



Monthly Performance Report February 2026



ECONOMIC OVERVIEW & OUTLOOK

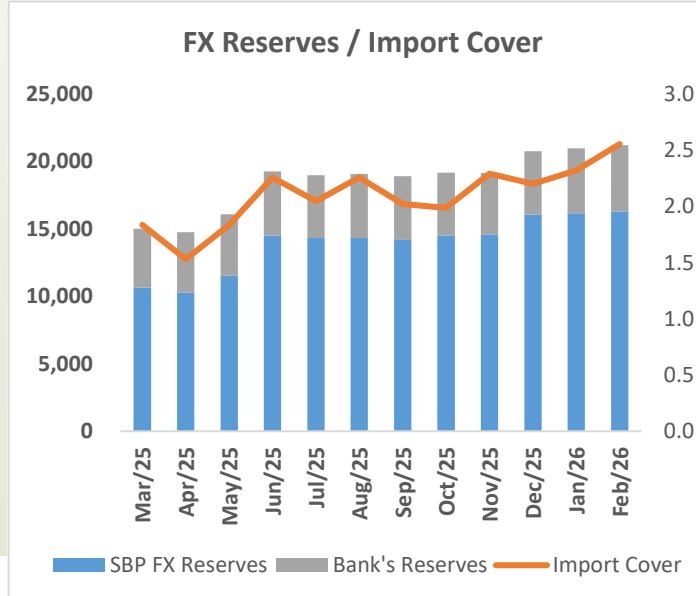
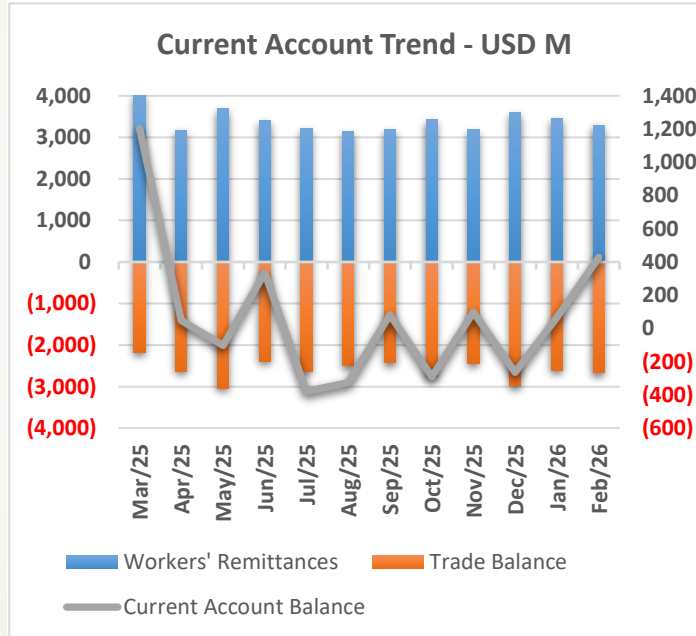
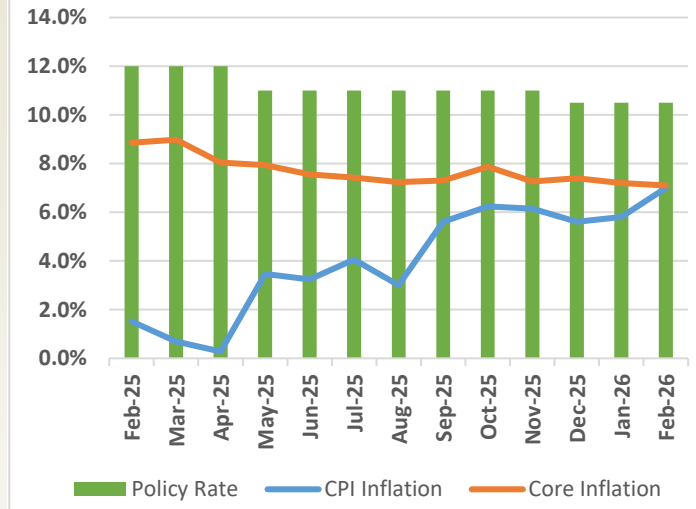
The country's economy witnessed improvement during the initial two months of CY26, this trend can be seen continuing throughout the month of February as well. The CPI Inflation for February stood at 7.0%, as compared to an increase of 5.8% in the previous month. Although the annual expected inflation number seems still within the expected range of 5%-7%. Core Inflation (urban) increased to 7.1%, which is an increase of 0.2% from the last month. Meanwhile, the Monetary Policy Committee decided to keep the State Bank's Policy Rate unchanged at 10.5% in the policy meeting held at the end of previous month.

On the macroeconomic front, the country recorded a trade deficit of USD 2,670 million during the month. This was actually a 3% increase in the value from last month. A notable bright spot within the month's data was the ores and minerals category, which posted a 62% month-on-month surge.

The outlook remains positive with support from recovery in the industrial activity. The external account is expected to remain stable with additional support from the relatively stable value of remittances of 3.3 billion.

Key developments in February were as follows:

- I. The country recorded a Trade Deficit of 2.7 billion, bringing the cumulative deficit for 8MFY26 to 21 billion.
- II. The Country recorded a Current Account surplus of 427 million, bringing the cumulative deficit of 8MFY26 to 586 million.
- III. Imports were up by 11.05% compared to the same period last year.
- IV. Whereas exports are down 8.51% against the recorded value in February 2025.
- V. Total Remittances reached USD 3,288 million this month which is a more than 5% increase from the same period last year.
- VI. Pakistan's Trade Deficit significantly increased by 25% compared to last year for the first 8 Months of the current Fiscal Year.



STOCK MARKET OVERVIEW

The KSE 100 Index showed some turbulence during the month of February showing a negative return of 8.75% due to turmoil in the tail end of the month. The Index lost 16112 pts during the month to close at 168,062 pts on 27th Feb, 2026. Key factors influencing the change in trend from the norm of the Celender Year were the rising geopolitical tensions rising in Pakistan and in the neighboring Middle-east region.

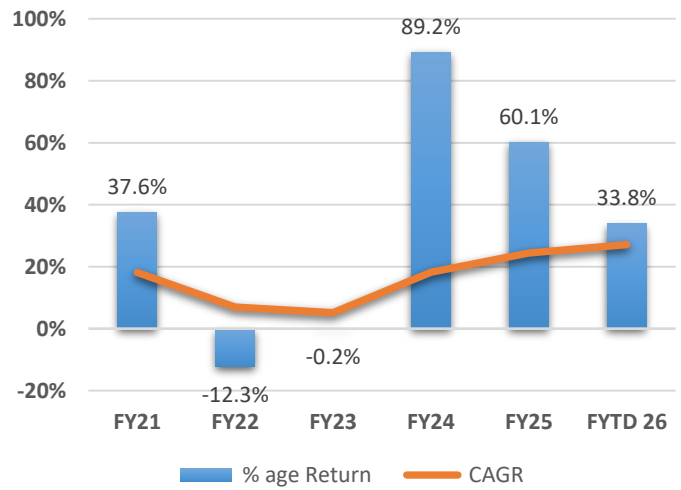
The policy rate remained at 10.5% throughout the month as there were no meetings held during this period. The CPI inflation was recorded as 7.0% as compared to 5.8% reported last month. Similarly, the Core inflation (urban) increased by 7.1% as compared to 7.2% reported last month.

Despite such bleak performance, valuations remain reasonable and close to long term average. Sector-wise performance is as follows, Automobiles (-4.6%), Power (-5.8%), Banking (-6.9%), Fertilizer (-7.3%).

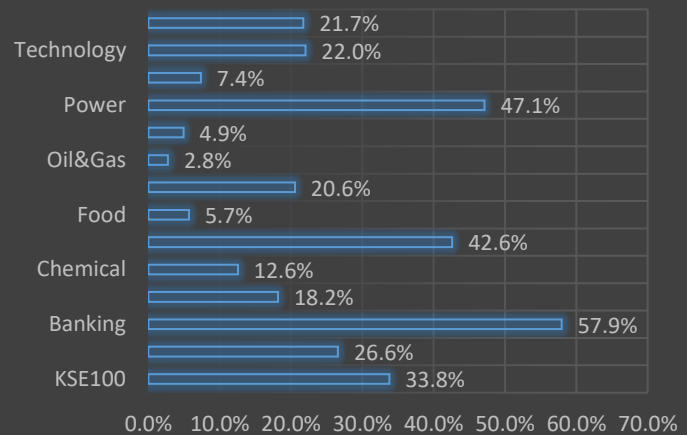
Key updates in February were as follows:

- I. The KSE 100 Index decreased by 8.75% during the month, bringing the cumulative gain of 8MFY26 down to 33.78%.
- II. The market performed negatively as a whole, however the least decrease was observed in Automobiles (-4.6%), Power (-5.8%), Banking (-6.9%), & Fertilizer (-7.3%).
- III. However, the Oil & Gas sector as well as the Refinery sector showed the greatest decrease because of rising geopolitical tensions.
- IV. As of the end of February, the total market capitalization of the KSE 100 Index stood at PKR. 4.95 trillion.

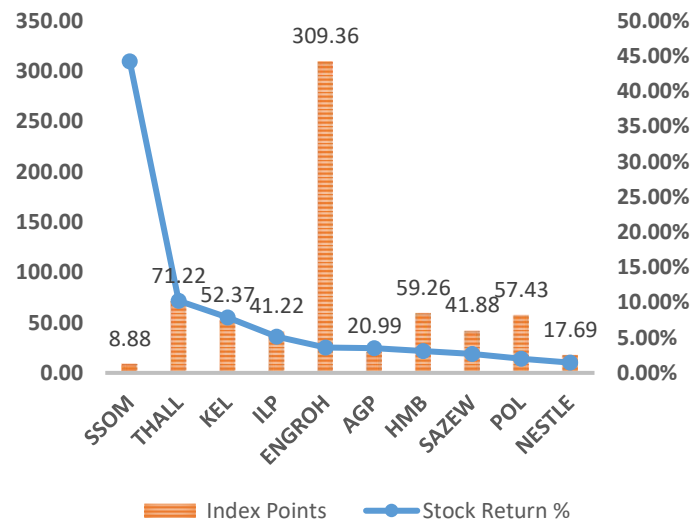
KSE-100 Index Performance



Sector Performance - FYTD 26



TOP CONTRIBUTING SCRIPS





MONEY MARKET OVERVIEW

The Monetary Policy Committee (MPC), in its previously held meeting on 26th January 2026, decided to maintain the policy rate at 10.5%, and there hasn't been a meeting during the month of February. Inflation made a jump and it increased by 7.0% YoY basis during the month. Although, the fiscal year forecast is still within the previously predicted range of 5-7%, however elevated inflation during the month is not a good sign going forward.

The SBP conducted the auction of T-Bills twice this month, i.e. 4th February and 18th February, with the target amounts of Rs. 650 billion and 450 billion, respectively. The participation remained robust in both the auctions, with the SBP accepting Rs. 823 billion and Rs. 677 billion, respectively, from the auctions. Cut off yields increased for all tenures by 25-60 bps.

In the PIB Auction, held on 6th February 2026, the SBP accepted an amount of Rs. 551 billion against a target amount of 450 billion, whereas the offer amount was Rs. 1,744 billion, showing investors' robust participation. The table shows the cut off yield of each tenor. As compared to the auction of PIBs in the last month, the cut off yields were up across all tenors. Yield on 2Y and 3Y PIBs rose by 15 bps and 11 bps respectively, whereas the yield on 5Y and 10Y PIBs reported an increase of 23 bps and 24 bps, respectively. The yield on 15Y recorded was at 11.50%.

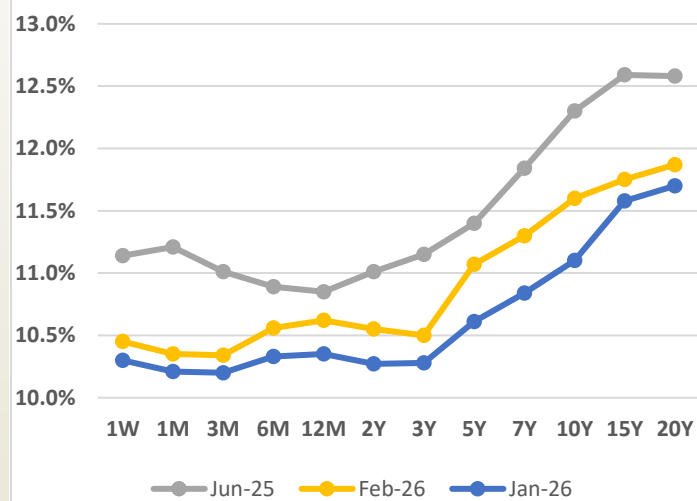
With the average inflation during the first 8 months of FY26 recorded at 5.4%, it is expected that it will remain within the SBPs range of 5-7% during fiscal year, however it might breach the upper limit in the last quarter of FY26 due to the low base effect.

Going forward, there is expectation of interest rate cut due to a decrease in inflation rate from last financial year. However, escalating international tensions in the neighboring region of the middle east predict volatility in Pakistan's domestic markets, especially in terms of fuel and power. So, war dynamics and inflationary numbers in the last quarter of the fiscal year would decide about expected rate cut in the next policy meeting to be held on 9th march.

Policy Rate	10.5%
Next MPC Meeting	9-Mar-2026

Security	Latest Auction	Cut-Off Yields/Price
T-Bill 1M	18/Feb/26	10.15%
T-Bill 3M	18/Feb/26	10.29%
T-Bill 6M	18/Feb/26	10.44%
T-Bill 12M	18/Feb/26	10.60%
PIB 3Y	6/Feb/26	10.25%
PIB 5Y	6/Feb/26	10.75%
PIB 10Y	6/Feb/26	11.24%
PIB 15Y	6/Feb/26	11.50%
PFLH 5Y	30/Apr/25	96.87
PFLH 10Y	18/Feb/26	96.72
GISFRD1Y	6/Feb/26	9.85%
GISF3Y	6/Feb/26	9.80%
GISF5Y	6/Feb/26	10.23%
GISF10Y	6/Feb/26	10.89%
GISV3Y	30/Apr/25	-
GISV5Y	14/Oct/25	-
GISV10Y	6/Feb/26	99.00

Secondary Market Yield Curve Shift





The Punjab Pension Fund's investment objective is to generate revenue to discharge the Government of Punjab's pension liabilities.

Performance Review: During the 8M FY 2025-26, the Fund's net assets grew by 12.3%.

Fixed Income Portfolio: During 8M FY 2025-26, the Fund's Fixed Income portfolio generated an annualized return of 13.6%. This performance was primarily driven by the Fund's timely allocation of an overweight position in long-term fixed-rate PIBs, ahead of the monetary easing cycle.

Equity Portfolio: The Equity Portfolio, representing 17% of the Fund, returned 29.4%. The KSE 100 index posted a return of 33.8% during the same period.

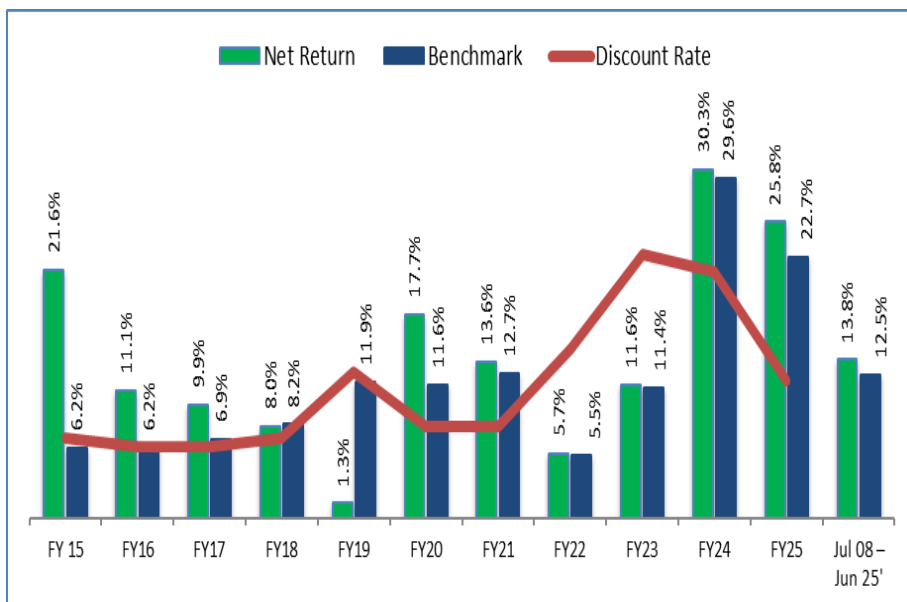
Going forward, in FY 2025-26, the Fund will maintain a prudent mix of fixed-income and equity allocations while actively rebalancing to align with evolving interest rates and market conditions.

	Fund Performance*	Fund Size (a)	Estimated** 30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	3.5	636.3	0.55%
FY10	13.21%	12.1	718.1	1.69%
FY11	10.81%	13.4	1,005.6	1.33%
FY12	16.86%	15.6	1,408.1	1.11%
FY13	20.46%	18.8	1,971.8	0.95%
FY14	5.65%	24.8	2,761.1	0.90%
FY15	21.57%	35.3	3,866.5	0.91%
FY16	11.14%	40.2	4,412.5	0.91%
FY17	9.88%	49.3	5,035.7	0.98%
FY18	7.97%	53.2	5,746.9	0.93%
FY19	1.34%	59.2	6,558.5	0.90%
FY20	17.72%	76.3	6,558.5	1.16%
FY21	13.59%	85.2	6,558.5	1.30%
FY22	5.68%	94.0	6,558.5	1.43%
FY23	11.63%	108.6	6,558.5	1.66%
FY24	30.28%	140.3	6,385.6	2.20%
FY 25	25.77%	171.5	6,385.6	2.69%
8M FY26	12.30%	192.6	6,385.6	3.02%
Jul '08 to Feb '26	14.00%			

*Including mark-to-market gains/losses

**Based on actuarial reports

Performance History



Fund Facts

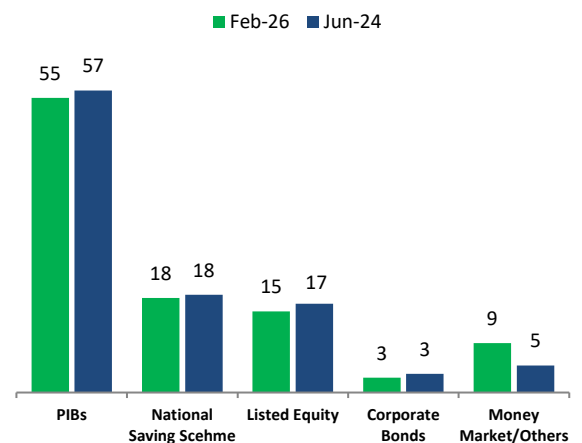
Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	192,638
Total Expenses (annualized)	0.17% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Risk Profile of the Fund	Low to Moderate

Fund Size FY24-25

Rs. million

Beginning Fund Size (1 st Jul 2025)	171,534
Add: Contribution during the period	-
Add: Gain during period	21,315
Less: Expenses during the period	(211)
Less: Profit Withdrawal	-
Ending Fund Size (28th February 2026)	192,638

Asset Allocation (% of Fund Size)



Operational Investment Committee

Ashab Naeem Iqbal CEO/General Manager

Muhammad Sajid, CFA Chief Investment Officer

Haroon Zafar, CFA Head of Research/Portfolio

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The Investment Objective of the Punjab General Provident Fund (PGPF) is to generate revenue to discharge the General Provident Fund liabilities of the Government of Punjab.

Performance Review

The Fund's assets grew by 12.8% during 8M FY 2025-26.

Fixed Income: During the period under review, the Fund's Fixed-Income portfolio, which constitutes around 84% of the Fund, posted an annualized return of 14.5%. This performance was primarily driven by the Fund's timely allocation of an overweight position in long-term fixed-rate PIBs, ahead of the monetary easing cycle.

Equity: The equity portfolio, which constitutes approximately 16% of the Fund, posted a holding-period return of 30.2%, compared with a KSE 100 index return of 33.8%.

Going forward, in FY 2025-26, the Fund will maintain a prudent mix of fixed-income and equity allocations while actively rebalancing to align with evolving interest rates and market conditions.

Fund Facts

Fund Type	Provident Fund
Inception Date	25-Jun-14
Net Assets (Rs. million)	35,585
Total Expenses (annualized)	0.04% p.a.
Risk Profile of the Fund	Low to Moderate

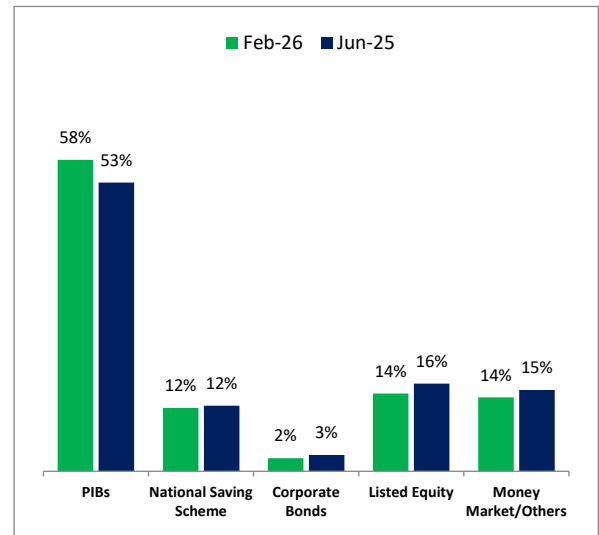
Fund Size FY24-25

Rs. million

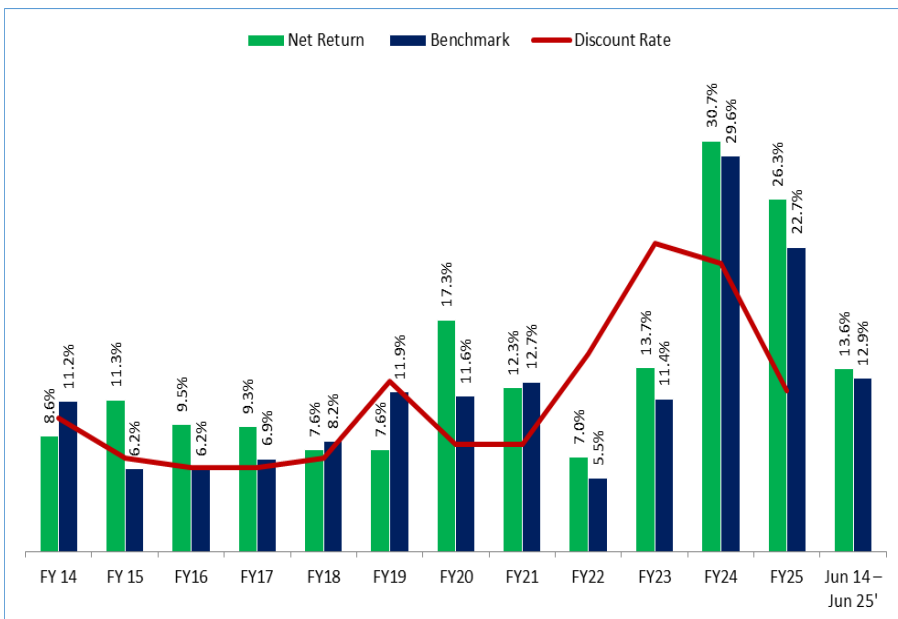
Beginning Fund Size (1 st July 2025)	31,562
Add: Contribution during the year	-
Add: Gains during the period	4,033
Less: Expenses during the period	(10)

Ending Fund Size (28th February 26) **35,585**

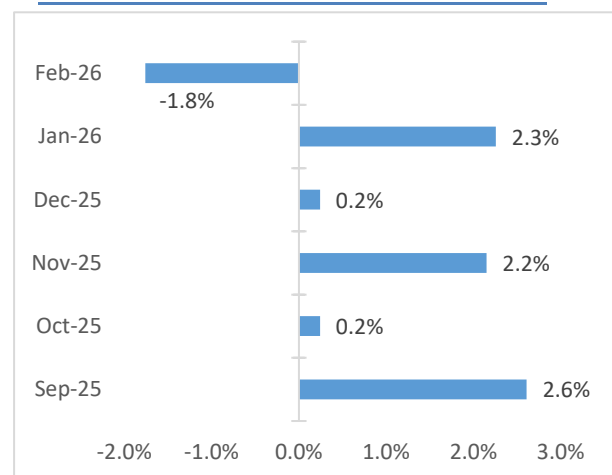
Asset Allocation



Performance History



Growth in Assets



Operational Investment Committee

Ashab Naeem Iqbal	General Manager
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Haroon Zafar, CFA	Head of Portfolio

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