

ANNOUNCEMENT

The accumulated investment return in the long term significantly exceeds inflation and continues to grow

The accumulated investment return from the foundation of the funded pension system in 1998 until February 1, 2025, with a cumulative total, amounted to 966.41% with inflation for the entire period of 837.99%.

It should be noted that pension savings are long-term investments, and it is advisable to analyze the amount of investment income for a period of at least one year. Short-term (weekly, monthly, etc.) data are not indicative, since they depend on constant changes in the market situation. An analysis of investment activity based on the results of 12 months confirms this fact: as of February 1, 2025, the return on pension assets managed by the National Bank of the Republic of Kazakhstan (NBRK) and formed through compulsory, compulsory occupational and voluntary pension contributions, over the past 12 months, distributed to the accounts of contributors (beneficiaries), amounted to 15.66% with inflation of 8.90%.

As is known, pension assets under the management of the NBRK and investment portfolio managers (IPMs) are invested in Kazakhstan and abroad on market terms in different currencies. When investing in certain instruments, both global and domestic factors are taken into account. In order to preserve pension assets and obtain profitability, the NBRK and IPMs diversify the investment portfolio: pension assets are invested in various financial instruments in a certain volume, taking into account the market situation. This is a widespread global practice. Pension funds around the world are constantly looking for attractive and profitable opportunities for investing and increasing pension capital.

A significant share of pension savings, as a rule, is investment income. From year to year, not only the volume of pension savings increases, but also the share of investment income in it. For example, the net investment income accumulated since 2014 (after the merger of pension assets into the UAPF) as of February 1, 2025 amounted to **KZT11.54 trillion** (for comparison, as of February 01, 2024 it amounted to more than KZT8.6 trillion). Taking into account the payments made, the share of accumulated net investment income in the total amount of pension savings of Kazakhstanians as of February 1, 2025 is more than 40.9%, which demonstrates the significant role of investment activities in the structure of citizens' savings (as of February 1, 2024, this figure was 37.1%).

However, investment income is a variable value, it depends on many factors, including the situation in the financial markets, the market value of securities, and changes in exchange rates. Therefore, due to changes in foreign exchange rates and the market value of financial instruments, the amount of investment income can be both positive and negative in a particular period. For example, since the end of last year, the dollar exchange rate has changed in a fairly wide range from 499 tenge to 530 tenge, then fell again to 500 tenge. As a result, positive or negative currency revaluation of pension assets was formed weekly, and contributors may observe a temporary decrease in the investment component of pension savings, as, for example, in January-February 2025.

We also remind you that Kazakhstan has a unique guarantee of the safety of compulsory pension contributions taking into account the inflation rate. In cases of a decrease in return in a particular period, which affected the accumulated return of the contributor upon the occurrence of the right to payments, compensation for the difference is guaranteed by the state.

The entire system of investment management and accounting of pension assets is transparent: each contributor has the opportunity to see their investment income in their personal account on the enpf.kz website or in a mobile application.

Information on the investment management of pension assets of the UAPF and on the financial instruments in which the pension assets of the UAPF are placed is published on the official website of the UAPF (www.enpf.kz) in the section “Indicators/Investment activities”.

A video commentary on the topic is presented on the БЖЗҚ ЕНПФ YouTube channel.

UAPF was founded on August 22, 2013 on the basis of GNPF APF JSC. The founder and shareholder of the UAPF 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. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer's compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at www.enpf.kz).