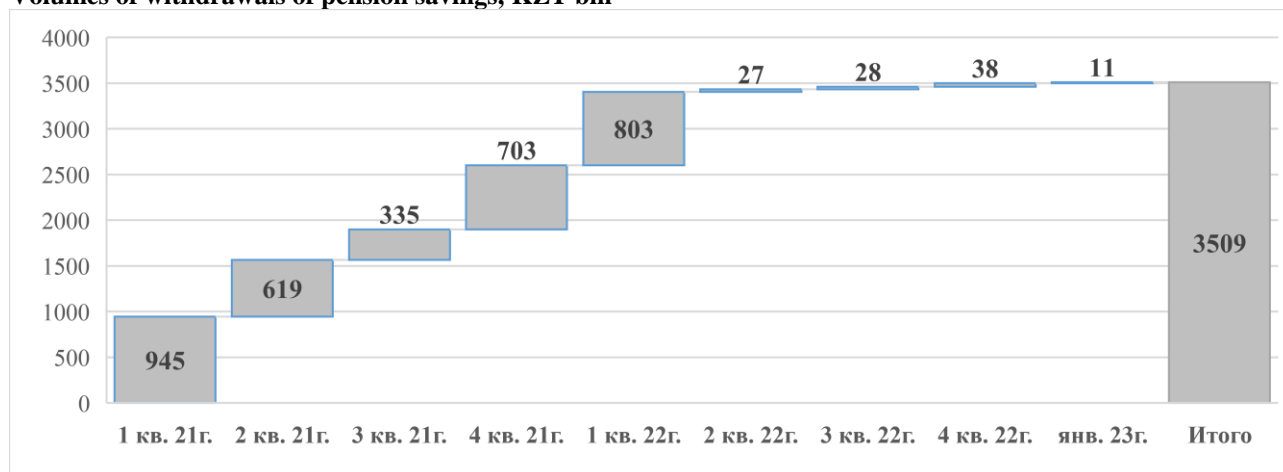


INFORMATION ON INVESTMENT MANAGEMENT OF PENSION ASSETS OF UAPF JSC

As of February 1, 2023, UAPF pension assets (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 KZT14,845.94 bln¹.

The volume of LPB executed by UAPF for crediting by authorized operators to special accounts of applicants and transfer to investment portfolio managers in January this year amounted to KZT11.4 bln, in 2022 - KZT896.3 bln, for the entire period from February 2021 - KZT3.50 trln.

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	<i>KZT bln</i>				
	Current Value as of 01.01.2023	Share as of 01.01.2023	Current Value as of 01.02.2023	Share as of 01.02.2023	Increase/Decrease from the beginning of the year
Government securities of MF RK	7,270.16	49.72%	7,119.60	47.96%	-2.07%
Foreign government securities	812.16	5.55%	811.55	5.47%	-0.07%
IFO	370.94	2.54%	373.38	2.52%	0.66%
Corporate bonds of RK issuers	16.25	0.11%	15.73	0.11%	-3.24%
Bonds of quasi-public organizations of RK	1,666.98	11.40%	1,673.10	11.27%	0.37%
Bonds of second tier banks of RK	945.94	6.47%	930.92	6.27%	-1.59%
Corporate bonds of foreign issuers	5.51	0.04%	5.63	0.04%	2.28%
PPN	9.47	0.06%	9.51	0.06%	0.36%
Shares and depository receipts of RK issuers	246.54	1.69%	265.75	1.79%	7.80%
Deposits	200.39	1.37%	201.17	1.36%	0.39%
NBRK Deposits	80.34	0.55%	380.50	2.56%	373.64%
Cash in investment accounts	22.69	0.16%	37.69	0.25%	66.13%
Other assets (accounts receivable, arrears, provisions)	2.06	0.01%	19.68	0.13%	856.52%

¹ excluding money in the accounts of pension contributions and benefits.

Index asset management, including:	2,972.49	20.33%	3,001.72	20.22%	0.98%
Government securities of developed countries	1,069.24	7.31%	1,076.09	7.25%	0.64%
Government securities of developing countries	547.83	3.75%	556.89	3.75%	1.65%
Assets under external management	1,355.43	9.27%	1,368.73	9.22%	0.98%
Total PA under fiduciary management of NBRK	14,621.89	100.00%	14,845.94	100.00%	1.53%
Obligations payable on completed transactions					
Cash on contribution and benefit payment accounts	37.07		5.09		
Total Pension Assets	14,658.96		14,851.03		1.31%

As of February 01, 2023 the weighted average yield to maturity (YTM) of debt financial instruments in the investment portfolio of UAPF PA was 11.1% per annum, including 12.8% per annum on those denominated in tenge, and 4.5% 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 decreased by KZT150.56 bln and amounted to KZT7,119.60 bln. Their share in the portfolio was 47.96%.

In the reporting period, the government securities of the Ministry of Finance of the Republic of Kazakhstan were redeemed in the amount of KZT183.00 bln. There were no sales of government securities of the Ministry of Finance of the Republic of Kazakhstan.

In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT65.00 bln at face value with a weighted average yield of 14.62% per annum.

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 13.2% 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 in the liquidity sub-portfolio for the reporting month decreased by KZT0.60 bln and amounted to KZT811.55 bln. Their share in the portfolio was 5.47%.

There were no sales, redemptions or purchases of government securities of foreign states.

The weighted average yield to maturity of government securities of foreign states in the liquidity sub-portfolio of the currency portfolio of UAPF PA as of the reporting date amounted to 4.8% per annum.

IFO bonds

The current value of bonds of international financial organizations for the reporting month increased by KZT2.45 bln and amounted to KZT373.38 bln. Their share in the portfolio was 2.52%.

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 9.5% 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 1.61 years, increased by KZT0.78 bln for the reporting month and amounted to KZT201.17 bln. Their share in the portfolio was 1.36%.

There were no placements and repayments of deposits of 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 in the National Bank of the Republic of Kazakhstan as of the reporting date amounted to KZT380.50 bln. Their share in the portfolio was 2.56%.

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 KZT140.39 bln with an average weighted yield of 15.75% per annum.

Corporate bonds of issuers of the Republic of Kazakhstan

The current value of corporate bonds of RK issuers for the reporting month decreased by KZT0.53 bln and amounted to KZT15.73 bln. Their share in the portfolio was 0.11%.

In the period under review, according to the terms of the issue, a part of the bonds of SevKazEnergo JSC was redeemed in the amount of KZT0.50 bln.

In the period under review, there were no purchases and 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 increased by KZT6.13 bln and amounted to KZT1,673.10 bln. Their share in the portfolio was 11.27%.

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 11.0% 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 KZT15.01 bln and amounted to KZT930.92 bln. Their share in the portfolio was 6.27%.

In the period under review, the principal debt on the bonds of ForteBank JSC in the amount of KZT2.13 bln was paid (the decrease in the current value occurred in the previous month), and the bonds of Kaspi Bank JSC in the amount of KZT19.68 bln were repaid (the payment is expected in the period from 27.01.2023 to 09.02.2023).

In the reporting period, there were no sales and 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 9.13% per annum.

Foreign corporate bonds in the liquidity sub-portfolio

The current value of corporate bonds of foreign issuers amounted to 5.63 KZT bln. Their share in the portfolio was 0.04%.

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 8.9% per annum.

PPN

The current value of PPN (structured notes) of foreign issuers in the reporting month amounted to KZT9.51 bln. Their share in the portfolio was 0.06%.

There were no sales, redemptions or 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 increased by KZT19.22 bln and amounted to KZT265.75 bln. Their share in the portfolio was 1.79%.

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 are denominated, acquired at the expense of UAPF pension assets, is presented in Table 2.

In the reporting period, in order to maintain the currency share of pension assets at the level of 30%, in order to diversify the investment portfolio, USD120.00 million were purchased at the Kazakhstan Stock Exchange.

Table 2. Structure of the investment portfolio of UAPF PAs held in trust by the NBRK, by currency
KZT bln

Currency	Current Value as of 01.01.2023	Share as of 01.01.2023	Current Value as of 01.02.2023	Share as of 01.02.2023	Increase/Decrease from the beginning of the year
National Currency	10,467.94	71.59%	10,634.68	71.63%	1.59%
US dollar	4,146.13	28.36%	4,203.28	28.31%	1.38%
Russian ruble	7.28	0.05%	7.44	0.05%	2.14%
Other currencies	0.53	0.00%	0.54	0.00%	2.08%
Total:	14,621.89	100.00%	14,845.94	100.00%	1.53%

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 2023 amounted to KZT66.19 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 2023 amounted to 0.44%.

At the same time, as of February 1, 2023, the return on pension assets for the last 12 months (from February 2022 to January 2023) for UAPF contributors (beneficiaries) amounted to 6.93%.

It is important to note that the return on pension assets, taken over individual short periods of time, is not an indicator of the effectiveness of their management. Pension assets are characterized by a long investment horizon and, accordingly, one of the main goals of their investment is to obtain real returns in the long run. From the point of view of the stability of the funded pension system, it is expedient to consider indicators of return and inflation over a long time horizon.

The cumulative return for the period from April 2014, when the consolidation of pension assets was completed, to January 2023 amounted to 116.88%. For 9 years from 2014 to 2022, in annual terms, the return on pension assets of the UAPF is 9.33% per annum.

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

Table 3. Structure of investment income received from UAPF PAs held in trust by the NBRK

KZT bln

Description	Investment return of 2023
Income in the form of remuneration on securities, including on placed deposits and reverse REPO transactions and from market revaluation of securities	111.01
Income (loss) from foreign currency revaluation	-12.34
Income (loss) on assets under external management	-32.69
Other income (losses)	0.21
Total	66.19

Information on compliance with the Investment Declaration parameters

The structural distribution of UAPF PA in trust meets the requirements of the UAPF Investment Declaration². 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 February 1, 2023 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	0.02%	yes
	Cash in foreign currency	0.49%	yes
1	Kazakhstani issuers:	70.62%	
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	47.96%	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	2.56%	yes
1.3	Securities of the quasi-public sector entities	12.82%	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:	7.12%	yes
1)	Debt securities	5.72%	yes
2)	Equity securities	0.04%	yes
3)	Deposits	1.36%	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	0.16%	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

² 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	Foreign issuers:	27.34%	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	19.22%	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	3.96%	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	4.09%	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	0.06%	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	0.12%	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
GS RK	KZT	Government of RK	65,000,000,000
Total			65,000,000,000

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

Instrument	Currency	Issuer	Transaction Amount in KZT
Bonds	KZT	SevKazEnergo JSC	501,527,778
Total			501,527,778

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

Instrument	Currency	Issuer	Amount due in KZT
GS RK	KZT	Government of RK	183,000,000,000
Bonds of STB RK	KZT	FortBank JSC	2,127,502,814
Total			185,127,502,814