

Investment purposes

Ensuring protection of pension assets and obtaining real return in the long term at a risk level that allows preserving the value of pension assets with a high degree of probability

Parameters of the portfolios

The Manager: National Bank of the Republic of Kazakhstan *The Base Currency*: Kazakhstani Tenge *The Value of the Pension Assets Investment Portfolio* – KZT 11,784,003,057 ths

Overview of UAPF Pension Assets Investment Portfolio

Investment Results

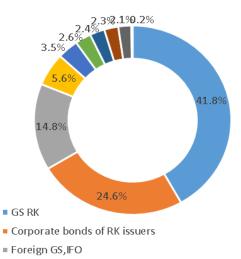
As a result of investment activities, as well as due to the volatility of foreign exchange rates and changes in the market value of financial instruments, the amount of accrued investment return for the period from 01.01.2020 to 30.06.2020 amounted to **KZT 565.67 bln.**

The pension assets return as of July 1, 2020 for the last 12 months for UAPF contributors (beneficiaries) was **8.94**% with annual inflation of **7.0**%. The actual return on pension assets was **1.94**%.

The structure of accrued investment income is as follows:

Description	Investment Return from the beginning of 2020
Return in the form of interest on securities, including allocated deposits and reverse repurchase transactions	389.80
Return (income/loss) from the securities market revaluation	-8.52
Return (income/loss) from foreign currency revaluation	163.85
Return (income/loss) from the other assets revaluation	-3.91
Return (income/loss) from external management	20.85
Other return (income/loss)	3.60
Total:	565.67



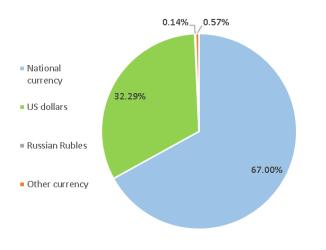


- Deposits in foreign banks
- Assets under external management
- Cash and cash equivalents, other
- Foreign corporate bonds
- Shares and deposit receipts of RK issuers
- Deposits in STB of RK
- Foreign shares and deposit receipts



Accumulated inflation and investment returns, 1998-2019.

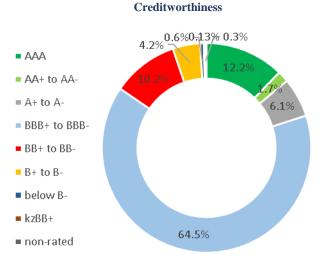
The Structure of the Pension Assets Portfolio by Currency



In accordance with the target distribution of the foreign currency portfolio of pension assets established by the UAPF Investment Declaration, the following foreign management companies were outsourced for index investment in global stocks, bonds of developing countries and investment-grade corporate bonds:

- Aviva Investors Global Services Limited under the \geq developing countries bonds mandate;
- HSBC Global Asset Management (UK) Limited under the global shares mandate;
- PGIM Limited и Principal Global Investors (Europe) Limited \triangleright under the investment grade corporate bonds mandate.

The Pension Asset Portfolio Structure by Sector



The Structure of the Pension Assets Portfolio by

Financial instruments with a minimum risk level, with a rating of securities / issuer on an international scale from "AAA" to "BBB-", make up about **84.6%** of the investment portfolio.¹

Financial instruments with a rating on an international scale from "BB +" to "B-" account for 14.46%, below "B-" - 0.56%.

Financial instruments rated on the national scale "kzBB+" account for 0.13%.

Foreign Issuers by Country

Non-rated financial instruments account for 0.28%.

Sovereign Obligation USA 9.25% **Financial Sector** IFO 26.5% 3.07% China 3.05% Agriculture 5.7% UK 1.84% IFO 3.1% **Russian Federation** 1.54% Energy, oil and gas 2.9% France 0.95% IT (technologies,... 0.8% Indonesia 0.91% Manufacturing Sector 0.7% Singapore 0.72% Transport 0.4% Mexico 0.44% Energy 0.3% Chile 0.31% Food Industry 0.013% Philippines h. 0.22% Wholesale and Retail Trade 0.004% Peru 0.19% Public health 0.003% India 0.17% h. Building Industry 0.001% Poland 0.17% Other* 4.5% Brazil 0.13% Italv 0.03% * -assets under external management, receivables, cash balances Australia 0.02% and derivative financial instruments. Germany 0.02% Canada 0.01% **Republic of Korea** 0.001% Total 23.05%

Assets under investment management excluding those that under foreign companies' management, account balance, money on a way and other