



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 1.48% during the period Jul-Feb FY19 vs its benchmark return of -0.83%. The Fund outperformed its benchmark by 2.31% during the period.

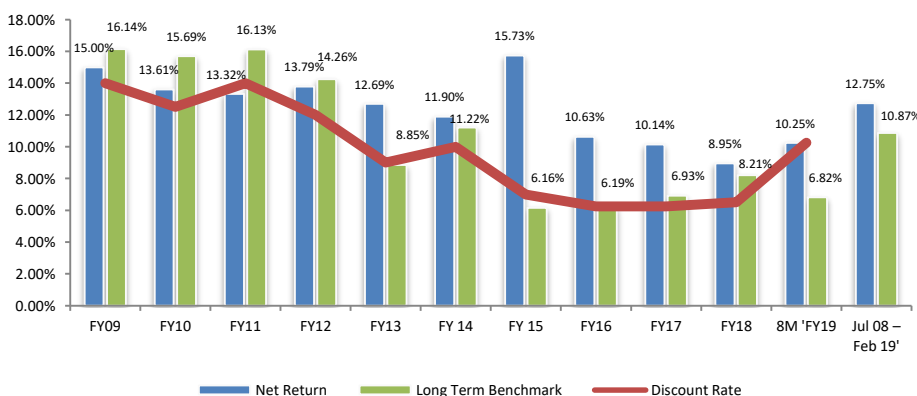
Equity: During the period July-Feb FY19, PPF's equity portfolio posted a return of -3.05% vs its applicable benchmark return of -7.02%. The outperformance was primarily due to better timing of entry into equity market decided by the Fund. During the month of February-19, PPF's Equity Portfolio posted a return of -3.26% vs benchmark return of -4.35%.

Fixed Income: During the period July-Feb FY19, the Fixed Income portion of Fund's portfolio posted an annualized return of 3.30% vs its benchmark return of -0.14%. During February-19, PPF posted an annualized return of 11.96% on its fixed income portfolio; against benchmark return of 11.98%. During the period Jul-Feb 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 February, 2019 in 10 year tenor. PPF invested Rs. 8.4 billion at weighted average yield of 12.75% p.a. Resultantly, PPF's allocation to "Fixed Income-More than 3 year tenor" reached near to its tactical limit of 35% of fund size.

In February-19, CPI Inflation jumped to 8.21 percent on YoY basis & increased by 0.64% on MoM basis. Low base effect and higher food inflation led CPI increase. Core inflation is also showing persistent upside pressure. Second round impact of currency devaluation and cost push pressure will keep CPI higher in upcoming months. The SBP has already revised its projection for average CPI for FY-19 to a range of 6.5% to 7.5% p.a. In backdrop of likely IMF entry, we are expecting further monetary tightening by SBP in the remaining part of FY19. However, laggard impact of currency devaluation on trade numbers & impact of policy rate hike on Fiscal and external space will decide future course of action.

	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%
8M FY19	1.48%	-22.34%	57.4	4088.6	1.40%
Jul '08 to Feb '19	12.43%	10.60%			

Performance History- Fixed Income (Excluding Mark to Market)



Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	57,379
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

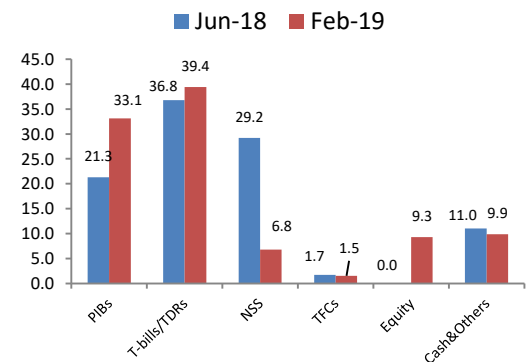
Fund Size FY19

Rs. million

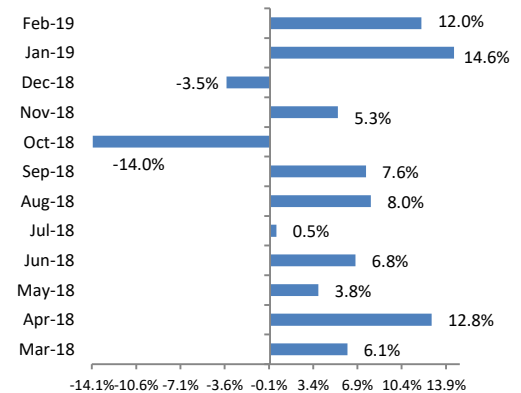
Beginning Fund Size (01 Jul 2018)	53,195
Add: Contribution during the period	3,333
Add: Gains during period	2,953
Less: Reversal during the period	(2,066)
Less: Expenses during the period	(36)

Ending Fund Size (28 February 2019)

57,379



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



Operational Investment Committee

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