

## INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC

As of May 1, 2025, UAPF pension assets<sup>1</sup> (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 KZT22,630.73 bln<sup>2</sup>.

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**  
KZT bln

Description	Current Value as of 01.01.2025	Share as of 01.01.2025	Current Value as of 01.05.2025	Share as of 01.05.2025	Increase/Decrease from the beginning of the year
GS MF RK	9,317.68	41.57%	9,762.52	43.14%	4.77%
Foreign GS	16.12	0.07%	252.21	1.11%	1464.91%
IFO	283.73	1.27%	310.51	1.37%	9.44%
Corporate bonds of RK issuers	12.20	0.05%	11.99	0.05%	-1.68%
Bonds of quasi-public organizations of RK	1,982.17	8.84%	2,056.95	9.09%	3.77%
Bonds of STB of RK	960.30	4.28%	725.38	3.21%	-24.46%
PPN	8.64	0.04%	8.57	0.04%	-0.86%
Shares and depository receipts of RK issuers	378.64	1.69%	337.93	1.49%	-10.48%
NBRK Deposits	696.91	3.11%	503.22	2.22%	-27.79%
Cash in investment accounts	2.63	0.01%	30.75	0.14%	1070.88%
REPO	16.01	0.07%	0.00	0.00%	-100.00%
<b>Index asset management, including:</b>	0.02	0.00%	1.03	0.00%	-100.00%
Assets of developed countries	<b>8,739.96</b>	<b>38.99%</b>	<b>8,629.67</b>	<b>38.13%</b>	<b>-1.26%</b>
Assets of developing countries	2,571.58	11.47%	2,596.40	11.47%	0.96%
<b>assets under external management</b>	1,367.36	6.10%	1,374.12	6.07%	0.49%
<b>under the emerging market bond mandate:</b>	<b>4,801.02</b>	<b>21.42%</b>	<b>4,659.16</b>	<b>20.59%</b>	<b>-2.95%</b>
Aviva Investors Global Services Limited					
TCW Asset Management Company LLC	268.05	1.20%	265.30	1.17%	-1.03%
PIMCO Asia Pte Ltd	131.38	0.59%	181.55	0.80%	38.18%
<b>mandate of global shares:</b>	231.00	1.03%	226.96	1.00%	-1.75%
Invesco Asset Management Deutschland GmbH					
HSBC Global Asset Management (UK) Limited	355.97	1.59%	332.90	1.47%	-6.48%
UBS Asset Management (UK) Ltd	574.47	2.56%	539.32	2.38%	-6.12%
Blackrock Financial Management	454.12	2.03%	420.41	1.86%	-7.42%
BlackRock Investment Management	402.40	1.80%	376.82	1.67%	-6.36%
Robeco Institutional Asset Management B.V.	233.72	1.04%	218.00	0.96%	-6.72%
<b>mandate of investment grade corporate bonds:</b>	361.95	1.61%	339.34	1.50%	-6.25%
Principal Global Investors (Europe) Limited					
PGIM Limited	613.03	2.73%	601.84	2.66%	-1.82%
PIMCO Asia Pte Ltd	622.99	2.78%	611.69	2.70%	-1.81%
<b>Total PA under fiduciary management of NBRK</b>	551.94	2.46%	545.03	2.41%	-1.25%
Cash in contribution and benefit payment accounts	<b>22,415.00</b>	<b>100.00%</b>	<b>22,630.73</b>	<b>100.00%</b>	<b>0.96%</b>
<b>Total Pension Assets</b>	75.49		38.24		
GS MF RK	<b>22,490.49</b>		<b>22,668.97</b>		

<sup>1</sup> formed from compulsory pension contributions, compulsory occupational pension contributions and voluntary pension contributions

<sup>2</sup> excluding money in the accounts of pension contributions and benefits.

As of 01.05.2025, the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of the UAPF PA was 10.95% per annum, including 12.93% per annum for those denominated in tenge and 4.65% 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 UAPF PA portfolio is occupied by government securities of the Ministry of Finance of the Republic of Kazakhstan, the current value of which on the reporting date was KZT 9,762.52 bln. Their share in the portfolio was 43.14%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased for a total of KZT 541.29 bln at par value with a weighted average yield of 15.19% per annum.

In the reporting month, the redemption of RK government securities was carried out in the amount of KZT 19.90 bln. There were no sales of securities of the Ministry of Finance of the Republic of Kazakhstan.

As of the reporting date, the average weighted yield to maturity on government securities of the Ministry of Finance of the Republic of Kazakhstan amounted to 13.51% per annum.

### **Foreign government securities in the liquidity sub-portfolio**

The current value of foreign government securities in the liquidity sub-portfolio increased by KZT 171.54 bln during the reporting month and amounted to KZT 252.21 bln. Their share in the portfolio was 1.11%.

In the period under review, US government securities were purchased in the total amount of KZT 171.84 bln with an average weighted yield of 4.31% per annum. There were no sales or redemptions of foreign government securities in the reporting month.

The average weighted yield to maturity of foreign government securities in the liquidity sub-portfolio of the UAPF PA currency portfolio as of the reporting date was 4.62% per annum.

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

The current value of bonds of international financial organizations increased by KZT 2.35 bln during the reporting month and amounted to KZT 310.51 bln. Their share in the portfolio was 1.37%.

There were no acquisitions, sales or redemptions of securities of international financial institutions in the reporting month.

The average weighted yield to maturity on bonds of international financial institutions denominated in tenge with a fixed interest rate was 11.28% per annum, with an indexed interest rate - inflation and premium.

### **Deposits in the National Bank of the Republic of Kazakhstan**

The current value of deposits in the National Bank of the Republic of Kazakhstan on the reporting date was KZT 503.22 bln. Their share in the portfolio was 2.22%.

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 was KZT 227.89 bln with an average weighted yield of 15.92% 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 KZT 11.99 bln. Their share in the portfolio amounted to 0.05%.

In the period under review, there were no purchases, sales or redemptions of corporate bonds of issuers of the Republic of Kazakhstan.

### **Bonds of quasi-public organizations of the Republic of Kazakhstan**

The current value of quasi-public bonds of RK organizations increased by KZT73.97 bln during the reporting month and amounted to KZT2,056.95 bln. Their share in the portfolio was 9.09%.

In the period under review, bonds of NMH Baiterek JSC were purchased for a total of KZT 72.15 bln at par value with a weighted average yield of 16.91% per annum. There were no sales or redemptions of securities of quasi-public organizations of the Republic of Kazakhstan in the reporting month.

As of the reporting date, the average weighted yield to maturity on quasi-public bonds of RK organizations denominated in tenge was 10.14% per annum, in US dollars - 5.48% per annum.

#### **Bonds of second-tier banks of the Republic of Kazakhstan**

The current value of bonds of the STB RK increased by KZT 20.17 bln for the reporting month and amounted to KZT 725.38 bln. Their share in the portfolio was 3.21%.

In the period under review, bonds of Otbasy Bank JSC were purchased for a total of KZT 34.98 bln at par value with an average weighted yield of 16.50% per annum, and bonds of Bank RBK JSC were sold in the amount of KZT 20.27 bln. There were no redemptions of securities of the STB RK in the reporting month.

As of the reporting date, the average weighted yield to maturity on bonds of the STB RK was 12.08% per annum.

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

The current value of PPN (structured notes) of foreign issuers in the reporting month was KZT 8.57 bln. Their share in the portfolio was 0.04%.

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 issuers of the Republic of Kazakhstan for the reporting month increased by KZT0.95 bln and amounted to KZT337.93 bln. Their share in the portfolio was 1.49%.

There were no purchases or sales of shares and depositary receipts of issuers of the Republic of Kazakhstan in the period under review.

#### **Index management of currency portfolio assets**

Index asset management involves forming an investment portfolio in relation to a benchmark portfolio, which is a set of securities that reflect the investor's strategic interests. 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 NBRK 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.

The allocation of the currency portfolio of the UAPF PAs under the trust management of the NBRK as of May 1, 2025 is presented in Table 2.

**Table 2. Strategic distribution of the foreign exchange portfolio of the UAPF PA as of May 01, 2025.**

Subportfolio	Target value (tolerance)	Value, in millions of US dollars	Value, in KZT bln	Share of currency portfolio, %	Доля от UAPF PA, %
Developed Market Bonds	30% ( $\pm 10\%$ )	5,067.72	2,596.40	28.42%	11.47%
Developing Market Bonds	25% ( $\pm 10\%$ )	3,997.20	2,047.92	22.41%	9.05%
Corporate Bonds	20% ( $\pm 10\%$ )	3,432.41	1,758.56	19.25%	7.77%
Stocks	25% ( $-17\%/+10\%$ )	4,346.31	2,226.79	24.37%	9.84%

Liquidity	0% (+40%)	989.59	507.00	5.55%	2.24%
<b>Total currency portfolio</b>		<b>17,833.23</b>	<b>9,136.68</b>	<b>100.00%</b>	<b>40.37%</b>

#### *Sub-portfolio of bonds of developed countries*

The current value of the developed countries bond sub-portfolio increased by KZT 55.96 bln over the reporting month and amounted to KZT 2,596.40 bln. The share of the developed countries bond sub-portfolio in the UAPF PA portfolio was 11.47%.

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 May 1, 2025, this index includes 204 bond issues.

#### *Sub-portfolio of bonds of developing countries*

The current value of the sub-portfolio of bonds of developing countries increased by KZT 31.80 bln over the reporting month and amounted to KZT 2,047.92 bln. The share of the sub-portfolio of bonds of developing countries in the UAPF PA portfolio was 9.05%.

The benchmark portfolio for the sub-portfolio of bonds of developing countries 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 May 1, 2025, this index includes 427 issues of bonds denominated in US dollars, issued by 29 developing countries.

#### *Sub-portfolio of corporate bonds*

The current value of the corporate bonds sub-portfolio increased by KZT 23.66 bln over the reporting month and amounted KZT to 1,758.56 bln. The share of the corporate bonds sub-portfolio in the UAPF PA portfolio was 7.77%.

The reference 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 May 1, 2025, this index includes 7,650 bond issues issued by 1,331 issuers.

#### *Equity sub-portfolio*

The current value of the stock sub-portfolio for the reporting month decreased by KZT 60.36 bln and amounted to KZT 2,226.79 bln. The share of the stock sub-portfolio in the UAPF PA portfolio was 9.84%.

The reference portfolio for the stock sub-portfolio is the Custom MSCI World Index, consisting of shares of companies from developed countries. As of May 1, 2025, this index includes 1,311 shares of companies with large and medium capitalization, related to 23 developed countries. The main share of the index, 74%, 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 financial instruments acquired using the pension assets of the UAPF are denominated is presented in Table 3.

In the reporting period, in order to maintain the foreign currency share of pension assets at a level of at least 40%, 250.00 million US dollars were purchased on the Kazakhstan Stock Exchange to diversify the investment portfolio.

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

<i>KZT bln</i>					
Currency	Current Value as of 01.01.2025	Share as of 01.01.2025	Current Value as of 01.05.2025	Share as of 01.05.2025	Increase/Decrease from the beginning of the year
National Currency	13,400.82	59.79%	13,494.05	59.63%	0.70%
US dollar	9,013.29	40.21%	9,135.08	40.37%	1.35%

Other currencies	0.88	0.00%	1.59	0.01%	81.18%
<b>Total:</b>	<b>22,415.00</b>	<b>100.00%</b>	<b>22,630.73</b>	<b>100.00%</b>	<b>0.96%</b>

### Investment Results

As a result of investment activities, as well as volatility in foreign exchange rates and changes in the market value of financial instruments, the amount of accrued investment income since the beginning of 2025 amounted to KZT (-) 231.54 bln. The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2025 amounted to (-) 1.05%.

The main reasons for the negative investment income since the beginning of the current year are:

1) a decrease in the market value of government securities of the Ministry of Finance of the Republic of Kazakhstan due to an increase in their yields against the backdrop of rising inflation and inflation expectations, as well as an increased supply of these securities by the Ministry of Finance of the Republic of Kazakhstan;

2) strengthening of the tenge exchange rate against the US dollar, which at the beginning of 2025 was 525.11 tenge per dollar, and at the end of April – 512.34 tenge per dollar.

It is important to note that the profitability of pension assets for individual short-term periods of time is not an indicator of the effectiveness of their management, since income in the form of remuneration on financial instruments and other transactions accrued over a short period of time does not always cover fluctuations in the value of securities and exchange rates for a given period. Therefore, it is advisable to make an objective analysis of the amount of investment income for a period of at least one year.

Thus, despite short-term fluctuations in yield, over the past 12 months from April 2024 to March 2025, the accrued investment income amounted to about 2.37 trillion tenge, the yield for this period was 11.99% with inflation at 10.00%.

Thus, despite short-term fluctuations in profitability, over the past 12 months from May 2024 to April 2025, the accrued investment income amounted to about 2.63 trillion tenge, the profitability for this period was 13.35% with inflation at 10.70%.

In April 2025, financial markets experienced increased volatility as trade wars escalated and new tariff measures initiated by the US President came into force. At the same time, inflation showed signs of slowing and the labor market remained resilient. Inflation in the US fell to 2.3% per annum in April (2.4% per annum in March), and monthly inflation accelerated from (-)0.1% to 0.2%. The growth in the number of new jobs created in the non-farm sector remained stable in April and amounted to 177 thousand jobs, while the unemployment rate remained at 4.2%. At the same time, the market expects 4 cuts in the base rate by the end of 2025.

As a result, benchmark 10-year US Treasury yields fell 4 bps in April. Emerging market bond spreads widened 19 bps and corporate bond spreads widened 13 bps. However, the MSCI World equity index rose slightly.

At auctions for the placement of government securities of the Republic of Kazakhstan in April, a slight increase in yields was observed in the near and far segments of the curve. The National Bank of the Republic of Kazakhstan decided to maintain the base rate at 16.5%. Inflation accelerated to 10.7% per annum (10% in March) or 1.2% in April (1.3% in March). The main demand at auctions was concentrated on short-term placements of RK government securities. At the same time, the volume of borrowing by the Ministry of Finance of the Republic of Kazakhstan in April remained at the March level and amounted to 639 billion tenge.

The structure of accrued investment income for the specified period is presented in Table 4.

**Table 4. Structure of investment income received from UAPF PA, which is in trust management of the National Bank of Kazakhstan as of May 01, 2025**

Description	Investment income in 2025
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KZT bln

Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	590.71
Income (loss) from market revaluation of securities	-591.59
Income (loss) from foreign currency revaluation	-93.12
Income (loss) on assets under external management	-141.86
Other income (losses)	4.32
<b>Total</b>	<b>-231.54</b>

### 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 Declaration<sup>3</sup>. 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 May 1, 2025 is presented in Table 5.

**Table 5. UAPF PA Investment limits**

No.	Financial Instrument Type	Actual Value (Expressed as Percentage from the PA)	Compliance (Yes/No)
	<b>Cash KZT</b>	<b>0.00%</b>	<b>yes</b>
	<b>Cash in foreign currency</b>	<b>0.25%</b>	<b>yes</b>
<b>1</b>	<b>Kazakhstani issuers:</b>	<b>58.87%</b>	<b>yes</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	43.14%	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	2.22%	yes
1.3	Securities of the quasi-public sector entities	<b>10.18%</b>	<b>yes</b>
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:	3.05%	yes
1)	Debt securities	2.94%	yes
2)	Equity securities	0.10%	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	0.28%	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
<b>2</b>	<b>Foreign financial instruments, including instruments traded on foreign financial markets:</b>	<b>40.02%</b>	<b>yes</b>
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	22.15%	yes
2.2.	Municipal securities as part of investing in government and agency securities	0.00%	yes

<sup>3</sup> 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



2.3	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	8.06%	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	9.78%	yes
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	0.48%	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

**Table 6. Information on compliance with the UAPF Investment Declaration on Foreign Exchange Portfolio Management**

Subportfolio	Actual value (as a percentage of the currency portfolio)	Share of sub- portfolio under external management	Mandate	Share of the stock sub- portfolio	Execution (yes/no)
Developed Market Bonds	28.42%	-			yes
Developing Market Bonds	22.41%	32.90%			yes
Corporate bonds	19.25%	100.00%			yes
Shares	24.37%	100.00%	Passive control, including:	52.89%	yes
			ESG	9.36%	yes
			quality	9.75%	yes
			min.vol	4.95%	yes
			classic	28.84%	yes
			Active control	47.11%	yes
Liquidity	5.55%	-			yes
<b>Total currency portfolio</b>	<b>100.00%</b>				yes

### Information on purchases, sales and redemption of financial instruments in the UAPF PA investment portfolio

**Table 7. Information on the purchase of financial instruments in the reporting month**

Instrument	Currency	Issuer	Nominal value in KZT
GS RK	KZT	Government of RK	541,290,000,000
Foreign GS	USD	US Treasury	171,842,950,000
Bonds of quasi-public organizations	KZT	NMH Baiterek JSC	72,150,000,000
STB bonds	KZT	Otbasy Bank JSC	34,980,000,000

<b>Total</b>			<b>820,262,950,000</b>
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**Table 8. Information on the sale of financial instruments in the reporting month**

<b>Instrument</b>	<b>Currency</b>	<b>Issuer</b>	<b>Nominal value in KZT</b>
STB bonds	KZT	АО «Банк «Bank RBK»	20,274,909,798
<b>Total</b>			<b>20,274,909,798</b>

**Table 9. Information on repayments of principal debt on securities in the reporting month**

<b>Instrument</b>	<b>Currency</b>	<b>Issuer</b>	<b>Amount to be repaid in KZT</b>
GS RK	KZT	Government of RK	19,904,590,000
<b>Total</b>			<b>19,904,590,000</b>