

**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 9.1% during 9MFY18 vs. 10.2% during same period of FY17. The Fund posted a real return of 5.85% during the period. The performance of the Fund remains significantly higher than its benchmark of 6.25%; despite record low yields prevailing in the market.

There was a sizeable shift in Fund's asset allocation during 9MFY18. 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 upward shift in yield curve due to increase in SBP's Policy Rate by 25 basis point has also decreased unrealized gain on PIBs by Rs.83 Million.

At the end of March 2018, the Fund has around 37.4% 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 Mar-18 was recorded at 3.25 percent on YoY; and increased by 0.31 percent on MoM basis. As far as inflation outlook is concerned, the OIC of the Fund is of the view that subdued food inflation due to healthy supply will subside some pressure from demand side; keeping CPI under SBP's annual projections.

**Fund Facts**

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	52,224
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.12% 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**

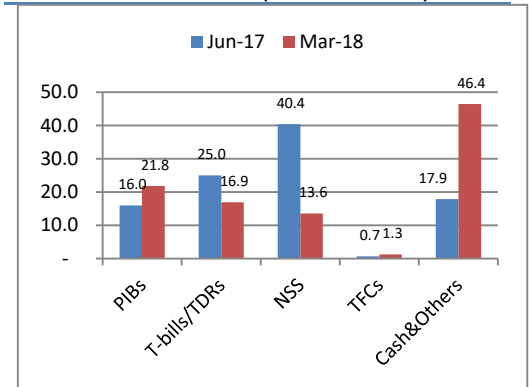
**Rs. million**

*Beginning Fund Size (01 Jul 2017)	47,128
Add: Contribution during the year	-
Add: Gains during the year	3,241
Less: Expenses during the year	(43)

**\*Ending Fund Size (31 Mar 2018) 50,326**

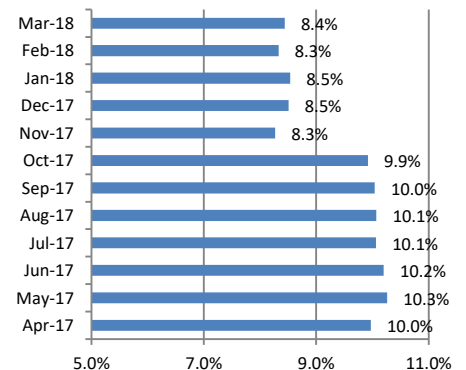
\* Excluding Unrealized Gain of Rs. 1,898 million

**Asset Allocation (% of Fund Size)**

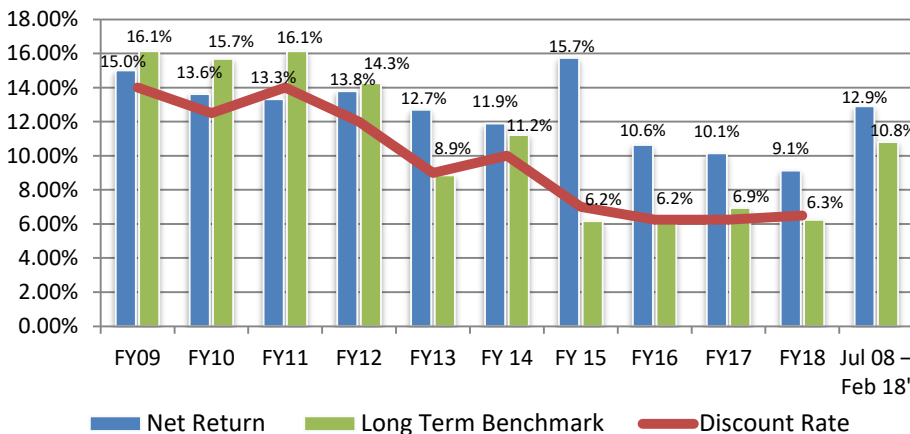


Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.61%
FY10	13.21%	9.41%	12.1	637.6	1.90%
FY11	10.81%	-4.50%	13.4	608.9	2.20%
FY12	16.86%	21.93%	15.6	742.5	2.10%
FY13	20.46%	39.51%	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%
9MFY18	6.00%	2.01%	52.2	5355.1	0.98%
Jul '08 to Mar '18	13.28%	14.78%			

**YTD Monthly Returns (Net)**



**Performance History**



**Operational Investment Committee**

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

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