

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

As of December 01, 2021 UAPF JSC pension assets (hereinafter referred to as PA) under fiduciary management of the National Bank of RK (hereinafter, NBRK) amounted to KZT 13,366.46 bln¹.

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

KZT bln

Description	Current Value as of 01.01.2021	Share as of 01.01.2021	Current Value as of 01.12.2021	Share as of 01.12.2021	Increase/Decrease from the Beginning of the Year
Government securities of MF RK	5,648.40	43.80%	5,094.12	38.11%	-9.81%
Notes of NB RK	81.65	0.63%	-	0.00%	-100.00%
Foreign government securities	1 280.10	9.93%	2,179.87	16.31%	70.29%
IFO	531.43	4.12%	477.16	3.57%	-10.21%
Corporate bonds of RK issuers	29.80	0.23%	23.95	0.18%	-19.61%
Bonds of quasi-public organizations of RK	1 821.67	14.13%	1,732.38	12.96%	-4.90%
Bonds of second tier banks of RK	1 158.49	8.98%	1,035.84	7.75%	-10.59%
Corporate bonds of foreign issuers	6.89	0.05%	3.93	0.03%	-42.97%
Bonds of foreign quasi-public organizations	256.44	1.99%	-	0.00%	-100.00%
PPN	33.34	0.26%	10.41	0.08%	-68.78%
Shares and depository receipts of RK issuers	294.31	2.28%	471.07	3.52%	60.06%
Shares and depository receipts of foreign issuers	30.50	0.24%	-	0.00%	-100.00%
Deposits	251.71	1.95%	249.81	1.87%	-0.76%
NBRK Deposits	332.19	2.58%	180.13	1.35%	-45.77%
Deposits in foreign banks	282.90	2.19%	173.71	1.30%	-38.60%
Cash on investment accounts	12.02	0.09%	156.37	1.17%	
Repo	26.25	0.20%	157.79	1.18%	501.15%
Assets under external management	816.53	6.33%	1,380.90	10.33%	69.12%
Other assets (accounts receivable ² , overdue debt, provisions)	0	0%	39.00	0.29%	
Total PA under fiduciary management of NBRK	12,894.60	100.00%	13,366.46	100.0%	3.66%
Obligations to pay for completed transactions					
Cash on contribution and benefit payment accounts	22.51		7.29		
Total Pension Assets	12,917.11		13,373.75		3.54%

As of 01.12.2021 the weighted average yield to maturity (YTM) of debt financial instruments in the UAPF PA investment portfolio amounted to 7.8% per annum, including those denominated in tenge – 9.7% per annum, in foreign currency – 1.1% per annum.

¹ less cash on contribution and benefit payment accounts.

² accounts receivable include amounts receivable for interest and/or principal for which the date of commencement of repayment of the debt by the issuer has come in accordance with the terms of the prospectus for the issue of a financial instrument, as well as cash receivable from the sale of FI

Government securities of the Ministry of Finances of the Republic of Kazakhstan

The main share in the portfolio of PA UAPF 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 KZT 150.89 bln and amounted to KZT 5,094.12 bln. Their share in the portfolio was 38.11%.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT 135.00 billion with an average weighted yield of 10.83% per annum. There were no redemptions and sales of government 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, 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 countries for the reporting month increased by KZT 601.94 bln and amounted to KZT 2,179.87 bln. Their share in the portfolio was 16.31%.

In the reporting period, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, government securities of foreign states (USA, Peru, Poland and Indonesia) were sold in the total amount of 694.40 bln tenge, and also US government securities were repaid in the amount of 29.24 bln tenge.

In the period under review, short-term and, as part of the transition to index management in accordance with clause 27 of the UAPF Investment Declaration, medium-term US government securities in the total volume of 1,084.00 bln tenge with an average weighted yield of 0.66% per annum were acquired, as well as within the framework of the transition to index management in accordance with Clause 27 of the UAPF Investment Declaration acquired government securities of Mexico, Qatar, Abu Dhabi, Colombia, Kuwait, Indonesia, Saudi Arabia, Panama, Peru and Morocco in the total amount of 196.08 bln tenge with an average weighted yield of 3.70% per annum.

The weighted average yield to maturity of government securities of foreign countries in the UAPF PA portfolio as of the reporting date amounted to 0.9% per annum.

Bonds of international financial organizations

The current value of bonds of international financial organizations for the reporting month decreased by KZT 40.06 bln and amounted to KZT 477.16 bln. Their share in the portfolio was 3.57%.

In the period under review, the bonds of the European Bank for Reconstruction and Development in the amount of 39.00 bln tenge were redeemed (payment is expected in December of this year.)

There were no purchases or 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 10.1% 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 STBs of the Republic of Kazakhstan with an average weighted maturity of 2.78 years decreased by KZT 0.37 bln during the reporting month and amounted to KZT 249.81 bln. Their share in the portfolio was 1.87%.

There were no placements and redemptions of deposits of STBs of the Republic of Kazakhstan.

The weighted average yield to maturity of deposits of second-tier banks of the Republic of Kazakhstan as of the reporting date was 9.1% per annum.

Deposits in foreign banks

The current value of deposits in foreign banks as of the reporting date amounted to KZT 173.71 bln. Their share in the portfolio was 1.30%.

In the reporting month, deposits in foreign banks were repaid in the amount of KZT 588.03 bln.

In the period under review, there were no placements of deposits with foreign banks.

Deposits in the National Bank of the Republic of Kazakhstan

The current value of deposits with the National Bank of the Republic of Kazakhstan as of the reporting date amounted to 180.13 bln tenge. Their share in the portfolio was 1.35%.

In the reporting month, within the framework of current liquidity management in order to maintain profitability on pension assets, investments were made in the deposits of the National Bank of the Republic of Kazakhstan. The average volume of transactions amounted to 126.07 bln tenge with an average weighted yield of 9.12% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of corporate bonds of RK issuers for the reporting month increased by KZT 0.24 bln and amounted to KZT 23.95 bln. Their share in the portfolio was 0.18%.

There were no purchases, sales and redemption of corporate bonds of RK issuers.

Bonds of quasi-public organizations of the Republic of Kazakhstan

The current value of bonds of quasi-state organizations of the Republic of Kazakhstan for the reporting month increased by 7.89 bln tenge and amounted to 1,732.38 bln tenge. Their share in the portfolio was 12.96%.

There were no purchases, redemptions and sales of securities of quasi-governmental organizations of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of quasi-government organizations of the Republic of Kazakhstan, denominated in tenge, amounted to 10.7% 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 STB RK for the reporting month decreased by 3.84 bln tenge and amounted to 1,035.84 bln tenge. Their share in the portfolio was 7.75%.

In the reporting period, in accordance with the maturity specified in the prospectus, the principal debt on bonds of SB Sberbank JSC in the amount of 8.02 bln tenge was repaid.

There were no purchases and sales of bonds of STB RK.

As of the reporting date, the weighted average yield to maturity on bonds of STB RK was 10.0% per annum.

Corporate bonds of foreign issuers

The current value of corporate bonds of foreign issuers amounted to 3.93 bln tenge. Their share in the portfolio was 0.03%.

There were no purchases, sales and redemption 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 (structured notes) of foreign issuers

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT 10.41 bln. Their share in the portfolio was 0.08%.

There were no sales, redemptions or purchases of PPNs (structured notes) by 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 15.28 bln and amounted to KZT 471.07 bln. Their share in the portfolio was 3.52%.

There were no purchases and sales of shares and depositary receipts of RK issuers.

Shares and depositary receipts of foreign issuers

In the reporting month, China Mobile's depositary receipts were sold in the amount of 0.22 bln tenge.

There were no purchases of shares and depositary receipts of foreign 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

<i>KZT bln</i>					
Currency	Current Value as of 01.01.2021	Share as of 01.01.2021	Current Value as of 01.12.2021	Share as of 01.12.2021	Increase/Decrease from the Beginning of the Year
National Currency	9,143.27	70.91%	9,037.27	67.61%	-1.16%
US dollar	3,726.85	28.90%	4,320.53	32.32%	15.93%
Russian ruble	17.48	0.14%	8.11	0.06%	-53.63%
Other currencies	7.00	0.05%	0.55	0.00%	-92.12%
Total:	12,894.60	100.00%	13,366.46	100.00%	3.66%

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 from the beginning of 2021 amounted to KZT 1,380.51 bln. The profitability of the UAPF's pension assets allocated to the accounts of contributors (recipients) since the beginning of 2021 amounted to 11.00% with inflation of 7.80%. Thus, the real return on UAPF pension assets was 3.20%.

At the same time, as of December 1, 2021, the profitability of pension assets for the last 12 months (from December 2020 to November 2021) for contributors (recipients) of the UAPF was 11.77% with inflation of 8.70%. Thus, over the past 12 months, the real return on the UAPF's pension assets amounted to 3.07%.

The structure of the 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

<i>KZT bln</i>	
Description	Investment return of 2021
Income in the form of interest on securities, including on placed deposits and reverse REPO operations.	803.91
Income (loss) from market revaluation of securities	156.37
Income (loss) from revaluation of foreign currency	83.08
Income (loss) on assets under external management	161.05
Other income (loss)	176.10
Total:	1,380.51

Information on compliance with the Investment Declaration parameters

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, 2021 is presented in Table 4.

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

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	1.16%	yes
1	Kazakhstani issuers:	64.79%	
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	38.11%	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	1.35%	yes
1.3	Securities of the quasi-public sector entities	15.18%	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:	9.99%	yes
1)	Debt securities	7.01%	yes
2)	Equity securities	1.10%	yes
3)	Deposits	1.87%	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	0.17%	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
2	Foreign issuers:	31.29%	yes
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	20.68%	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	5.04%	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	4.19%	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	1.30%	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 of US	USD	Government of USA (net purchases)	403,475,978,200
GS of RK	KZT	Ministry of Finance of the Republic of Kazakhstan	135,000,000,000
GS of Mexico	USD	Mexican government	72,876,695,000
GS of Colombia	USD	Colombian government	60,756,145,000
GS Saudi Arabia	USD	Saudi Arabia government	25,082,515,000
GS of the Republic of Indonesia	USD	Government of the Republic of Indonesia (net purchases)	13,505,395,641
GS of Qatar	USD	Government of Qatar	4,295,000,000
GS of Abu Dhabi	USD	Government of Abu Dhabi	3,422,480,000
GS of the Republic of Peru	USD	Government of the Republic of Peru (net purchases)	3,324,889,900
GS of the Republic of Panama	USD	Government of the Republic of Panama	2,160,750,000
GS of Morocco	USD	Government of Morocco	2,148,400,000
GS of Kuwait	USD	Government of Kuwait	861,480,000
Total			726,909,728,741

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

Instrument	Currency	Issuer	Transaction Amount, KZT
GS of Poland	USD	Government of Poland	6,240,269,925
Depository receipt	USD	CHINA MOBILE	218,079,716
Total			6,458,349,641

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

Instrument	Currency	Issuer	Transaction Amount, KZT
GS USA	USD	Government of USA	29,239,320,000
Bonds	KZT	SB Sberbank JSC	8,024,600,000
Total			37,263,920,000

Table 8. Information on placements in deposits of foreign banks in the reporting month

Instrument	Currency	Bank	Transaction Amount, KZT
Deposit	USD	Sumitomo Mitsui Banking	99,070,200,000
Deposit	USD	Credit Agricole CIB Hongkong branch	97,029,000,000
Deposit	USD	Bank of Tokyo-Mitsubishi	85,998,000,000
Deposit	USD	Canadian Imperial Bank of commerce	85,734,000,000
Deposit	USD	Rabobank Nederland	82,498,560,000
Deposit	USD	Societe Generale Paris	51,567,600,000
Deposit	USD	Bank of Nova Scotia	43,158,000,000
Deposit	USD	Bank of Montreal	42,973,000,000
Total			588,028,360,000