

## ANNOUNCEMENT

### Investment portfolios of pension assets managed by the NB RK and IPMs as of July 1, 2022

On the website [enpf.kz](http://enpf.kz) in the section "Indicators - Investment activity" there is a monthly report as of July 1, 2022 on the investment of pension assets by the National Bank of the Republic of Kazakhstan (NBRK) and investment portfolio managers (IPM): it provides detailed information on the [structure](#) of investment portfolios as well as [reviews](#) of investment activities.

It follows from the information provided that the total amount of pension assets under management as of July 1, 2022 amounted to about **KZT13.4 trillion**. At the same time, UAPF pension assets held [in trust](#) by the NBRK amounted to **KZT13,371.23 bln**. [Pension assets managed by the IPM](#) amounted to about **KZT8.8 bln**.

#### Investment portfolio of pension assets managed by the NBRK

As of July 1, 2022, within the framework of the directions approved by the Council of Management of the National Fund of the Republic of Kazakhstan, the main investments of the NBRK (as a trustee) in financial instruments are [as follows](#):

- 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 amounted to KZT5,654.84 bln. Their current value increased by KZT325.47 bln over the month and as a result, their share in the portfolio amounted to 42.29%. In the period under review, government securities of the Ministry of Finance of the Republic of Kazakhstan were purchased in the amount of KZT320.00 bln with an average weighted yield of 13.78% per annum. As a result, the weighted average yield to maturity on government securities of the Ministry of Finance of the Republic of Kazakhstan, denominated in tenge, amounted to 11.2% per annum, in US dollars - 3.4% per annum;

- bonds of quasi-public organizations of the Republic of Kazakhstan with a current value of KZT1,697.6 bln (the share in the portfolio was 12.7%). The weighted average yield to maturity on bonds of quasi-public organizations of the Republic of Kazakhstan, denominated in tenge, amounted to 10.9% per annum, in US dollars - 5.5% per annum;

- bonds of second-tier banks of the Republic of Kazakhstan in the amount of KZT927.17 bln (6.93%). 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;

- foreign government securities in the liquidity sub-portfolio amounted to KZT308.79 bln. Their share in the portfolio was 2.31%. The decrease in the volume of these instruments is due to the fact that in the reporting period the US government securities were redeemed in the amount of KZT445.16 bln. The weighted average yield to maturity of foreign government securities in the UAPF PA portfolio as of the reporting date was 1.5% per annum;

- bonds of international financial organizations amounted to KZT396.99 bln. Their share in the portfolio was 2.97%. The weighted average yield to maturity on bonds of international financial organizations was 10% per annum;

- the current value of deposits in the National Bank of the Republic of Kazakhstan as of the reporting date amounted to KZT338.94 bln. Their share in the portfolio was 2.53%. The average volume of transactions amounted to KZT258.56 bln with an average weighted yield of 13.16% per annum;

- the value of shares and depositary receipts of issuers of the Republic of Kazakhstan amounted to KZT221.24 bln. Their share in the portfolio was 1.65%. In the period under review, there were no purchases and sales of shares and depositary receipts of RK issuers;

- deposits in second-tier banks amounted to KZT200.35 bln. Their share in the portfolio is 1.5%. The weighted average yield to maturity of deposits of STBs of the Republic of Kazakhstan as of the reporting date was 9.3% per annum;

- the current value of deposits in foreign banks as of the reporting date amounted to KZT505.92 bln. Their share in the portfolio was 3.78%. In the period under review, in order to maintain the return of the foreign exchange portfolio, deposits in a foreign bank denominated in US dollars were placed in the total amount of KZT642.77 bln with an average weighted yield of 1.62% per annum and a maturity of 11 days to 2.5 months.

More detailed information on other financial instruments and the structure of the investment portfolio as a whole under the management of the NBRK, indicating issuers, as well as an overview of investment activities, are available on the official website of the UAPF.

It should be noted that the investment portfolio in terms of currencies in which financial instruments purchased with pension assets are denominated is presented as follows: investments in the national currency - 68.67%, in US dollars - 31.25%, in other currencies - 0, 08% of the portfolio of pension assets.

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 amounted to KZT352.59 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 2.47%.

The cumulative return secured by the NBRK for the period from April 2014, when the consolidation of pension assets was completed, to June 2022 amounted to 107.68%. For 8 years from 2014 to 2021, in annual terms, the return on pension assets of the UAPF is 9.68% per annum.

Recall that in Kazakhstan there is a model of the state guarantee of the safety of pension savings. In accordance with Article 5 of the Law of the Republic of Kazakhstan *On Pension Provision in the Republic of Kazakhstan*, the state guarantees beneficiaries the safety of compulsory pension contributions and compulsory occupational pension contributions to the UAPF in the amount of actually made contributions, taking into account the inflation rate at the time of obtaining the right to pension benefits.

### **Investment Portfolio Managers**

The total amount of funds managed by IPM is about **KZT8.8 bln**.

Pension assets held in trust by **Jusan Invest JSC** amounted to KZT4,012 bln. They were used to purchase: shares of Exchange Traded Funds (ETF) - they account for 31.66%, government securities of the Ministry of Finance of the Republic of Kazakhstan (17.33%). Cash on investment accounts is 50.99% of the portfolio. It should be noted that 63.18% of investments are presented in tenge, 36.82% in US dollars.

As a result of investment activity, the return on pension assets managed by Jusan Invest JSC has amounted to 0.35% since the beginning of the year.

[A detailed structure](#) of the investment portfolio of financial instruments managed by Jusan Invest JSC, indicating issuers, is presented on the UAPF website

As of July 1, 2022, pension assets held in trust by **Halyk Global Markets JSC** amounted to **KZT2.43 bln**. In the portfolio structure, cash on accounts is 55.06%, equity instruments of foreign issuers (ETF Units) 15.3%, bonds of quasi-public organizations of the Republic of Kazakhstan 10.11%, shares and depository receipts of foreign issuers 5.79%, bonds of second-tier banks RK 5.59%, MFOs 4.14%, corporate bonds of RK organizations 3.97%. Investments in the national currency amounted to 78.79% of the portfolio, in US dollars - 21.21%. The return on pension assets since the beginning of 2022 has been (-5.24%).

A [detailed structure](#) of the investment portfolio of financial instruments managed by Halyk Global Markets JSC with indication of issuers is presented on the UAPF website

Pension assets held in trust by **BCC Invest JSC** as of July 1 this year amounted to KZT1.41 bln. They are distributed in government bonds of the Republic of Kazakhstan (42.17%), shares (ETF for indices) - 21.76%, bonds of quasi-public organizations of the Republic of Kazakhstan (9.99%), shares and depositary receipts of foreign issuers (8.98%), bonds of second-tier banks of the Republic of Kazakhstan (5.26%), IFO bonds 5.23%, corporate bonds of issuers-residents of the Republic of Kazakhstan (4.57%), cash on investment accounts (1.94%), other assets (accounts receivable, overdue debt, provisions) 0.1%. 68.99% of the portfolio was invested in instruments in national currency, 31.01% in US dollars.

As a result of investment activities, the return on pension assets managed by BCC Invest JSC since the beginning of this year amounted to (-4.88%).

A [detailed structure](#) of the investment portfolio of financial instruments managed by BCC Invest JSC, indicating issuers, is presented on the UAPF website.

As of July 1, 2022, UAPF pension assets held in trust by **Centras Securities JSC** amounted to KZT0.92 bln. They are invested in government securities of the Ministry of Finance of the Republic of Kazakhstan - 54.75%, shares and depositary receipts of issuers of the Republic of Kazakhstan - 8.65%, REPO - 17.51%, equity instruments of foreign issuers (ETF Units) - 1.83%. Cash on investment accounts is 17.05%, other assets (accounts receivable, overdue debt, provisions) 1.83%. 84.24% of the portfolio was invested in instruments in national currency, 15.76% in US dollars.

As a result of investment activities, the return on pension assets managed by Centras Securities JSC since the beginning of 2022 amounted to (-2.04%).

A [detailed structure](#) of the investment portfolio of financial instruments managed by Centras Securities JSC with indication of issuers is presented on the UAPF website.

Recall that after receiving pension assets from UAPF, IPM invests them in permitted financial instruments specified in the Rules for the implementation of investment portfolio management activities, approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 3, 2014 No. 10, and provided for in the IPM Investment Declaration.

When transferring pension savings to IPM management, the state guarantee is replaced by the guarantee of the management company to ensure the minimum level of profitability of pension assets. The minimum level of return is calculated on the basis of the weighted average return on pension assets transferred to the management of an IPM operating on the market.

*The UAPF was established on August 22, 2013 on the basis of GNPF APF JSC. The UAPF founder and shareholder is the Government of the Republic of Kazakhstan represented by the State Institution "Committee of State Property and Privatization" of the Ministry of Finance of the Republic of Kazakhstan. UAPF pension assets are managed by the National Bank of the Republic of Kazakhstan. From January 1, 2016, the functions for developing proposals to improve the management of pension assets were transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, pension benefits, individual accounting of pension accumulations and benefits, provides the contributor (beneficiary) with information on the status of his pension accumulations (for more information visit [www.enpf.kz](http://www.enpf.kz))*