank; – Eurasian Development Bank.	1.67%	yes
6	Non-Government debt securities issued by foreign organizations including:	1.87%	yes
	1) with rating no less than BBB- on international scale of Standard&Poor's or rating of same level of one of the other rating agencies;	0.11%	yes
	2) with rating from «BBB-» to «B» on international scale of Standard&Poor's or rating of same level of one of the other rating agencies.	1.76%	yes
7	Principal protected notes. issued by organizations with rating of no less «A-» on international scale of Standard&Poor's or rating of same level of one of the other rating agencies	0.53%	yes
Share instruments		2.42%	yes
8	Share securities issued by organizations of the Republic of Kazakhstan and foreign organizations including :	2.42%	yes
	1) ordinary and preferred shares issued by organizations of the Republic of Kazakhstan. depositary receipts issued by organizations of the Republic of Kazakhstan	2.23%	yes
	2) ordinary and preferred shares issued by foreign organizations. depositary receipts issued by foreign organizations of the Republic of Kazakhstan	0.19%	yes
Financial instruments of second tier banks including deposits		35.59%	yes
Other instruments		0.00%	yes

10	Refined precious metals meeting international quality standards. accepted by London bullion market association) and indicated on the documents of this association as «London good delivery») standard and metallic deposits including in non-resident banks with rating of no less than «AA» of «Standard&Poor's») or rating of similar level of other rating agencies on term of no less than twelve months	0.00%	yes
11	Derivatives including but not limited with option. forward. swop. futures with basic asset being financial instruments permitted to purchase on account of pension assets. foreign currency and indices:	0.00%	yes
	1) in case if derivatives are used for investment risk hedging;	0.00%	yes
	2) Indices: 1. MICEX (Moscow Interbank Currency Exchange Index); 2. DAX (DeutscherAktienindex); 3. CAC 40 (Compagnie des Agents de Change 40 Index); 4. NIKKEI - 225 (NIKKEI - 225 Index); 5. TOPIX (TokyoPriceIndex); 6. HSI (HangSengIndex); 7. ENXT 100 (Euronext 100); 8. RTSI (Russian Trade System Index); 9. DJIA (Dow Jones Industrial Average); 10. S&P 500 (Standard and Poor's 500 Index); 11. FTSE 100 (Financial Times Stock Exchange 100 Index); 12. KASE (KazakhstanStockExchange); 13. MSCI World Index (Morgan Stanley Capital International World Index).	0.00%	yes
Currency position		11.19%	yes
12	Open FX position in USD. Euro. UK pounds	10.55%	yes
13	Open FX position in other currencies	0.64%	yes