

INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC BY NBRK

As of December 1, 2024, UAPF pension assets¹ (hereinafter referred to as PA) held in trust by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the NBRK) amounted to KZT21,838.31 bln².

The structure of the investment portfolio of financial instruments, formed at the expense of UAPF pension assets, is presented in Table 1.

Table 1. Structure of the investment portfolio of UAPF PAs held in trust by the NBRK, by financial instruments

<i>KZT bln</i>					
Description	Current Value as of 01.01.2024	Share as of 01.01.2024	Current Value as of 01.12.2024	Share as of 01.12.2024	Increase/Decrease from the beginning of the year
GS MF RK	8,289.48	46.55%	9,018.13	41.29%	8.79%
Foreign GS	22.36	0.13%	97.09	0.44%	334.22%
IFO	359.46	2.02%	288.49	1.32%	-19.74%
Corporate bonds of RK issuers	14.01	0.08%	12.08	0.06%	-13.80%
Bonds of quasi-public organizations of RK	1,619.89	9.10%	2,006.49	9.19%	23.87%
Bonds of STB of RK	848.05	4.76%	857.65	3.93%	1.13%
PPN	7.23	0.04%	8.40	0.04%	16.10%
Shares and depository receipts of RK issuers	350.53	1.97%	386.94	1.77%	10.39%
Deposits	197.21	1.11%	-	0.00%	-100.00%
NBRK Deposits	876.66	4.92%	685.62	3.14%	-21.79%
Cash in investment accounts	48.34	0.27%	18.49	0.08%	-61.75%
REPO	26.71	0.15%	100.13	0.46%	274.93%
Index asset management, including:	5,146.10	28.90%	8,358.83	38.28%	62.43%
Assets of developed countries	1,644.24	9.23%	2,460.13	11.27%	49.62%
Assets of developing countries	1,122.87	6.31%	1,349.77	6.18%	20.21%
assets under external management	2,378.99	13.36%	4,548.92	20.83%	91.21%
under the emerging market bond mandate:					
Aviva Investors Global Services Limited	173.41	0.97%	259.18	1.19%	49.46%
TCW Asset Management Company LLC	-	-	127.41	0.58%	100%
PIMCO Asia Pte Ltd	-	-	223.24	1.02%	100%
mandate of global shares:					
Invesco Asset Management Deutschland GmbH	170.5	0.96%	328.77	1.51%	92.83%
HSBC Global Asset Management (UK) Limited	311.96	1.75%	535.44	2.45%	71.64%
UBS Asset Management (UK) Ltd	226.16	1.27%	425.76	1.95%	88.25%
Blackrock Financial Management	176.62	0.99%	374.82	1.72%	112.22%
BlackRock Investment Management	116.41	0.65%	217.36	1.00%	86.72%
Robeco Institutional Asset Management B.V.	219.38	1.23%	334.94	1.53%	52.67%
mandate of investment grade corporate bonds:					
Principal Global Investors (Europe) Limited	489.75	2.75%	589.75	2.70%	20.42%
PGIM Limited	494.79	2.78%	599.30	2.74%	21.12%
PIMCO Asia Pte Ltd	-	-	532.97	2.44%	100%
Total PA under fiduciary management of NBRK	17,806.03	100.00%	21,838.31	100.00%	22.65%
Cash in contribution and benefit payment accounts	38.97		5,23		
Total Pension Assets	17 845,01		21 843,55		

¹ formed from compulsory pension contributions, compulsory occupational pension contributions and voluntary pension contributions

² excluding money in the accounts of pension contributions and benefits.

As of 01.12.2024, the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of the UAPF PA was 10.05% per annum, including 11.55% per annum for those denominated in tenge and 4.92% per annum for those denominated in foreign currency.

Government securities of the Ministry of Finance of the Republic of Kazakhstan

The main share in the portfolio of the UAPF PA is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which increased by KZT75.95 bln during the reporting month and amounted to KZT9,018.13 bln. Their share in the portfolio was 41.29%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT48.00 bln at par value with a weighted average yield of 13.20% per annum, and part of the government securities of the Republic of Kazakhstan was sold in the amount of KZT21.92 bln. There was no redemption of securities of the Ministry of Finance of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on government securities of the Ministry of Finance of the Republic of Kazakhstan was 11.59% per annum.

Foreign government securities in the liquidity sub-portfolio

The current value of foreign government securities in the liquidity sub-portfolio decreased by KZT440.11 bln during the reporting month and amounted to KZT97.09 bln. Their share in the portfolio was 0.44%.

In the period under review, US government securities were purchased in the amount of KZT68.45 bln at par value with a weighted average yield of 4.62% per annum.

In the reporting month, US government securities were sold in the amount of KZT301.85 bln, and US government securities were redeemed in the amount of KZT217.75 bln.

The weighted average yield to maturity of foreign government securities in the liquidity sub-portfolio of the currency portfolio of the UAPF PA as of the reporting date was 4.41% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations for the reporting month decreased by KZT62.66 bln and amounted to KZT288.49 bln. Their share in the portfolio was 1.32%.

In the reporting month, EBRD bonds were redeemed in the amount of KZT60.00 bln.

There were no purchases and sales of securities of international financial organizations.

The average weighted yield to maturity on bonds of international financial organizations denominated in tenge, with a fixed interest rate, was 12.26% per annum, with an indexed interest rate - inflation and premium.

Deposits in second-tier banks of the Republic of Kazakhstan

In the reporting month, the deposit of JSC Kaspi Bank was repaid in the amount of KZT20.00 bln. There were no deposits in the second-tier banks of the Republic of Kazakhstan in the reporting month.

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 KZT685.62 bln. Their share in the portfolio amounted to 3.14%.

In the reporting month, as part of current liquidity management in order to maintain the profitability of pension assets, investments were made in deposits of the National Bank of the Republic of Kazakhstan. The average transaction volume amounted to KZT161.40 bln with an average weighted yield of 13.88% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of corporate bonds of issuers of the Republic of Kazakhstan amounted to KZT12.08 bln. Their share in the portfolio amounted to 0.06%.

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 increased by KZT66.68 bln and amounted to KZT2,006.49 bln. Their share in the portfolio amounted to 9.19%.

In the period under review, bonds of NMH Baiterek JSC were purchased in the amount of KZT50.00 bln at par value with an average weighted yield of 13.89% per annum. There were no sales or redemptions of securities of quasi-state organizations of the Republic of Kazakhstan.

As of the reporting date, the average weighted yield to maturity on bonds of quasi-state organizations of the Republic of Kazakhstan denominated in tenge was 11.02% per annum, in US dollars - 5.49% 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 KZT92.62 bln and amounted to KZT857.65 bln. Their share in the portfolio was 3.93%.

In the period under review, the bond of Halyk Bank of Kazakhstan JSC was redeemed in the amount of KZT99.98 bln. There were no purchases or sales of bonds of second-tier banks of the Republic of Kazakhstan.

As of the reporting date, the average weighted yield to maturity on bonds of second-tier banks of the Republic of Kazakhstan was 10.48% per annum.

PPN (structured notes) of foreign issuers

Текущая стоимость PPN (структурных нот) иностранных эмитентов в отчетном месяце составила 8,40 млрд. тенге. Их доля в портфеле составила 0,04%.

Продаж, погашений и покупок PPN (структурных нот) иностранных эмитентов не было.

Акции и депозитарные расписки эмитентов Республики Казахстан

The current value of shares and depositary receipts of issuers of the Republic of Kazakhstan increased by KZT3.59 bln during the reporting month and amounted to KZT386.94 bln. Their share in the portfolio was 1.77%.

In the period under review, part of the depositary receipts of NAC Kazatomprom JSC was sold in the amount of KZT14.48 bln. There were no purchases of shares and depositary receipts of issuers of the Republic of Kazakhstan.

Index management of assets of the currency portfolio

Index management of assets involves the formation of an investment portfolio in relation to a benchmark portfolio, which is a set of securities reflecting the strategic interests of the investor. The yield of the benchmark portfolio serves as a measure for assessing the effectiveness of investment portfolio management. Indices developed and monitored by leading global financial companies or the National Bank of the Republic of Kazakhstan are used as a benchmark portfolio. According to the strategic distribution of the currency portfolio, index asset management is applied to the sub-portfolio of developed countries bonds, the sub-portfolio of developing countries bonds, the sub-portfolio of corporate bonds and the sub-portfolio of shares.

Index asset management is carried out both by the NBRK independently and with the involvement of foreign management companies. The NBRK carries out index management of the sub-portfolio of developed countries and part of the sub-portfolio of developing countries bonds.

Sub-portfolio of developed countries bonds

The current value of the developed countries bond sub-portfolio increased by KZT395.23 bln over the reporting month and amounted to KZT2,460.13 bln. Their share in the portfolio was 11.27%. During the reporting period, part of the UAPF pension assets was transferred to the developed countries bond sub-portfolio, which is under independent management, in the amount of USD600.00 mln.

The benchmark portfolio for the developed countries bond sub-portfolio is the Custom Index (G502), consisting of US government securities with a maturity of up to 10 years, denominated in US dollars. As of December 1, 2024, this index includes 205 bond issues.

Emerging Market Bonds Sub-Portfolio

The current value of the Emerging Market Bonds Sub-Portfolio increased by KZT111.61 bln during the reporting month and amounted to 1,959.60 billion tenge. Their share in the portfolio was 8.97%. During the reporting period, part of the UAPF pension assets was transferred to the management of TCW Asset Management Company LLC in the amount of USD100.00 mln.

The benchmark portfolio for the Emerging Market Bonds Sub-Portfolio is the Custom Index (Q979), consisting of bonds denominated in US dollars, issued by developing countries with a rating of at least "BB". As of December 1, 2024, this index includes 420 bond issues denominated in US dollars, issued by 29 developing countries.

Corporate Bonds Sub-Portfolio

The current value of the corporate bonds sub-portfolio increased by KZT187.37 bln during the reporting month and amounted to KZT1,722.02 bln. Their share in the portfolio was 7.89%. During the reporting period, part of the UAPF pension assets was transferred to the management of PIMCO Asia Pte Ltd in the amount of USD300.00 mln.

The benchmark portfolio for the corporate bonds sub-portfolio is the Custom Index (Q980), consisting of corporate securities denominated in US dollars, the issuers of which are residents of developed and developing countries with high capitalization and a rating of at least "BBB". As of December 1, 2024, this index includes 7,464 bond issues issued by 1,311 issuers.

Equity sub-portfolio

The current value of the equity sub-portfolio increased by KZT59.60 bln over the reporting month and amounted to KZT2,217.08 bln. Their share in the portfolio was 10.15%.

The benchmark portfolio for the equity sub-portfolio is the Custom MSCI World Index, which consists of shares of companies from developed countries. As of December 1, 2024, this index includes 1,354 shares of companies with large and mid-capitalization, related to 23 developed countries. The main share of the index, 72.7%, is occupied by shares of US companies. The index also includes shares of countries such as Japan, Great Britain, France, Canada, and others.

Currency structure

The investment portfolio of financial instruments by currencies in which the financial instruments acquired using the pension assets of the UAPF are denominated is presented in Table 2.

In the reporting period, there were no transactions.

Table 2. Structure of the investment portfolio of PA UAPF, which are in trust management of the NBRK, by currency

Currency	Current Value as of 01.01.2024	Share as of 01.01.2024	Current Value as of 01.12.2024	Share as of 01.12.2024	Increase/Decrease from the beginning of the year
National Currency	12 161.38	68.30%	13 099.36	59.98%	7.71%
US dollar	5 639.89	31.67%	8 737.62	40.01%	54.93%
Other currencies	4.76	0.03%	1.34	0.01%	-71.94%
Total:	17 806.03	100.00%	21 838.31	100.00%	22.65%

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 2024 amounted to KZT2.82 trln.

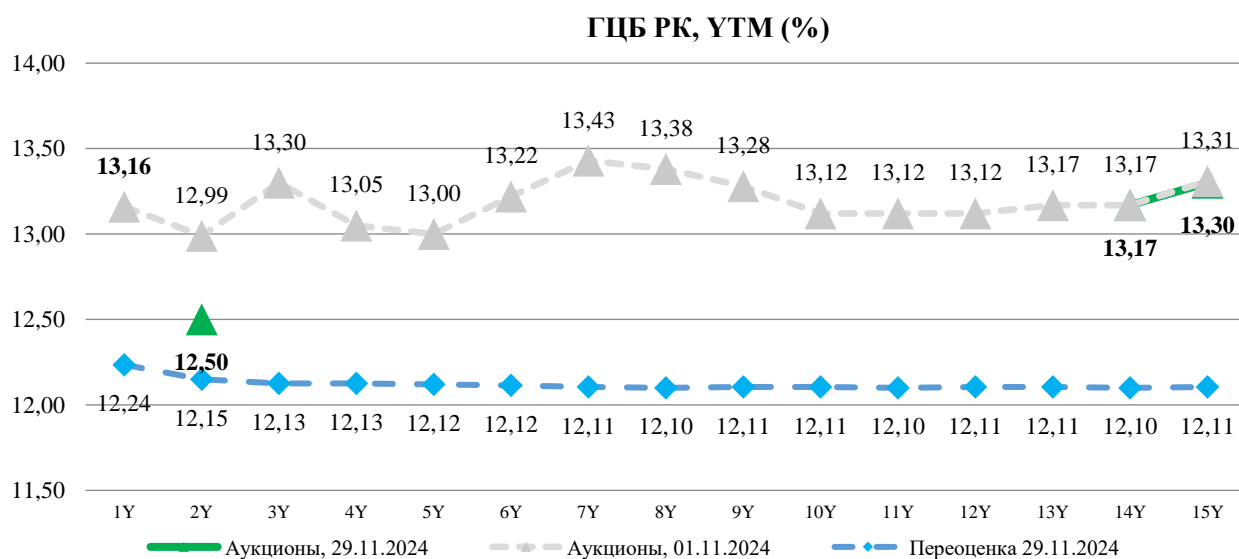
As of December 1, 2024, the return on UAPF pension assets over the past 12 months, distributed to the accounts of contributors (beneficiaries), amounted to 16.97% with inflation at the rate of 8.40%.

The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2024 amounted to 14.85%.

In November 2024, the market showed volatility amid the victory of Donald Trump in the US presidential elections and the Republicans in the elections to the Senate and House of Representatives. At the same time, the US Federal Reserve decided to reduce the base rate by 25 bps from 5.00% to 4.75%. The market expects another rate cut of 25 bps until the end of 2024. Inflation dynamics in the United States showed a slight increase in November – 2.7% per annum against 2.6% per annum in October, while monthly inflation increased from 0.2% in October to 0.3% in November. The number of jobs in the non-farm sector in November showed a significant increase to 227 thousand jobs, while the unemployment rate rose from 4.1% in October to 4.2% in November.

As a result, the yield on the benchmark 10-year US Treasury note fell 12 bps in November. Emerging market bond spreads were unchanged, while corporate bond spreads narrowed by 6 bps. At the same time, the MSCI World share index increased by 4.47%.

At auctions for the placement of government securities of the Republic of Kazakhstan in November, a decrease in yields on short-term placements was observed against the backdrop of the NBRK's decision to maintain the base rate at 14.25%. At the same time, in November inflation slowed to 8.4% per annum (8.5% in October) or 0.9% in November (0.9% in October). The average demand at auctions of government securities of the Republic of Kazakhstan exceeded supply by 2 times, where the main demand was concentrated on the placement of short-term government securities of the Republic of Kazakhstan. At the same time, there is a decrease in the volume of MFRK borrowings from 600 billion tenge in October to 57 billion tenge in November.



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

Table 3. Structure of investment income received from UAPF PA, which is in trust management of the National Bank of Kazakhstan

KZT bln

Description	Investment income in 2024
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	1,433.06
Income (loss) from market revaluation of securities	65.37
Income (loss) from foreign currency revaluation	471.14
Income (loss) on assets under external management	840.10
Other income (losses)	6.22
Total	2,815.887

Information on compliance with the parameters of the investment declaration

The structural distribution of UAPF PA in trust meets the requirements of the UAPF Investment Declaration³. 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 December 1, 2024 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	0.00%	Yes
	Cash in foreign currency	0.66%	Yes
1	Kazakhstani issuers:	58.96%	Yes
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	41.29%	Yes
1.1.1	Government securities of the Republic of Kazakhstan issued by local executive bodies of the Republic of Kazakhstan	0.00%	Yes
1.2	Deposits of the National Bank of the Republic of Kazakhstan	3.14%	Yes
1.3	Securities of the quasi-public sector entities	10.51%	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:	3.70%	Yes
1)	Debt securities	3.62%	Yes
2)	Equity securities	0.08%	Yes
3)	Deposits	0.00%	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	0.00%	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	0.31%	Yes
1.7	Islamic finance instruments included in the official list of the Kazakhstan Stock Exchange and / or AIFC Exchange	0.00%	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	0.00%	Yes
2	Foreign financial instruments, including instruments traded on foreign financial markets:	38.08%	Yes
2.1	Government, agency and securities of international financial organizations with a rating of the security and/or issuer not lower than “BB-” on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	20.20%	Yes
2.2.	Municipal securities as part of investing in government and agency securities	0.00%	Yes
2.3	Corporate debt securities with a rating of the security and/or issuer not lower than “BB-” on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	7.75%	Yes
2.4	Securities secured by real estate (MBS) and assets (ABS) with a security and/or issuer rating of at least “BBB-” on the international scale of Standard & Poor's or a rating of a similar level by one of the other rating agencies	0.00%	Yes
2.5	Convertible securities as part of an investment in corporate securities with a rating of the security and/or issuer not lower than “BB-” on the international scale of the Standard & Poor's agency or a rating of a similar level by one of the other rating agencies	0.00%	Yes
2.6	Shares, depositary receipts for shares	10.09%	Yes

³ The investment declaration of the UAPF was approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 24, 2020 No. 10

2.7	Deposits (contributions) with counterparties having a rating of at least “A-” on the international scale of Standard & Poor’s or a rating of a similar level by one of the other rating agencies	0.00%	Yes
2.8	Structured products issued by organizations that have a rating of at least “BBB-” on the international scale of Standard & Poor’s or a rating of a similar level by one of the other rating agencies	0.04%	Yes
2.9	Islamic finance instruments with a rating of at least “BB-” on the international scale of Standard & Poor’s or a rating of a similar level by one of the other rating agencies	0.53%	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 in KZT
US GS	USD	US Treasury	68,447,400,000
RK GS	KZT	RK Government	48,000,000,000
Bonds	KZT	NMH Baiterek JSC	50,000,000,000
Total			166,447,400,000

Table 6. Information on repayments of principal debt on securities in the reporting month

Instrument	Currency	Issuer	Transaction amount in KZT
US GS	USD	US Treasury	301,850,729,258
RK GS	KZT	RK Government	21,915,940,667
Depository receipts	USD	NAC Kazatomprom JSC	14,475,530,845
Total			338,242,200,770

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

Instrument	Currency	Issuer	Amount to be repaid in KZT
US GS	USD	Правительство США	217,753,800,000
Облигации БВУ	KZT	АО «Народный Банк Казахстана»	99,980,000,000
МЦБ (МФО)	KZT	ЕБPP	60,000,000,000
Total			377,733,800,000

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

Instrument	Currency	Bank	Amount to be repaid in KZT
Deposit	KZT	Kaspi Bank JSC	20,000,000,000
Total			20,000,000,000