

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

As of November 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 KZT21,309.33 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

KZT bln

| Description | Current Value as of 01.01.2024 | Share as of 01.01.2024 | Current Value as of 01.11.2024 | Share as of 01.11.2024 | Increase/Decrease from the beginning of the year |
|--|--------------------------------|------------------------|--------------------------------|------------------------|--|
| GS MF RK | 8,289.48 | 46.55% | 8,942.18 | 41.96% | 7.9% |
| Foreign GS | 22.36 | 0.13% | 537.20 | 2.52% | 2302.6% |
| IFO | 359.46 | 2.02% | 351.15 | 1.65% | -2.3% |
| Corporate bonds of RK issuers | 14.01 | 0.08% | 11.90 | 0.06% | -15.1% |
| Bonds of quasi-public organizations of RK | 1,619.89 | 9.10% | 1,939.81 | 9.10% | 19.7% |
| Bonds of STB of RK | 848.05 | 4.76% | 950.27 | 4.46% | 12.1% |
| PPN | 7.23 | 0.04% | 8.02 | 0.04% | 10.8% |
| Shares and depository receipts of RK issuers | 350.53 | 1.97% | 383.35 | 1.80% | 9.8% |
| Deposits | 197.21 | 1.11% | 20.94 | 0.10% | -89.4% |
| NBRK Deposits | 876.66 | 4.92% | 399.21 | 1.87% | -54.5% |
| Cash in investment accounts | 48.34 | 0.27% | 46.11 | 0.22% | -4.6% |
| REPO | 26.71 | 0.15% | 112.59 | 0.53% | 321.6% |
| Other assets (accounts receivable, overdue debt, provisions) | - | - | 1.55 | 0.01% | 100% |
| Index asset management, including: | 5,146.10 | 28.90% | 7,605.04 | 35.69% | 47.8% |
| Assets of developed countries | 1,644.24 | 9.23% | 2,064.90 | 9.69% | 25.6% |
| Assets of developing countries | 1,122.87 | 6.31% | 1,300.11 | 6.10% | 15.8% |
| assets under external management | 2,378.99 | 13.36% | 4,240.02 | 19.90% | 78.2% |
| under the emerging market bond mandate: | | | | | |
| Aviva Investors Global Services Limited | 173.41 | 0.97% | 255.11 | 1.20% | 47.12% |
| TCW Asset Management Company LLC | - | - | 73.24 | 0.34% | 100.00% |
| PIMCO Asia Pte Ltd | - | - | 219.53 | 1.03% | 100.00% |
| mandate of global shares | | | | | |
| Invesco Asset Management Deutschland GmbH | 170.5 | 0.96% | 318.63 | 1.50% | 86.88% |
| HSBC Global Asset Management (UK) Limited | 311.96 | 1.75% | 522.11 | 2.45% | 67.37% |
| UBS Asset Management (UK) Ltd | 226.16 | 1.27% | 416.77 | 1.96% | 84.28% |
| Blackrock Financial Management | 176.62 | 0.99% | 364.53 | 1.71% | 106.39% |
| BlackRock Investment Management | 116.41 | 0.65% | 211.77 | 0.99% | 81.92% |
| Robeco Institutional Asset Management B.V. | 219.38 | 1.23% | 323.67 | 1.52% | 47.54% |
| mandate of investment grade corporate bonds | | | | | |
| Principal Global Investors (Europe) Limited | 489.75 | 2.75% | 575.76 | 2.70% | 17.56% |
| PGIM Limited | 494.79 | 2.78% | 583.91 | 2.74% | 18.01% |
| PIMCO Asia Pte Ltd | - | - | 374.98 | 1.76% | 100.00% |

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.

| | | | | | |
|--|------------------|----------------|------------------|----------------|---------------|
| Total PA under fiduciary management of NBRK | 17,806.03 | 100.00% | 21,309.33 | 100.00% | 19.67% |
| Cash in contribution and benefit payment accounts | 38.97 | | 26.14 | | |
| Total Pension Assets | 17,845.01 | | 21,335.48 | | |

As of 01.11.2024, the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of the UAPF PA was 9.81% per annum, including 11.41% per annum for those denominated in tenge and 4.60% 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 increased by KZT 83.10 bln during the reporting month and amounted to KZT 8,942.18 bln. Their share in the portfolio was 41.96%.

In the reporting month, government securities of the Republic of Kazakhstan were redeemed in the amount of KZT 42.47 bln. There were no sales of securities of the Ministry of Finance of the Republic of Kazakhstan.

In the period under review, GS of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT 49.20 bln at par value with an average weighted yield of 13.10% per annum.

As of the reporting date, the average weighted yield to maturity on GS of the Ministry of Finance of the Republic of Kazakhstan was 11.66% per annum.

Foreign government securities in the liquidity sub-portfolio

The current value of foreign government securities in the liquidity sub-portfolio for the reporting month decreased by KZT 353.66 bln and amounted to KZT 537.20 bln. Their share in the portfolio was 2.52%.

In the period under review, US government securities were purchased in the amount of KZT 77.09 bln at par value with an average weighted yield of 4.52% per annum.

In the reporting month, US government securities were sold in the amount of KZT 218.80 bln, and US government securities were redeemed in the amount of KZT 194.79 bln.

The average weighted 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 5.41% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations increased by KZT 2.94 bln during the reporting month and amounted to KZT 351.15 bln. Their share in the portfolio was 1.65%.

There were no purchases, sales or redemptions 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, amounted to 12.57% 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 an average weighted maturity of 0.10 years, decreased by KZT 5.04 bln during the reporting month and amounted to KZT 20.94 bln. Their share in the portfolio amounted to 0.10%.

In the reporting month, deposits of Eurasian Bank JSC were repaid in the amount of KZT 5.00 bln. There were no placements of deposits of second-tier banks of the Republic of Kazakhstan in the reporting month.

The average weighted yield to maturity of deposits of second-tier banks of the Republic of Kazakhstan on the reporting date amounted to 9.50% per annum.

Deposits in the National Bank of RK

The current value of deposits in the National Bank of the Republic of Kazakhstan as of the reporting date was KZT 399.21 bln. Their share in the portfolio was 1.87%.

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 73.46 bln with an average weighted yield of 13.81% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of corporate bonds of issuers of the Republic of Kazakhstan was KZT 11.90 bln. Their share in the portfolio was 0.06%.

In the period under review, part of the bonds of DTJ JSC in the amount of KZT 2.04 bln was sold as part of the buyback. There were no purchases 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 bonds of quasi-public organizations of the Republic of Kazakhstan for the reporting month decreased by KZT 10.96 bln and amounted to KZT 1,939.81 bln. Their share in the portfolio was 9.10%.

In the period under review, there were no purchases, sales or redemptions of securities of quasi-public organizations of the Republic of Kazakhstan.

As of the reporting date, the average weighted yield to maturity on bonds of quasi-public 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 KZT 3.62 bln and amounted to KZT 950.27 bln. Their share in the portfolio was 4.46%.

In the period under review, there were no purchases, sales or redemptions of bonds of the STB of the Republic of Kazakhstan in the reporting period.

As of the reporting date, the average weighted yield to maturity on bonds of the STB of the Republic of Kazakhstan was 9.56% per annum.

PPN (structured notes) of foreign issuers

The current value of PPN (structured notes) of foreign issuers in the reporting month was KZT 8.02 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 KZT 7.69 bln and amounted to KZT 383.35 bln. Their share in the portfolio was 1.801%.

In the period under review, a portion of the depositary shares of NAC Kazatomprom JSC was sold in the amount of KZT 9.65 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 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 bonds of developed countries, the sub-portfolio of bonds of developing countries, the sub-portfolio of corporate bonds and the sub-portfolio of shares.

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

Developed countries bonds sub-portfolio

The current value of the developed countries bonds sub-portfolio increased by KZT 240.80 bln over the reporting month and amounted to KZT 2,064.90 bln. Their share in the portfolio was 9.69%. During the reporting period, part of the UAPF pension assets was transferred to the developed countries bonds sub-portfolio in the amount of 500.00 million US dollars.

The benchmark portfolio for the developed countries bonds 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 November 1, 2024, this index includes 205 bond issues.

Developing countries bonds sub-portfolio

The current value of the sub-portfolio of bonds of developing countries increased by KZT 120.38 bln over the reporting month and amounted to KZT 1,848.00 bln. Their share in the portfolio was 8.67%. During the reporting period, part of the pension assets of the UAPF were transferred to the management of PIMCO Asia Pte Ltd and TCW Asset Management Company LLC, as well as to the sub-portfolio of bonds of developing countries in the amount of 150.00 million US dollars and 50 million US dollars as well and also transferred to a sub-portfolio of developing countries bonds, which is independently managed, in the amount of 60.00 million US dollars.

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 November 1, 2024, this index includes 413 issues of bonds denominated in US dollars, issued by 29 developing countries.

Corporate Bonds Sub-Portfolio

The current value of the corporate bonds sub-portfolio increased by KZT 43.50 bln during the reporting month and amounted to KZT 1,534.65 bln. Their share in the portfolio was 7.20%.

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 November 1, 2024, this index includes 7,431 bond issues issued by 1,308 issuers.

Stocks Sub-Portfolio

The current value of the stocks sub-portfolio increased by KZT 143.28 bln during the reporting month and amounted to KZT 2,157.48 bln. Their share in the portfolio was 10.12%. During the reporting period, a portion of the UAPF pension assets was transferred to the management of Blackrock Financial Management and HSBC Global Asset Management (UK) Limited in the amount of USD 125.00 million and USD 45.00 million.

The benchmark portfolio for the stock sub-portfolio is the Custom MSCI World Index, consisting of shares of companies from developed countries. As of November 1, 2024, this index includes 1,365 shares of companies with large and mid-capitalization, related to 23 developed countries. The main share of the index, 74.8%, 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, in order to maintain the foreign currency share of pension assets at 40% for the diversification of the investment portfolio, USD228.00 mln were purchased on the Kazakhstan Stock Exchange.

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

| Currency | <i>KZT bln</i> | | | | |
|-------------------|--------------------------------|------------------------|--------------------------------|------------------------|--|
| | Current Value as of 01.01.2024 | Share as of 01.01.2024 | Current Value as of 01.11.2024 | Share as of 01.11.2024 | Increase/Decrease from the beginning of the year |
| National Currency | 12,161.38 | 68.30% | 12,856.52 | 60.33% | 5.72% |
| US dollar | 5,639.89 | 31.67% | 8,451.45 | 39.66% | 49.85% |
| Other currencies | 4.76 | 0.03% | 1,363,280 | 0.01% | -71.38% |
| Total: | 17,806.03 | 100.00% | 21,309.33 | 100.00% | 19.67% |

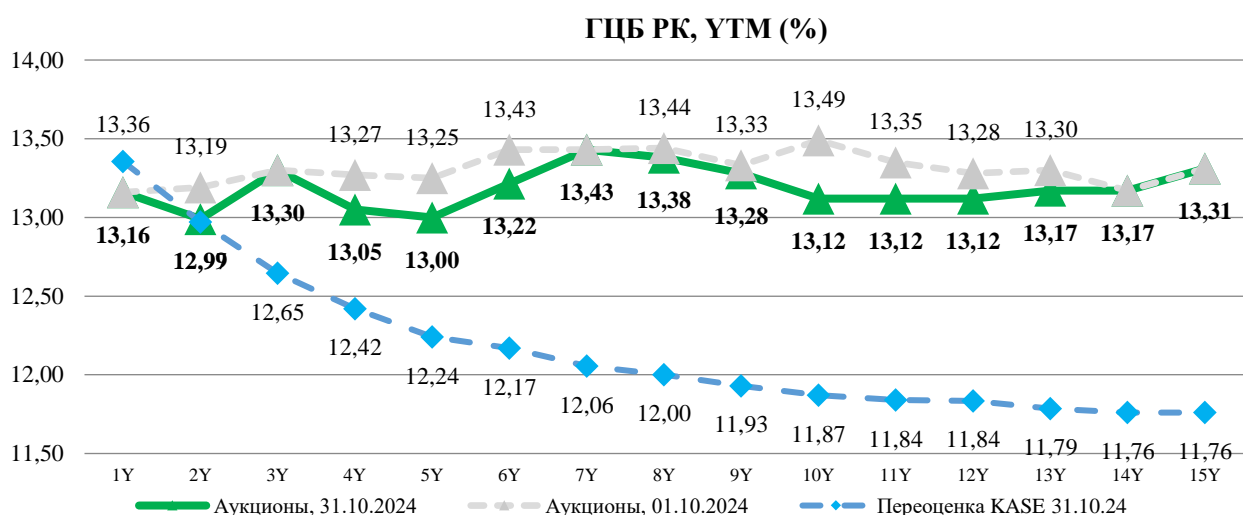
Investment results

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 KZT 2.39 trillion.

As of November 1, 2024, the return on UAPF pension assets for the last 12 months, distributed to the accounts of contributors (beneficiaries), amounted to 14.88% with inflation of 8.50%. The return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2024 amounted to 12.67%.

In October 2024, the market showed high volatility amid rising expectations of Donald Trump winning the US presidential election and the Republicans winning the Senate and House of Representatives elections. At the end of October, market expectations for a reduction in the US base rate decreased from three to two times by 25 bps. Inflation dynamics in the United States showed a slight increase in October – 2.6% per annum versus 2.4% in September, while the monthly inflation growth remained at 0.2%. Nonfarm payroll growth in October was well below the 113,000 expected, at 12,000, due to Hurricane Milton and the Boeing strike. At the same time, the unemployment rate remained at 4.1%.

As a result, benchmark 10-year US Treasury yields fell by 50 bps in October. Emerging market bond spreads narrowed by 20 bps, while corporate bond spreads narrowed by 5 bps. At the same time, the MSCI World stock index fell by 2.04%. In October, a slight decrease in yields at the near end of the curve was observed at auctions for the placement of GS of the Republic of Kazakhstan against the backdrop of the NBRK decision to maintain the base rate at 14.25%. At the same time, in October, inflation accelerated to 8.5% per annum (8.3% in September) or 0.9% for October (0.4% in September). The average demand at auctions of GS of the Republic of Kazakhstan exceeded supply by 4.4 times, where the main demand was concentrated on short-term placements of GS of the Republic of Kazakhstan. At the same time, an increase in the volume of borrowing by the MFRK was observed from KZT 224 bln in September to KZT 600 bln in October.



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

Table 3. Structure of investment income received from PA UAPF, 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 | 1 299,53 |
| Income (loss) from market revaluation of securities | 70,69 |
| Income (loss) from foreign currency revaluation | 286,65 |
| Income (loss) on assets under external management | 734,41 |
| Other income (losses) | 3,51 |
| Total | 2 394,79 |

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 November 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 | 0.01% | yes |
| | Cash in foreign currency | 0.29% | yes |
| 1 | Kazakhstani issuers: | 58.93% | |
| 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 | 41.96% | 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 | 1.87% | yes |
| 1.3 | Securities of the quasi-public sector entities | 10.47% | 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: | 4.32% | yes |
| 1) | Debt securities | 4.15% | 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) | Equity securities | 0.07% | yes |
| 3) | Deposits | 0.10% | 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 | 0.30% | 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: | 37.88% | 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 | 21.06% | 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 | 7.10% | 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 | 9.68% | 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 | 0.52% | 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 | 77,094,400,000 |
| RK GS | KZT | RK Government | 49,200,000,000 |
| Total | | | 126,294,400,000 |

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 | 218,799,785,228 |
| Depository receipts | USD | NAC Kazatomprom JSC | 9,647,593,050 |
| Bonds | KZT | DTJ JSC | 2,043,258,333 |
| Total | | | 230,490,636,611 |

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 | US Treasury | 194,790,660,000 |
| RK GS | KZT | RK Government | 42,469,217,000 |
| Total | | | 237,259,877,000 |

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

| Вид инструмента | Валюта | Эмитент ценной бумаги | Сумма к погашению в тенге |
|------------------------|---------------|------------------------------|----------------------------------|
| Deposit | KZT | Eurasian Bank JSC | 5,000,000,000 |
| Total | | | 5,000,000,000 |