Punjab Pension Fund
Government of The Punjab

Monthly Performance Report
June 2026

Economic Overview & Outlook

Pakistan's economy posted a GDP growth rate of 3.7% YoY for FY2025-26, falling short of the government's 4.2% target. Growth was broad-based across all three major sectors including Industrial (3.5%), Services (3.1%) and Agriculture (2.9%). The Industrial sector was supported by a strong recovery in large-scale manufacturing (+6.11%).

Average CPI for FY2025–26 rose sharply to 7.0%, compared to 4.6% during FY2024-25, reflecting the sharp uptick in prices seen through the final quarter of the year. Core inflation eased slightly to 8.34% in June from 8.75% in May.

The country posted a trade deficit of USD 33.7 billion witnessing and increase of 28.1% YoY as goods imports increased 8.3% while goods exports declined 5.9%. Similarly, the service imports increased by 5.67% whereas service exports increased by a significant 18.75% with major share across the technology sector. The current account swung back into deficit for FY2025–26 posing a deficit of USD 139 million. Remittances remained a key pillar of support, with cumulative FY26 inflows reaching a record USD 41.58 billion, up 8.6% YoY.

Going forward, the outlook for FY26–27 will hinge on effective budget implementation, the trajectory of import demand, and the sustainability of remittance inflows, with the SBP's monetary stance likely to stay data-dependent amid still-elevated inflation.

Key developments in June were as follows:

I. CPI Inflation was recorded at 11.07% YoY, whereas Core Inflation eased to 8.34% YoY.

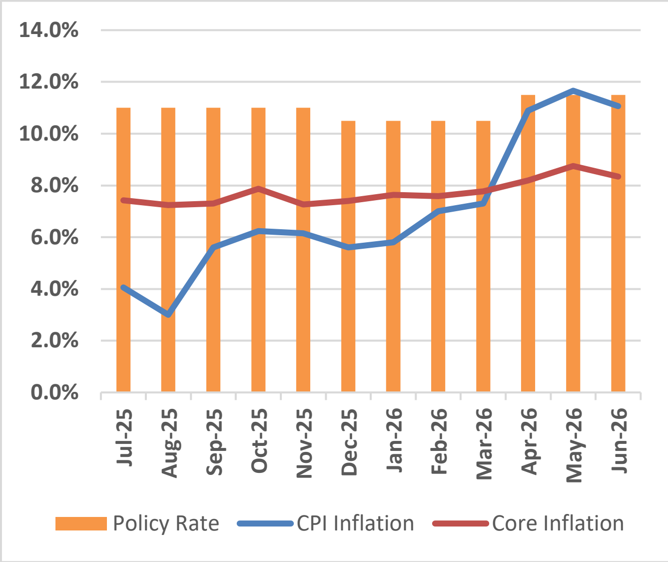
II. The country recorded a Current Account Deficit of USD 649 million.

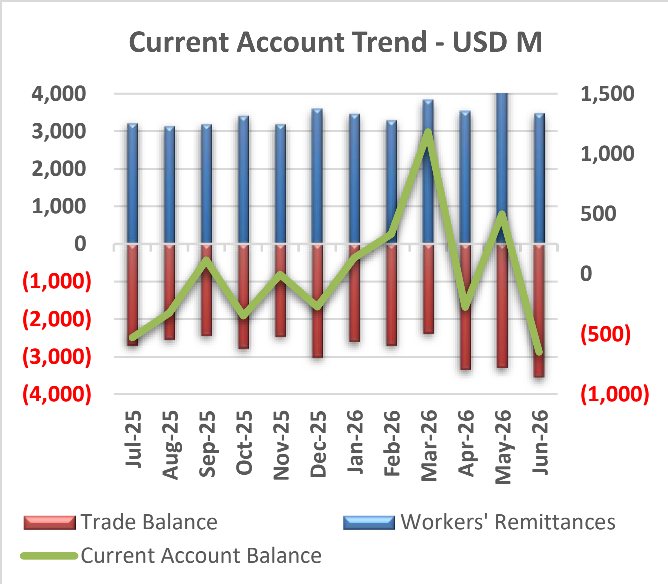
III. Trade Deficit stood at USD 3,552 million, an increase of 8.0% MoM.

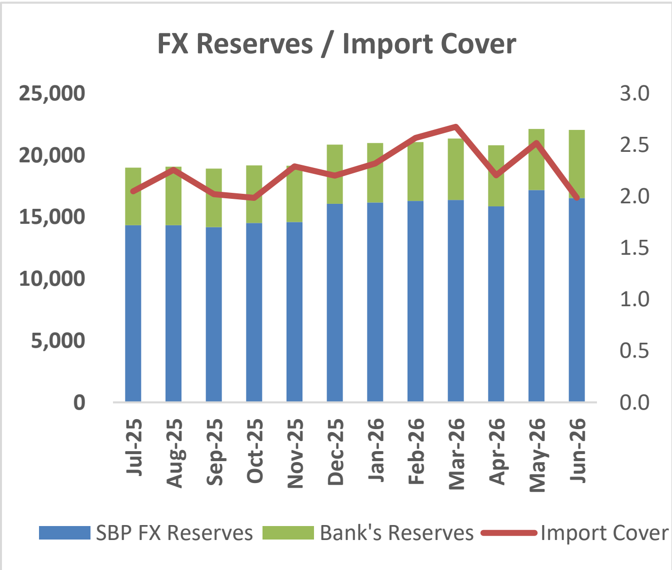
IV. Imports (PBS) rose by 21.9% MoM to USD 6,931 million.

V. Exports (PBS) rose by 41.0% MoM to USD 3,379 million.

VI. Remittances were recorded at USD 3,475 million during the month posting a decline of 18% MoM.







For feedback and enquiries contact us at:
2nd Floor, Pakistan Engineering Congress Building,
97-A/D-1, Liberty Chowk, Gulberg-III, Lahore
www.ppf.gop.pk
Ph.: 042-35882960-2

STOCK MARKET OVERVIEW

The KSE 100 Index recorded a strong gain of 43.5% for FY 2025-26 closing at 180,301 points. The performance of the local equity market during the year can be divided into two periods.

In the first half of FY2025-26 (Jul-Dec 2025), the KSE 100 Index rallied from 125,627 to close H1 at 174,054 a gain of 38.6% on improving macroeconomic stability, monetary easing expectations, and strong corporate earnings. However, the second half proved far more volatile. A sharp correction hit the market in February-March 2026 as escalating Middle East tensions and a spike in global oil prices dragged the index down to 148,743 by end-March. It then staged a strong recovery through April-June, as geopolitical risk eased, and positive milestones such as IMF tranche approvals and the Panda Bond issuance rebuilt investor confidence.

Key sectors that outperformed the KSE 100 Index during the fiscal year included Banking (65.3%), Power (59.4%) and Fertilizer (48.6%).

Going forward, the KSE-100's performance is expected to stay closely tied to the GDP growth, sustainability of the disinflation trend, the policy rate direction, and the broader geopolitical environment.

Key updates in June were as follows:

I. The KSE-100 Index gained 6,339 points (+3.64%) during the month.

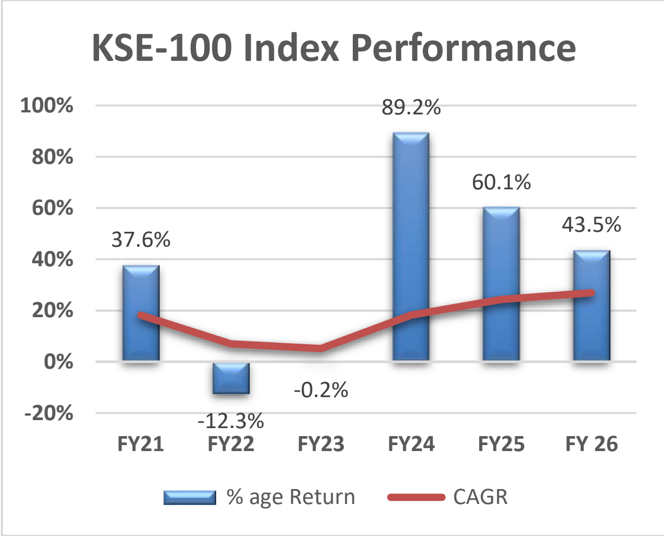
II. Sectors that outperformed the Index included Textile (14.70%), Cement (8.22%), Chemical (6.15%), Pharma (5.23%) and Power (4.66%).

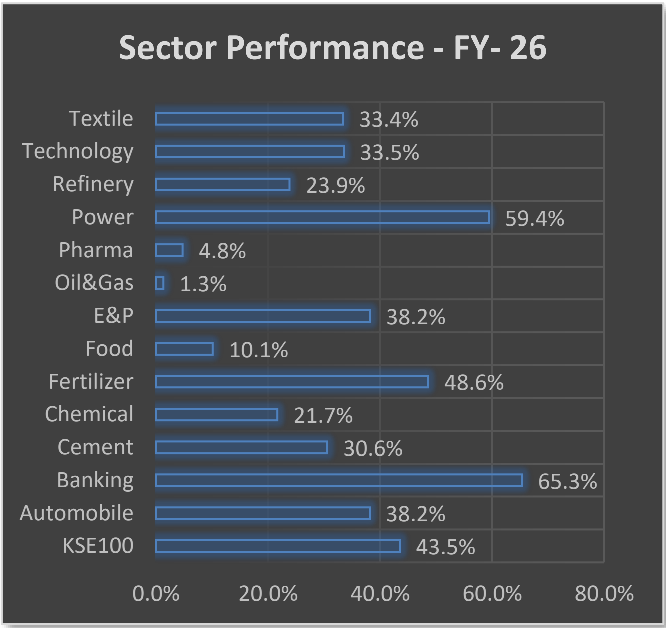
III. Top 5 scrips which contributed positively included UBL, HUBC, ENGROH, MEBL and FFC.

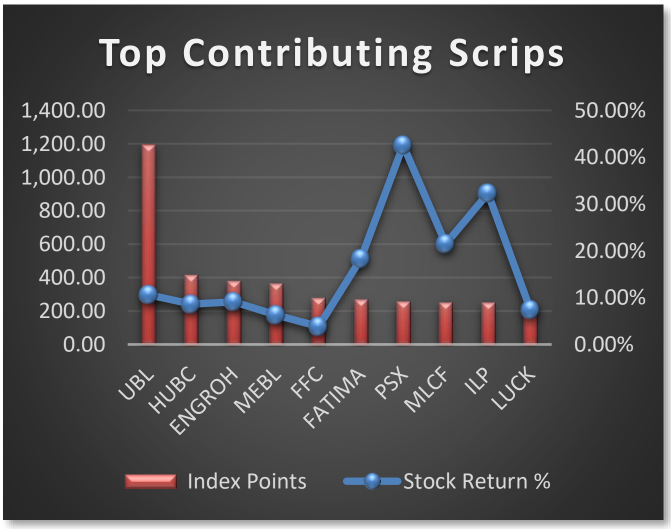
IV. Average Daily Traded Value of KSE 100 stood at approximately Rs. 28,790 million

V. Average Daily Traded Volume of KSE 100 stood at approximately Rs. 304.66 million.

VI. As of the end of June, the total market capitalization of the KSE-100 Index stood at Rs.16.9 trillion (USD 60.9 billion).







For feedback and enquiries contact us at:
2nd Floor, Pakistan Engineering Congress Building,
97-A/D-1, Liberty Chowk, Gulberg-III, Lahore
www.ppf.gop.pk
Ph.: 042-35882960-2

MONEY MARKET OVERVIEW

The Monetary Policy Committee (MPC), in its meeting held on 15th June 2026, decided to keep the policy rate unchanged at 11.50%, marking a pause after the 100 bps hike effected in April. The MPC noted that while global oil prices had eased following the US-Iran deal, they remained elevated versus pre-conflict levels, with the impact of the conflict already visible in recent inflation readings. Economic activity showed signs of moderation amid elevated prices, austerity measures and prevailing uncertainty, while external account pressures stayed moderate, leaving the macroeconomic outlook broadly unchanged.

The SBP conducted primary auctions of Treasury Bills twice during the month, on 10th and 23rd of June, raising around Rs. 1,962 billion and Rs. 1,243 billion, respectively. Cut-off yields on the 23rd of June auction settled at 11.80%, 11.75%, 11.75% and 11.84% for the 1-, 3-, 6- and 12-month tenors, easing meaningfully from the earlier auction as sentiment improved following the policy rate hold.

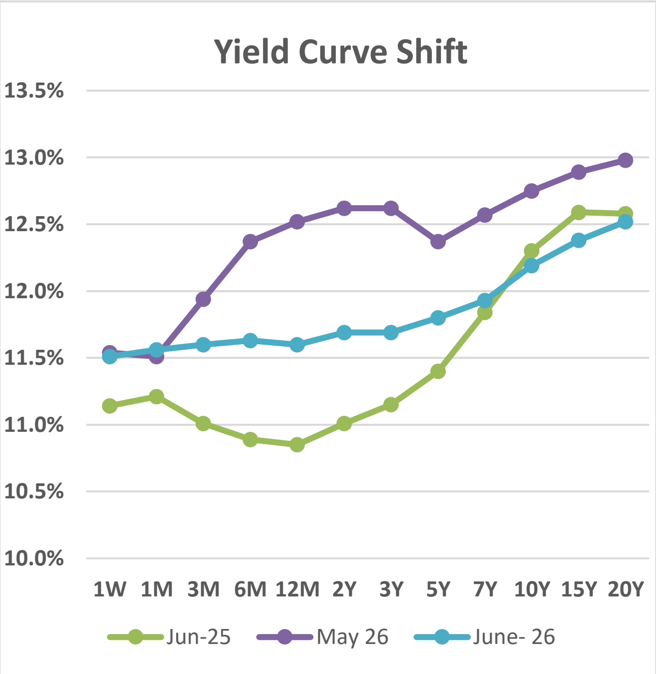
In the fixed-rate PIB auction held on 17th June 2026, the SBP accepted bids amounting to approximately Rs. 649 billion against a target of Rs. 350 billion. Cut-off yields were recorded at 12.09% for 3Y, 12.19% for 5Y, 12.61% for 10Y, and bids got rejected for 15Y.

During June 2026, yields declined across the yield curve, reversing the upward trend of the preceding two months, driven by the policy rate hold, easing inflation expectations, and improved sentiment. At the shorter end, the 1- and 3-month PKRV moved by 5 bps and -34 bps, closing at 11.56% and 11.60%, while the 6- and 12-month PKRV declined by 74 bps and 92 bps, closing at 11.63% and 11.60%. Yields on longer-tenor instruments also moved lower, with the 3-, 5-, and 10-year PKRV decreasing by 93 bps, 57 bps, and 56 bps, settling at 11.69%, 11.80%, and 12.19%, respectively.

Yields across the curve, however, remain well above their pre-conflict (Jan'26) levels, as investors continue to price in elevated inflation risk and residual geopolitical uncertainty. The future direction of rates will largely depend on the durability of the current disinflation trend and the evolving fiscal and geopolitical environment, with the market likely to stay sensitive to incoming data ahead of the next MPC meeting.

Policy Rate	11.50%
Next MPC Meeting	27-Jul-26

Security	Latest Auction	Cut-Off Yields/Price
T-Bill 1M	23-Jun-26	11.80%
T-Bill 3M	23-Jun-26	11.75%
T-Bill 6M	23-Jun-26	11.75%
T-Bill 12M	23-Jun-26	11.84%
PIB 3Y	17-Jun-26	12.09%
PIB 5Y	17-Jun-26	12.19%
PIB 10Y	17-Jun-26	12.61%
PIB 15Y	17-Jun-26	-
PFLH 5Y	30-Apr-25	96.87
PFLH 10Y	23-Jun-26	-
GISFRD1Y	23-Jun-26	11.69%
GISF3Y	17-Jun-26	12.10%
GISF5Y	17-Jun-26	12.09%
GISF10Y	17-Jun-26	-
GISV3Y	30-Apr-25	-
GISV5Y	14-Oct-25	-
GISV10Y	23-Jun-26	99.96



For feedback and enquiries contact us at:
2nd Floor, Pakistan Engineering Congress Building,
97-A/D-1, Liberty Chowk, Gulberg-III, Lahore
www.ppf.gop.pk
Ph.: 042-35882960-2

June 2026 **Monthly Performance Report** **Punjab Pension Fund**

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

Performance Review: During FY 2025-26, the Fund generated a net profit of Rs. 28.1 billion**,** paid Rs. 16.0 billion to GoPb**,** and received fresh contributions of Rs. 3.0 billion**.** Consequently, the Fund's overall size grew by 8.8% during the year**.**

Fixed Income Portfolio: During FY 2025-26, the Fund's Fixed Income portfolio accounted for around 83.5% of the portfolio and generated an annualized return of 11.8% vs the benchmark return of 10.9%. This outperformance was primarily driven by strategic allocation across instruments with varying maturities and fixed and floating rate structures.

Equity Portfolio: The Equity Portfolio, representing 16.5% of the Fund**,** posted a return of 39.6% vs the benchmark return of 38.8%**,** with both Direct Equity and Equity Mutual Fund allocations outperforming their respective benchmarks**.**

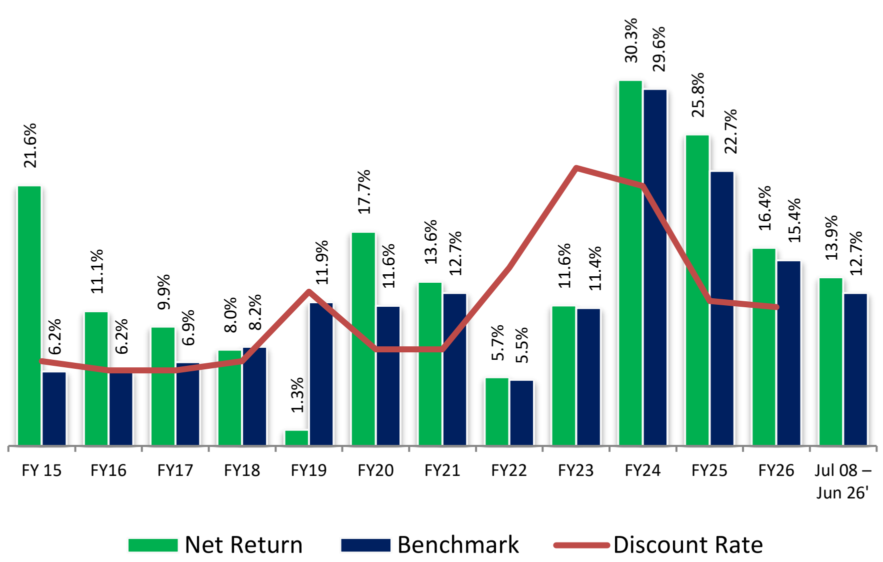
Overall, the Fund posted an annualized return of 16.4% during FY 2025-26 as compared to the composite benchmark return of 15.4%.

Going forward, the Fund will maintain its strategic asset allocation across Fixed Income and Equity and rebalance the portfolio in response to evolving interest rates and market conditions, with a greater focus on prudent risk management.

	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%
FY26	16.39%	186.6	6,385.6	2.92%
Jul '08 to June '26	13.95%			

*Including mark-to-market gains/losses
**Based on actuarial reports

Performance History

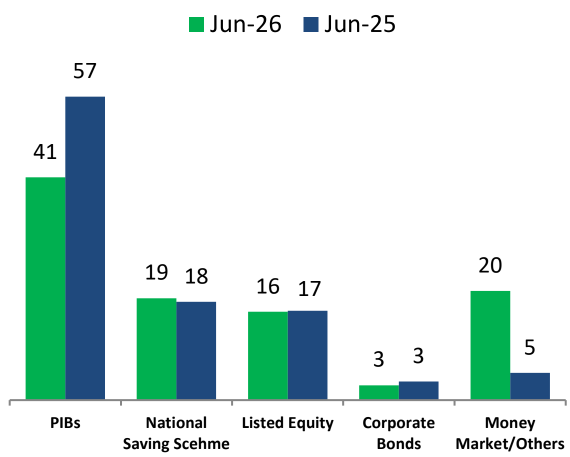


Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	186,646
Management Expenses (annualized)	0.13% 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 (1st Jul 2025)	**171,534**
Add: Contribution during the period	3,000
Add: Gain during the period	28,354
Less: Net Expenses during the period	(242)
Less: Profit Withdrawal	(16,000)
Ending Fund Size (30th June 2026)	**186,646**

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

For feedback and enquiries contact us at:
112-Tipu Block, New Garden Town, Lahore
www.ppf.gop.pk
Ph.: 042-35882960-2

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

During FY 2025-26, the Fund generated a net profit of Rs. 5.1 billion and received fresh contributions of Rs. 3.0 billion. Consequently, the Fund's overall size grew by 26% during the year.

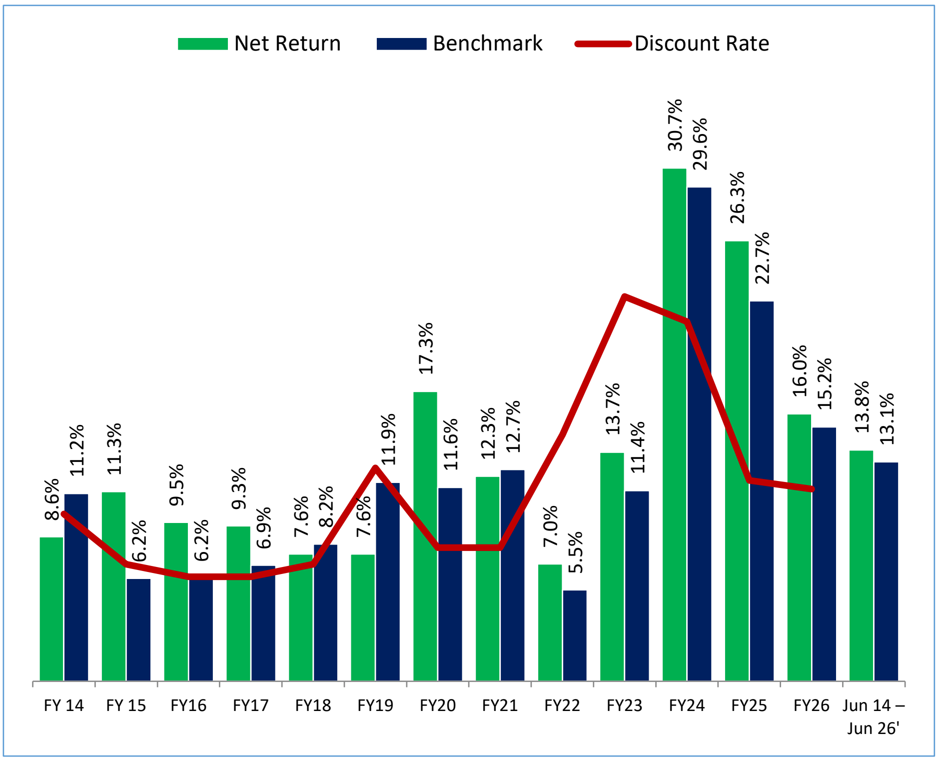
Fixed Income: During FY 2025-26, the Fund's Fixed Income portfolio accounted for around 84% of the portfolio and generated an annualized return of 11.7% vs the benchmark return of 10.7%. This outperformance was primarily driven by strategic allocation across fixed-rate and floating-rate bonds and corporate bonds, complemented by tactical deployment in short-term money market instruments across varying maturities.

Equity: The Equity Portfolio, representing 16% of the Fund**,** posted a return of 39.4% vs the benchmark return of 38.8%**,** with both Direct Equity and Equity Mutual Fund allocations outperforming their respective benchmarks**.**

Overall, the Fund posted an annualized return of 16% during FY 2025-26 as compared to the composite benchmark return of 15.2%.

Going forward, the Fund will maintain its strategic asset allocation across Fixed Income and Equity and rebalance the portfolio in response to evolving interest rates and market conditions, with a greater focus on prudent risk management.

Performance History



Fund Facts

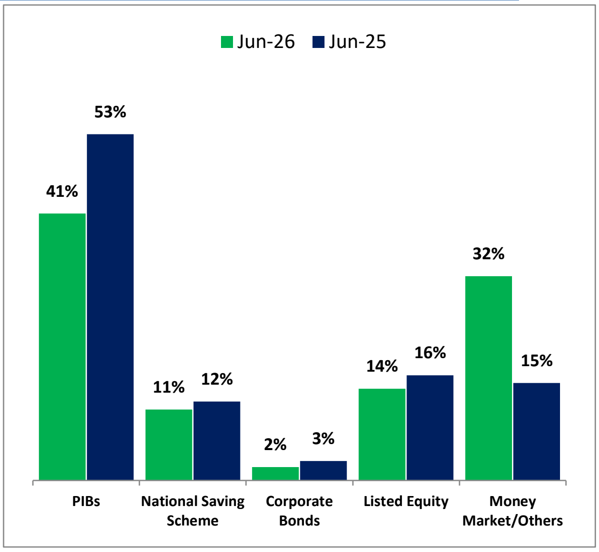
Fund Type	Provident Fund
Inception Date	25-Jun-14
Net Assets (Rs. million)	39,634
Total Expenses (annualized)	0.04% p.a.
Risk Profile of the Fund	Low to Moderate

Fund Size FY24-25

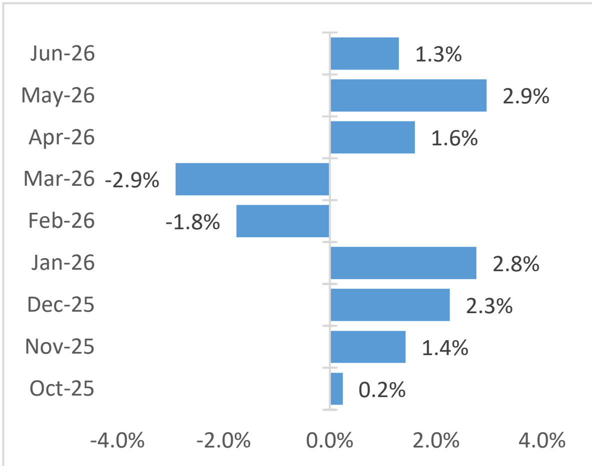
Rs. million

Beginning Fund Size (1st July 2025)	31,562
Add: Contribution during the year	3,000
Add: Gains during the period	5,088
Less: Expenses during the period	(16)
Ending Fund Size (30th June 2026)	**39,634**

Asset Allocation



Growth in Assets



Operational Investment Committee

Ashab Naeem Iqbal	General Manager
Muhammad Sajid, CFA	Chief Investment Officer
Haroon Zafar, CFA	Head of Portfolio

For feedback and enquiries contact us at:
112-Tipu Block, New Garden Town, Lahore
www.ppf.gop.pk
Ph.: 042-35882960-2

The Punjab Pension Fund
2nd Floor, PEC Building, 97-A/D-1,
Liberty Market, Main Boulevard Gulberg III, Lahore.
www.ppf.gop.pk
Ph: 042-36401200