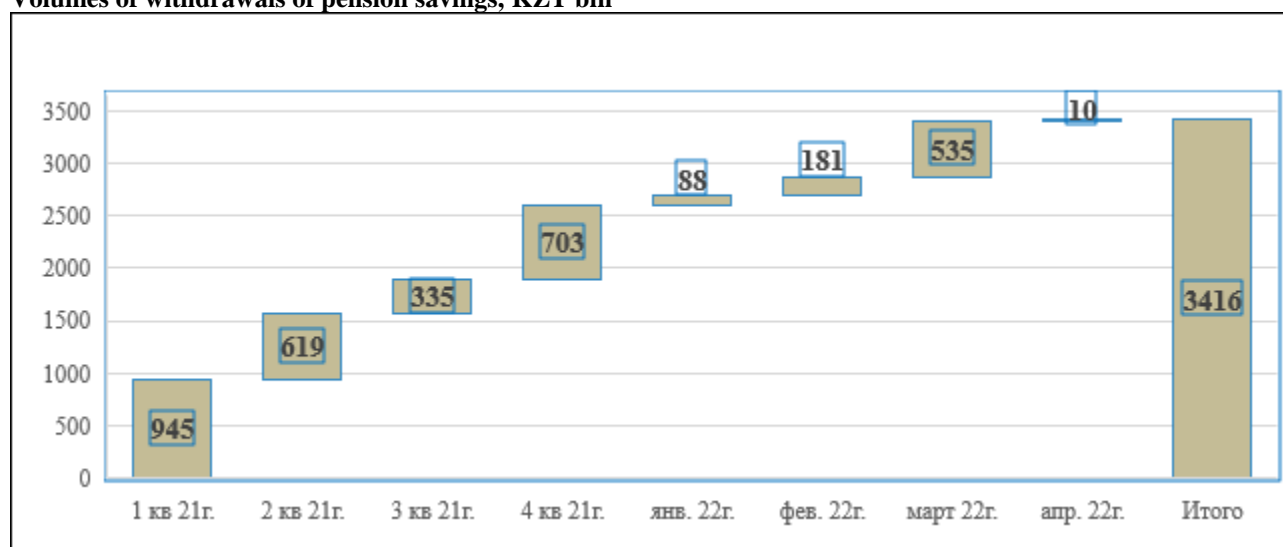


## Information on investment management of pension assets of UAPF JSC

As of May 1, 2022, pension assets (hereinafter referred to as PA) of the UAPF, held in trust by the National Bank of the Republic of Kazakhstan (hereinafter referred to as the NBRK), amounted to KZT 12,914.30 bln<sup>1</sup>, having decreased since the beginning of the year against the background of the sale by contributors (beneficiaries) the right to lump-sum pension benefits (hereinafter referred to as the LSPB) from the UAPF in order to improve housing conditions, pay for medical treatment and transfer to investment portfolio managers. The volume of LSPB executed by UAPF for crediting by authorized operators to special accounts of applicants and transfer to investment portfolio managers in April of this year. amounted to KZT10 bln, from the beginning of 2022 - KZT814 bln, for the entire period from February 2021 - KZT3.4 trillion.

### Volumes of withdrawals of pension savings, KZT bln



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**

Description	KZT bln				
	Current Value as of 01.01.2022	Share as of 01.01.2022	Current Value as of 01.05.2022	Share as of 01.05.2022	Increase/Decrease from the beginning of the year
Government securities of MF RK	5,104.82	39.13%	5,331.96	41.29%	4.45%
Foreign government securities	855.31	6.56%	734.24	5.69%	-14.16%
IFO	407.31	3.12%	401.08	3.11%	-1.53%
Corporate bonds of RK issuers	18.19	0.14%	16.25	0.13%	-10.64%
Bonds of quasi-public organizations of RK	1,670.05	12.80%	1,698.75	13.15%	1.72%
Bonds of second tier banks of RK	1,046.62	8.02%	927.44	7.18%	-11.39%
Corporate bonds of foreign issuers	3.93	0.03%	4.46	0.03%	13.57%
PPN	10.70	0.08%	11.22	0.09%	4.86%

<sup>1</sup> excluding money in the accounts of pension contributions and benefits.

Shares and depository receipts of RK issuers	304.07	2.33%	264.77	2.05%	-12.92%
Deposits	251.71	1.93%	198.55	1.54%	-21.12%
NBRK Deposits	127.00	0.97%	320.84	2.48%	152.63%
Cash on investment accounts	434.40	3.33%	7.36	0.06%	-98.31%
REPO	215.74	1.65%	-	0.00%	-100.00%
Index asset management, including:	3,028.36	23.21%	2,997.37	23.21%	-1.02%
Government securities of developed countries	1,068.35	8.19%	1,047.50	8.11%	-1.95%
Government securities of developing countries	577.50	4.43%	517.48	4.01%	-10.39%
Assets under external management	1,382.50	10.60%	1 432.39	11.09%	3.61%
<b>Total PA under fiduciary management of NBRK</b>	<b>13,046.57*</b>	<b>100.00%</b>	<b>12,914.30</b>	<b>100.00%</b>	<b>-1.01%</b>
Obligations payable on completed transactions	431.64				
Cash on contribution and benefit payment accounts	25.87		13.08		
<b>Total Pension Assets</b>	<b>13,504.08</b>		<b>12,927.38</b>		

\* - taking into account obligations payable on completed transactions in the amount of KZT431.64 bln

As of May 01, 2022 the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of UAPF PA amounted to 9.0% per annum, including 10.9% per annum on those denominated in tenge and 2.6% per annum in foreign currency.

### **Government securities of the Ministry of Finances 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 for the reporting month increased by KZT149.03 bln and amounted to KZT5,331.96 bln. Their share in the portfolio was 41.29%.

In the reporting period, the government securities of the Ministry of Finance of the Republic of Kazakhstan were redeemed in the amount of KZT10.00 bln.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT190 bln with an average weighted yield of 13.44% per annum. There were no 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 10.8% per annum, in US dollars - 3.4% per annum.

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

The current value of government securities of foreign states for the reporting month increased by KZT20.49 bln and amounted to KZT734.24 bln. Their share in the portfolio was 5.69%.

In the reporting period, US government securities were redeemed in the amount of KZT60.40 bln.

In the period under review, US government securities were purchased in the amount of KZT112.55 bln with a weighted average yield of 0.81% per annum. There were no sales of foreign government securities.

The weighted average yield to maturity of foreign government securities in the UAPF PA portfolio as of the reporting date was 0.6% per annum.

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

The current value of bonds of international financial organizations for the reporting month increased by KZT1.54 bln and amounted to KZT401.08 bln. Their share in the portfolio was 3.11%.

There were no purchases, redemptions and sales of securities of international financial organizations in the period under review.

The weighted average yield to maturity on bonds of international financial organizations denominated in tenge with a fixed interest rate was 10.0% 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 2.36 years decreased by KZT 34.53 bln during the reporting month and amounted to KZT 198.55 bln. Their share in the portfolio was 1.54%.

In the reporting month, early full repayment of deposits placed with SB Sberbank JSC was made in the amount of KZT 35.00 bln.

There were no placements of deposits by STBs of the Republic of Kazakhstan.

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

### **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 was KZT 320.84 bln. Their share in the portfolio was 2.48%.

In the reporting month, within the framework of current liquidity management in order to maintain return on pension assets, investments were made in deposits of the National Bank of the Republic of Kazakhstan. The average volume of deals amounted to KZT 193.43 bln with a weighted average yield of 12.79% per annum.

### **Deposits in the foreign banks**

As of the reporting date, there are no deposits in foreign banks. In the reporting month, the deposit in a foreign bank was repaid in the amount of KZT 51.73 bln.

### **Corporate bonds of issuers of the Republic of Kazakhstan**

The current value of corporate bonds of RK issuers for the reporting month decreased by KZT 1.36 bln and amounted to KZT 16.25 bln. Their share in the portfolio was 0.13%.

There were no purchases, sales and redemptions of corporate bonds of RK issuers in the period under review.

### **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 KZT1.29 bln and amounted to KZT1,698.75 bln. Their share in the portfolio was 13.15%.

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

As of the reporting date, the weighted average yield to maturity on bonds of quasi-public organizations of the Republic of Kazakhstan, denominated in tenge, amounted to 10.8% 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 second-tier banks of the Republic of Kazakhstan for the reporting month decreased by KZT0.59 bln and amounted to KZT927.44 bln. Their share in the portfolio was 7.18%.

In the reporting period, in accordance with the maturity date set in the prospectus, the principal debt on the bonds of ForteBank JSC was repaid in the amount of KZT0.44 bln.

There were no sales or purchases of bonds of second-tier banks of the Republic of Kazakhstan.

As of the reporting date, the weighted average yield to maturity on bonds of second-tier banks of the Republic of Kazakhstan amounted to 10.7% per annum.

#### **Corporate bonds of foreign issuers**

The current value of corporate bonds of foreign issuers amounted to KZT4.46 bln. Their share in the portfolio was 0.03%.

There were no purchases, sales or redemptions 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**

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT11.22 bln. Their share in the portfolio was 0.09%.

There were no sales, redemptions and purchases of PPN (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 KZT8.27 bln and amounted to KZT264.77 bln. Their share in the portfolio was 2.05%.

In the period under review, there were no purchases and sales of shares and depositary receipts of RK 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**

Currency	<i>KZT bln</i>				
	Current Value as of 01.01.2022	Share as of 01.01.2022	Current Value as of 01.05.2022	Share as of 01.05.2022	Increase/Decrease from the beginning of the year
National Currency	8,770.15	67.22%	8,815.25	68.26%	0.51%
US dollar	4,267.46	32.71%	4,089.33	31.67%	-4.17%
Russian ruble	8.41	0.06%	9.18	0.07%	9.16%
Other currencies	0.55	0.00%	0.53	0.00%	-4.04%
<b>Total:</b>	<b>13,046.57</b>	<b>100.00%</b>	<b>12,914.30</b>	<b>100.00%</b>	<b>-1.01%</b>

#### **Investment result**

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 2022 has been positive and amounted to KZT136.52 bln.

Against the background of the aggravation of the geopolitical situation, increased volatility in global financial markets, accelerating inflation, as well as rising yields on bonds of developed and developing countries, the return on UAPF pension assets distributed to the accounts of contributors (beneficiaries) since the beginning of 2022 amounted to 0.88%.

At the same time, as of May 1, 2022, the profitability of pension assets for the last 12 months (from May 2021 to April 2022) for UAPF contributors (beneficiaries) amounted to 8.00%.

The cumulative return for the period from April 2014, when the consolidation of pension assets was completed, to April 2022 amounted to 104.45%. For 8 years from 2014 to 2021, the return on pension assets of the UAPF is 9.68% per annum.

The structure of 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 remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	50.93
Income (loss) from foreign currency revaluation	93.29
Income (loss) on assets under external management	-18.06
Other income (losses)	10.36
<b>Total</b>	<b>136.52</b>

### **Information on compliance with the Investment Declaration parameters**

The structural distribution of UAPF PA in trust meets the requirements of the UAPF Investment Declaration<sup>2</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, 2022 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	0.04%	yes
	Cash in foreign currency	0.14%	yes
<b>1</b>	<b>Kazakhstani issuers:</b>	<b>66.97%</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	41.29%	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	2.48%	yes
1.3	Securities of the quasi-public sector entities	14.97%	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:	8.08%	yes
1)	Debt securities	6.50%	yes
2)	Equity securities	0.04%	yes
3)	Deposits	1.54%	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

<sup>2</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

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	0.16%	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
<b>2</b>	<b>Foreign issuers:</b>	<b>31.40%</b>	<b>yes</b>
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	21.17%	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	4.92%	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	5.23%	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	0.00%	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	0.09%	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 e**

Instrument	Currency	Issuer	Nominal Value in KZT
GS RK	KZT	RK Government	190,000,000,000
US GS	USD	US Government	112,552,500,000
<b>Total</b>			<b>302,552,500,000</b>

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

Instrument	Currency	Issuer	Amount due in tenge
US GS	USD	US Government	60,403,950,000
GS RK	KZT	RK Government	10,000,000,000
Bonds	KZT	ForteBank JSC	442,137,324
<b>Total</b>			<b>70,846,087,324</b>

**Table 7. Information on principal repayments on deposits in the reporting month**

<b>Instrument</b>	<b>Currency</b>	<b>Issuer</b>	<b>Amount due in tenge</b>
Deposit	USD	Societe Generale	51,732,750,000
Deposit	KZT	Subsidiary Bank "Sberbank Russii" JSC	35,000,000,000
<b>Total</b>			<b>86,732,750,000</b>