



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

Performance Review (Performance reported on Mark to Mark basis)

PPF posted a net return of 1.82% during the period Jul-Mar FY19 vs its benchmark return of -2.17%. The Fund outperformed its benchmark by 4.0% during the period.

Equity: During the period July-Mar FY19, PPF's equity portfolio posted a return of -4.53% vs its applicable benchmark return of -8.17%. The outperformance was primarily due to better timing of entry into equity market decided by the Fund. During the month of March-19, PPF's Equity Portfolio posted a return of -1.53% vs benchmark return of -1.23%.

Fixed Income: During the period July-Mar FY19, the Fixed Income portion of Fund's portfolio posted an annualized return of 3.46% vs its benchmark return of -1.84%. During March-19, PPF posted an annualized return of 6.46% on its fixed income portfolio; against benchmark return of 3.77%. During the period Jul-Mar FY19, PPF's return has been adversely affected by the sharp reversal of interest rates; however, the Fund still managed to outperform its benchmark because of timely shifting its allocation. PPF participated in PIB auction held on 20th March, 2019 in 10 year & 5-Year tenors. PPF invested Rs. 15 billion at weighted average yield of 12.63% p.a. Resultantly, PPF's allocation to "Fixed Income-More than 3 year tenor" reached near 60% of fund size.

In March-19, CPI Inflation jumped to 9.41 percent on YoY basis & increased by 1.42% on MoM basis. Low base effect and higher food & energy prices led CPI increase. Core Inflation (Non-Food Non-Energy) shows some softening and settled at 8.5% as compared to 8.8% last month. The SBP has kept its projection of average CPI for FY-19 to a range of 6.5% to 7.5% p.a. In Monetary Policy Statement announced at the end of March-19, the SBP has increased Policy Rate by another 50 basis points. We believe that interest rate cycle has reached near its peak.

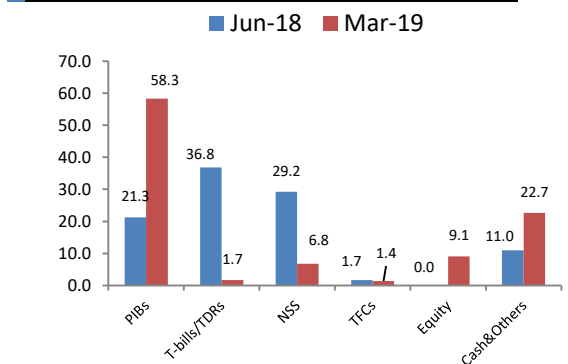
Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	57,575
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.10% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Fund Size FY19 **Rs. million**

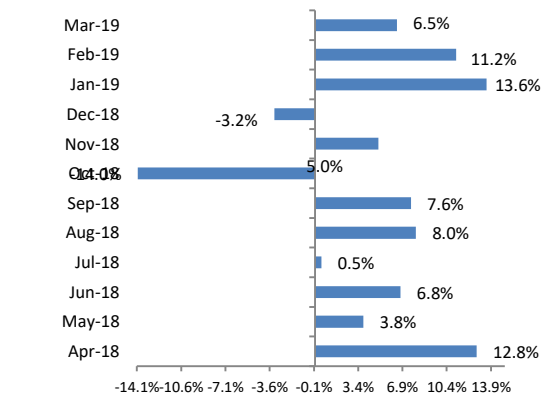
Beginning Fund Size (01 Jul 2018)	53,195
Add: Contribution during the period	3,333
Add: Gains during period	3,387
Less: Reversal during the period	(2,298)
Less: Expenses during the period	(42)

Ending Fund Size (31 March 2019) **57,575**

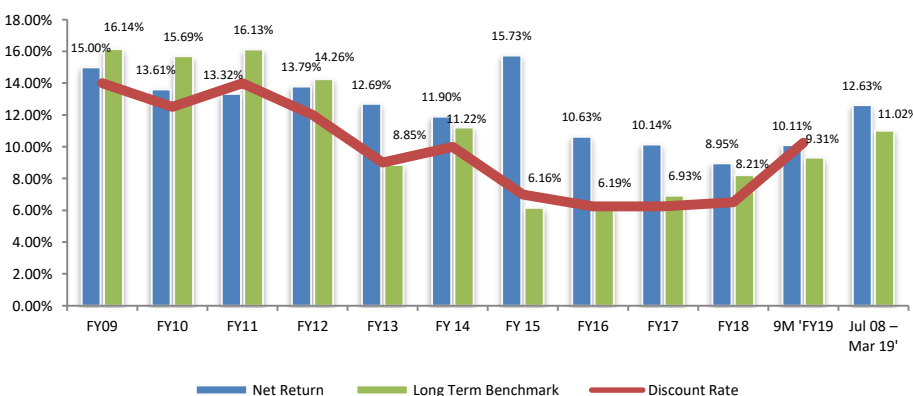


	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.61%
FY10	13.21%	9.41%	12.1	637.6	1.90%
FY11	10.81%	-4.50%	13.4	608.9	2.20%
FY12	16.86%	21.93%	15.6	742.5	2.10%
FY13	20.46%	39.51%	18.8	1035.8	1.82%
FY14	5.65%	-9.20%	24.8	940.5	2.64%
FY15	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%
FY18	7.97%	0.29%	53.2	5264.5	1.01%
9M FY19	1.82%	-22.22%	57.5	4094.9	1.41%
Jul '08 to Mar '19	12.36%	10.53%			

YTD Monthly Returns- Fixed Income (p.a.)



Performance History- Fixed Income (Excluding Mark to Market)



Operational Investment Committee

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

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