



Investment Objective of Punjab Pension Fund (PPF) is to generate revenue for the discharge of pension liabilities of the Government of Punjab.

Performance Review

PPF posted a net return of 9.3% during 7MFY18 vs. 10.2% during same period of FY17. The Fund posted a real return of 4.9% during the period. The performance of the Fund remains significantly higher than its benchmark of 7.4%; despite record low yields prevailing in the market.

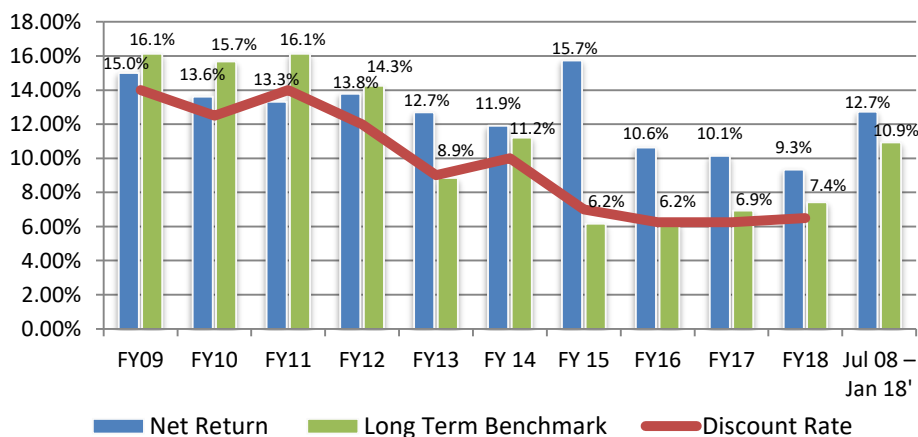
There was a sizeable shift in Fund's asset allocation during 7MFY18. An amount of Rs. 12.2 billion in 3yr Speial Saving Account (SSA), the higher yielding segment of portfolio, has matured during the period. As a result, net return for the period has dropped to single digit. Further, recent policy rate move of 25 basis point has also decreased unrealized gain on PIBs by Rs.118 Million. The OIC invested all the maturing amount in short term instruments, consistent with its strategy of investing in short duration investments.

At the end of January 2018, the Fund has around 30% of its exposure in fixed rate PIBs, long term bank deposits, and products of National Saving Schemes. This high yielding portion of the portfolio will support the Fund in outperforming its benchmark in the year FY18.

CPI Inflation for the month of Jan-18 was recorded at 4.42 percent on YoY; and 0.03 percent on MoM basis. As far as inflation outlook is concerned, the OIC of the Fund is of the view that demand side pressure and increasing oil prices will push CPI upword but it will remain within SBP's annual projection of 6%.

Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.61%
FY10	13.21%	9.41%	12.1	637.6	1.90%
FY11	10.81%	-4.50%	13.4	608.9	2.20%
FY12	16.86%	21.93%	15.6	742.5	2.10%
FY13	20.46%	39.51%	18.8	1035.8	1.82%
FY14	5.65%	-9.20%	24.8	940.5	2.64%
FY15	21.57%	45.22%	35.3	3866.4	0.91%
FY16	11.14%	18.65%	40.2	4995.0	0.81%
FY17	9.88%	5.08%	49.3	5249.1	0.94%
7MFY18	4.95%	2.74%	51.7	5392.7	0.96%
Jul '08 to Jan '18	13.40%	15.13%			

Performance History



Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	51,706
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.11% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Fund Size FY18

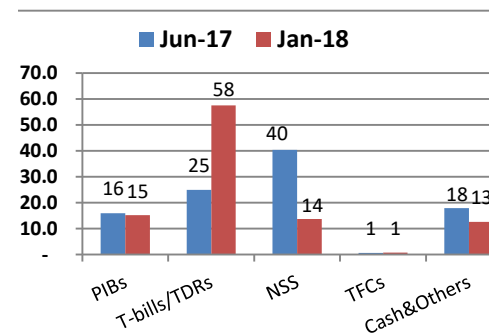
Rs. million

*Beginning Fund Size (01 Jul 2017)	47,128
Add: Contribution during the year	-
Add: Gains during the year	2,580
Less: Expenses during the year	(33)

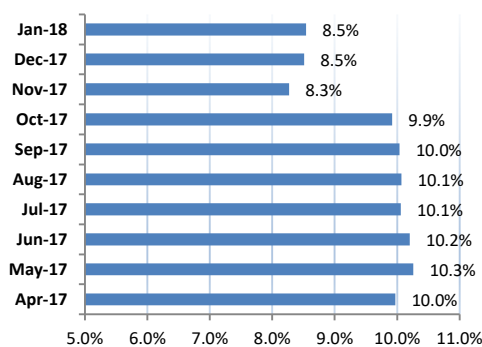
***Ending Fund Size (31 Jan 2018) 49,675**

* Excluding Unrealized Gain of Rs. 2,031 million

Asset Allocation (% of Fund Size)



YTD Monthly Returns (Net)



Operational Investment Committee

Aquil Raza Khoja, FCA	General Manager
Muhammad Sajid, CFA	Portfolio Manager

For feedback and enquiries contact us at:
3-Canal Park, Gulberg-II, Lahore
www.ppf.gop.pk
Ph: 042-35758138