

**The investment objective of the** Punjab Pension Fund (PPF) is to generate revenue to discharge the Government of Punjab's pension liabilities.

**Performance Review** The Fund's Net Assets grew by 16.80% during 1H FY 2023-24.

**Fixed Income Portfolio:** During the period under review, the fund's Fixed Income portfolio, which constitutes around 86% of the Fund, posted an annualized return of 21.9%. Although the Fund has a long-term investment objective, the OIC of the Fund kept the duration of its fixed-income portfolio short, which helped the Fund avoid huge losses due to steep interest rate hikes by the SBP. A significant portion of the Fund's portfolio is invested in floating-rate bonds and short-term bank placements.

**Equity Portfolio:** The equity portfolio, which constitutes around 14% of the Fund, posted a holding period return of 56%.

During December 23, the YoY CPI jumped to 29.7%, while MoM inflation rose by 0.8% compared to 2.7% last month, primarily driven by lower food inflation. However, the housing index rose by 3.8% MoM due to electricity price adjustments. Medium-term risks persist due to external uncertainties and the new IMF program following the elections, while a significant decline is expected next year.

Meanwhile, the Fund will keep its equity exposure near the strategic level while diversifying it.

	Fund Performance*	Liability Estimate	Fund Size (a)	Estimated** 30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	22.38%	3.5	636.3	0.55%
FY10	13.21%	12.86%	12.1	718.1	1.69%
FY11	10.81%	40.03%	13.4	1005.6	1.33%
FY12	16.86%	40.03%	15.6	1408.1	1.11%
FY13	20.46%	40.03%	18.8	1971.8	0.95%
FY14	5.65%	40.03%	24.8	2761.1	0.90%
FY15	21.57%	40.03%	35.3	3866.5	0.91%
FY16	11.14%	14.12%	40.2	4412.5	0.91%
FY17	9.88%	14.12%	49.3	5035.7	0.98%
FY18	7.97%	14.12%	53.2	5746.9	0.93%
FY19	1.34%	14.12%	59.2	6558.5	0.90%
FY20	17.72%	-	76.3	6558.5	1.16%
FY21	13.59%	-	85.2	6558.5	1.30%
FY22	5.68%	-	94.0	6558.5	1.43%
FY23	11.63%	-	108.6	6558.5	1.66%
1H FY24	16.80%	-	121.3	6558.5	1.85%
Jul '08 to Dec '23	12.75%	17.77%			

\*Including mark-to-market gain/losses

\*\*Based on actuarial reports of 30.6.2009, 30.6.2010, 30.6.2015 & 30.6.2019

### Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	121,309
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.14% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Risk Profile of the Fund	Low to Moderate

### Fund Size FY22-23

Rs. million

**Beginning Fund Size (1<sup>st</sup> Jul 2023)** 108,560

Add: Contribution during the period -

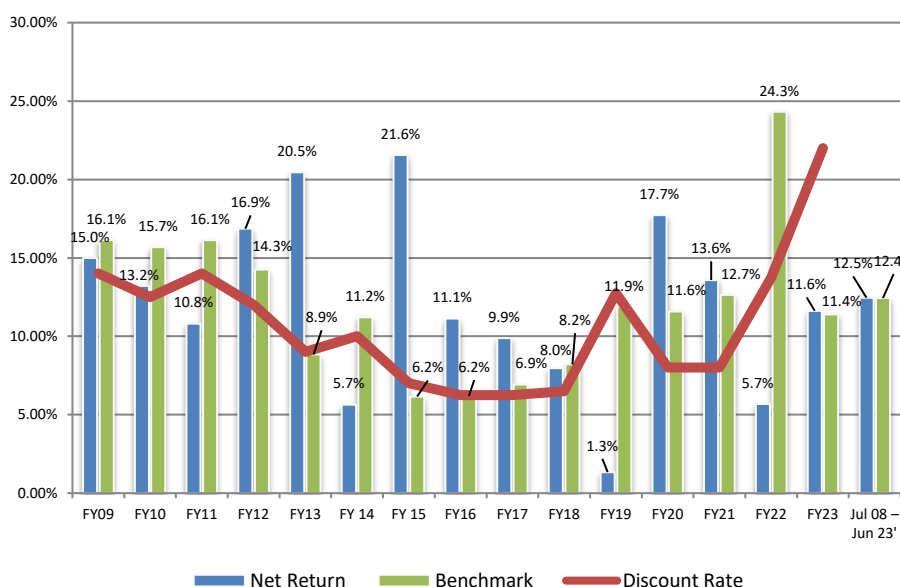
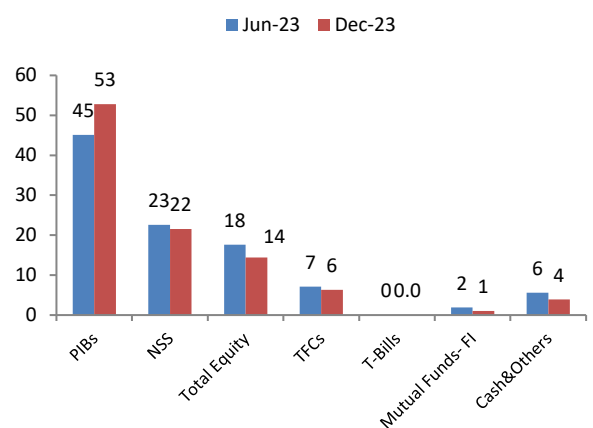
Add: Gain during period 18,333

Less: Expenses during the period (84)

Less: Profit Withdrawal (5,500)

**Ending Fund Size (31<sup>st</sup> December 2023)** 121,309

### Asset Allocation (% of Fund Size)



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