



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 0.24% during the period Jul-October FY19 vs its benchmark return of -0.34%. The Fund outperformed its benchmark by 0.58% during the period.

Equity: During the period July-October FY19, PPF's equity portfolio posted a return of 2.79% vs its applicable benchmark return of -0.41%. The outperformance was due to better timing of entry into equity market decided by the Fund. During the month of October-18, PPF's Equity Portfolio posted a return of 2.35% vs benchmark return of 1.86%.

Fixed Income: During the period July-October FY19, the Fixed Income portion of Fund's portfolio posted an annualized return of 0.02% vs its benchmark return of -0.2%. During October-18, PPF posted an annualized return of -14.04% on its fixed income portfolio; against benchmark return of -9.01%. During the period, PPF's return has been adversely affected by the reversal of PIB yields eroding majority of unrealized gain and thus affected mark to market return.

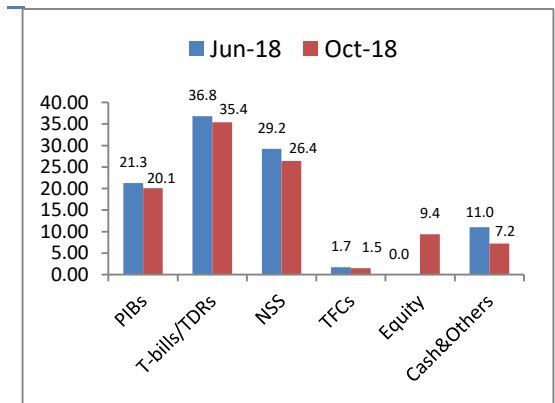
In October-18, CPI Inflation recorded an increase of 6.8 percent on YoY basis. Inflation jumped 2.3% on MoM basis; highest since Jan-10. Higher energy and gas tariff, effect of rupee depreciation and import tariffs caused such steep rise in inflation number. We expect that consistent pressure on external front, laggard impact of currency devaluation and rising demand side pressure will further increase the inflation and average number will be well above SBP's projected numbers i.e. 5.5% to 6.5%. We also expect further monetary tightening by SBP in the remaining part of FY19.

Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	56,660
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

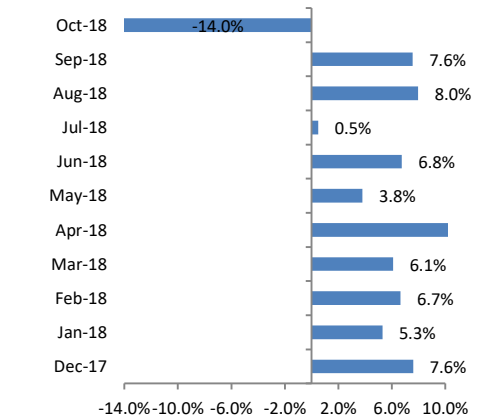
Fund Size FY19 Rs. million

Beginning Fund Size (01 Jul 2018)	53,195
Add: Contribution during the year	3,333
Add: Gains during year	150
Less: Expenses during the year	(18)
Ending Fund Size (31 October 2018)	56,660

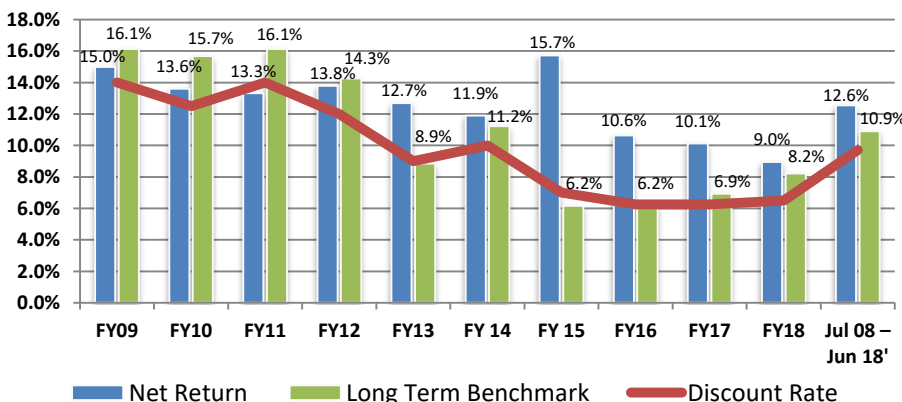


Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.61%
FY10	13.21%	9.41%	12.1	637.6	1.90%
FY11	10.81%	-4.50%	13.4	608.9	2.20%
FY12	16.86%	21.93%	15.6	742.5	2.10%
FY13	20.46%	39.51%	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%
FY18	7.97%	0.29%	53.2	5264.5	1.01%
4M FY19	0.24%	-13.53%	56.7	4551.3	1.24%
Jul '08 to Oct '18	12.71%	12.11%			

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



Performance History-(Excluding Mark to Market)



Operational Investment Committee

Aquil Raza Khoja, FCA	General Manager
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