

ANNOUNCEMENT

At the meeting of the Public Council of UAPF JSC, IPM provided reports and presented their strategies

The regular 27th meeting of the Public Council at UAPF JSC took place, in which representatives of investment portfolio managers (IPM) took part - BCC Invest JSC, Halyk Global Markets JSC, Jusan Invest JSC, Centras Securities JSC, Halyk Finance JSC. As part of the approved agenda, each of them presented their investment strategy, provided reports and answered questions from meeting participants.

In his speech, a representative of BCC Invest JSC noted that the company adheres to a conservative approach in its activities. In particular, 91.49% of assets are invested in fixed income instruments, the remaining 8.51% are in equity instruments (stocks, shares). The portfolio's currency allocation is divided as follows: 83.13% in local currency, 16.87% in US dollars. Return on pension assets at the end of 2023 amounted to 13.05%. The company representative noted the following issues on which AFK, IPM, AFRD and UAPF are jointly working: development and approval of a benchmark for management companies; application of the principles of market valuation of assets; prompt response to market conditions; formation of different portfolios according to risk profile; adjustment of regulatory documentation to market requirements

In 2023, Halyk Global Markets JSC and Halyk Finance JSC continued investing in corporate bonds of Kazakh issuers and increasing their foreign exchange positions. In particular, 69.1% of Halyk Finance JSC's portfolio is in national currency, 30.80% in US dollars and 0.2% in Euros. Regarding the portfolio of Halyk Global Markets JSC, 69.4% is distributed in national currency, the remaining assets in US dollars. As a result, the profitability of Halyk Finance for 2023 amounted to 17.2%, Halyk Global Markets JSC - 15.55%. The investment company plans to maintain the share of debt instruments in the portfolio, as well as increase equity instruments (up to 30%) and increase the foreign exchange position (up to 50%) in order to increase profitability and level out risks.

According to the report of a representative of Jusan Invest JSC, the portfolio structure by currency is as follows: 60% in national currency, 40% in US dollars. The stock portfolio includes government securities in tenge - 30.88%, US treasury bonds - 6.68%, local shares - 15.42%. The yield at the end of 2023 was at 13.48%. The main approach of this IPM is to use a "Risk Parity" strategy. This strategy focuses on the distribution of risk, rather than the capital itself (market volatility is considered risk). The main idea of the strategy is that assets are distributed in such a way that if one type of asset falls, another type of asset compensates for this fall, thereby having a positive impact on the overall dynamics of the portfolio.

The return on pension assets of Centras Securities JSC for 2023 amounted to 10.67%. According to the above data, the assets of the company's investment portfolio are distributed as follows: Government securities of the Republic of Kazakhstan - 26.70%, REPO - 19.86%, bonds of quasi-public organizations of the Republic of Kazakhstan - 14.38%. Regarding the portfolio structure by currency, it is noted that 66% are in national currency, 32% in US dollars and 2% in Canadian dollars.

Answering questions from members of the Public Council, IPM representatives noted that the strategy for investing pension assets is aimed at their growth and profitability, and an important role in IPM's activities is given to transparency and reliability.

More detailed information on the materials presented at the meeting of the Public Council at UAPF JSC can be found on the website enpf.kz in the section "Public Council" - Minutes of meetings and presentations.

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).