JSC SAMRUK-KAZYNA

Development Plan 2017-2021

March, 2017

САМҰРЫҚ
ҚАЗЫНА

Development Plan is a strategic tool outlining medium-term actions to implement strategy and deliver shareholder expectations

Government

Fund

САМРУК КАЗЫНА

Portfolio Companies

KEGOC

PRIORITY

National Priorities, macro assumptions, Shareholder expectations

Kazakhstan 2050

Other national plans & programs

National Priorities, Shareholder expectations

САМРУК КАЗЫНА

5-year Development Plan

Long-term goals and direction

SAMRUK KAZYNA

Strategy

Aligned through BoDs of Portfolio Companies[1]

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KEGOC

Development Plan

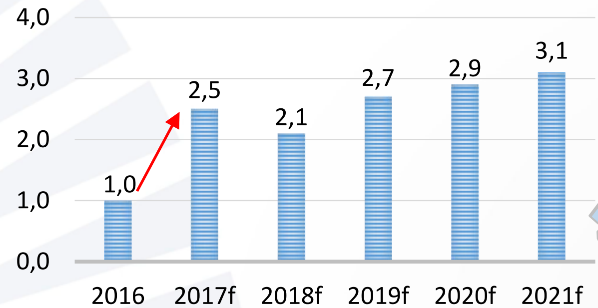
KEGOC

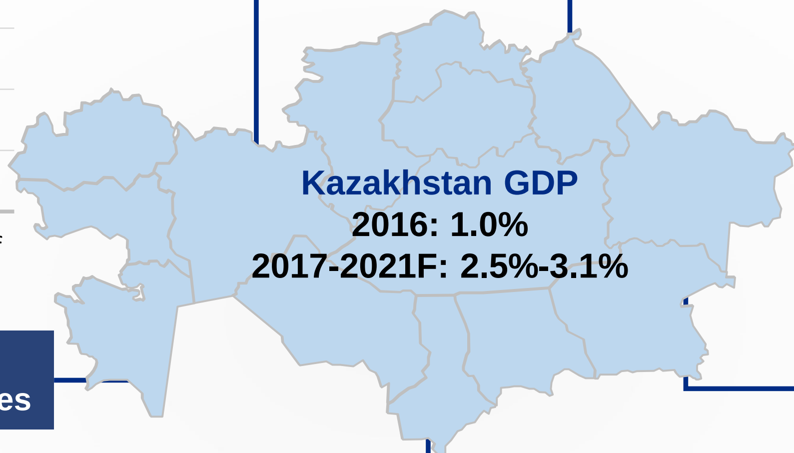
Strategy

1. Using Shareholder Expectations
Source: The Fund, Corporate Governance code

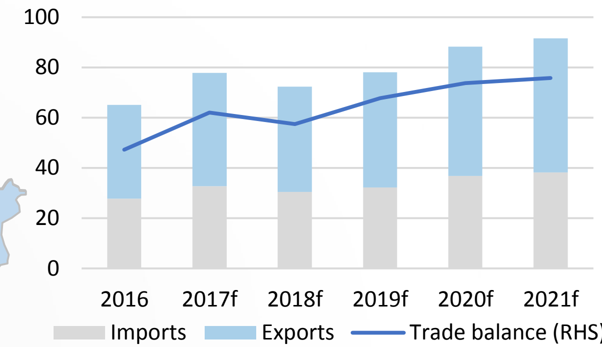
Kazakhstan is resource-driven: higher oil prices, increased infrastructure & fiscal stimulus are key economic drivers

GDP growth is anticipated to pick up to 2.5% in 2017

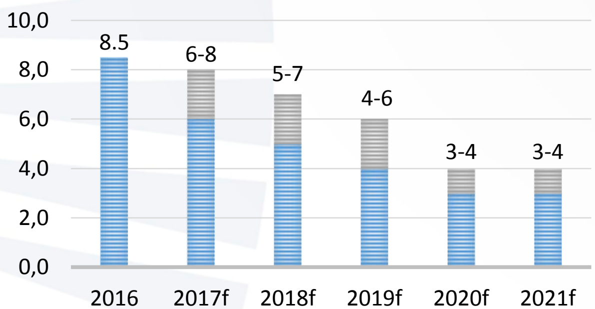




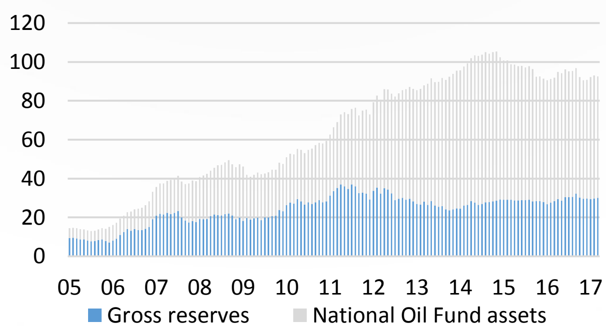
Kazakhstan's total trade turnover is expected to increase gradually



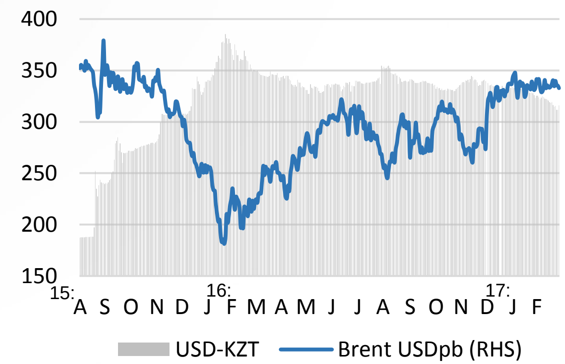
Inflation is expected to ease significantly as base effect diminishes



Reserves stand strong at USD92.6bln, supporting fiscal stimulus



The tenge stabilizes and is expected to hold firm at 330



Source: Ministry of National Economy Forecasts as of February 2017, National Bank of Kazakhstan, Samruk-Kazyna

Transitioning to an Active investor is critical to the Fund in meeting its strategic goals

PASSIVE INVESTOR

- Buying and selling kept to a minimum
- Focused on monitoring and reporting
- Static portfolio

ACTIVE INVESTOR

- Regular investment decisions
- Portfolio optimization
- Risk Return consideration

Kazakhstan being top 30 global economies by 2050

Strategic Goals

- Modernization of the national economy
- Increase long-term value of Portfolio Companies
- Sustainable development

Strategic Measures

- Transformation at SK & Portfolio Companies
- Privatization & strategic partnerships
- Diversified economy, human capital development, knowledge transfer

The Fund & PCs contribute to Kazakhstan Strategy 2050

- **Diversify** portfolio; reduce reliance on Oil & Gas sectors
- Initiation & **growth of new industries**
- **Performance improvement at portfolio-level**; manage risk & return profile
- **Manage portfolio:** exit fully/partially/hold on to stakes & redistribution of dividends
- **Rapidly adapt** to changes in investment environment, hedge vs. industry disruptions

Development initiatives linked to Fund’s strategic goals remain valid for 2017

Strategic Initiatives

1. Improvement of portfolio management
2. Reorganization of investment portfolio through sale and liquidation of assets (Privatization Program)
3. Development of investment portfolio with focus on new industries
4. Transformation of portfolio companies
5. Transition of the Fund's corporate center to the new functional model
6. Financial sustainability