



Punjab Pension Fund
Government of The Punjab



Monthly Performance Report March 2026



ECONOMIC OVERVIEW & OUTLOOK

Pakistan’s macroeconomic environment in March 2026 remained broadly stable but faced rising external risks due to escalating geopolitical tensions, particularly in the Middle East. The State Bank of Pakistan maintained its policy rate at 10.5% (discount rate 11.5%) in the Monetary Policy Committee meeting held on 9 March, reflecting a cautious stance amid uncertainty and inflation risks.

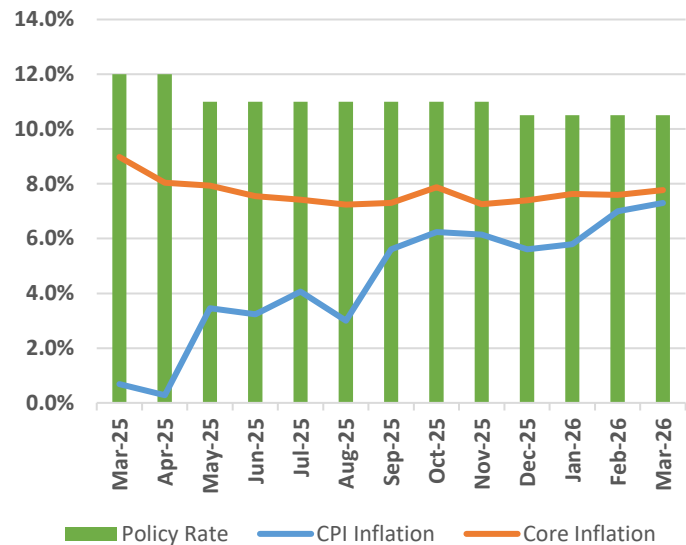
Inflation edged higher, with CPI recorded at 7.30% YoY, driven mainly by increases in transport, energy, and essential services. The Core inflation also increased to 7.77% from 7.59% at the end of last month. External sector indicators showed positive performance: a monthly current account surplus of USD 1,070 million was recorded in this month, bringing the cumulative position of 9MFY26 to USD 8 million showing a positive value for the first time in the fiscal year.

The trade deficit widened to around USD 2.3 billion in March, with cumulative deficits increasing significantly due to higher imports, especially energy-related. Despite pressures, FX reserves improved to approximately USD 16.4 billion, supporting exchange rate stability near PKR 279/USD.

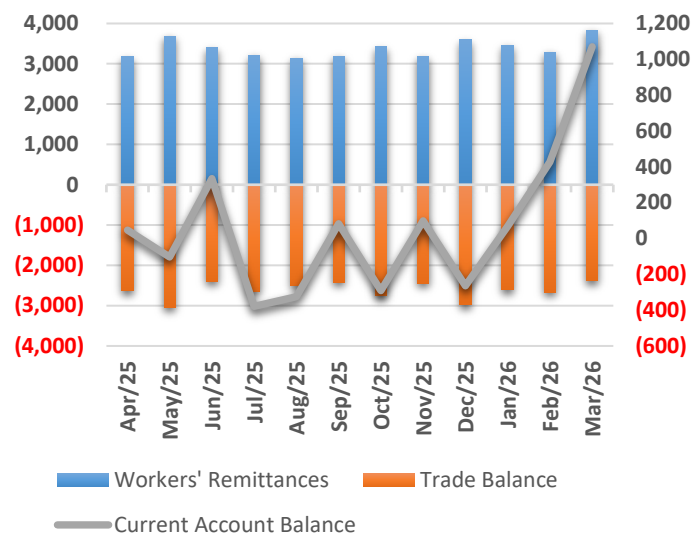
Overall, macro conditions reflected controlled inflation and stable reserves, but growing vulnerability to oil price shocks and external imbalances due to Iran-US war, is keeping the outlook cautious.

Key developments in March were as follows:

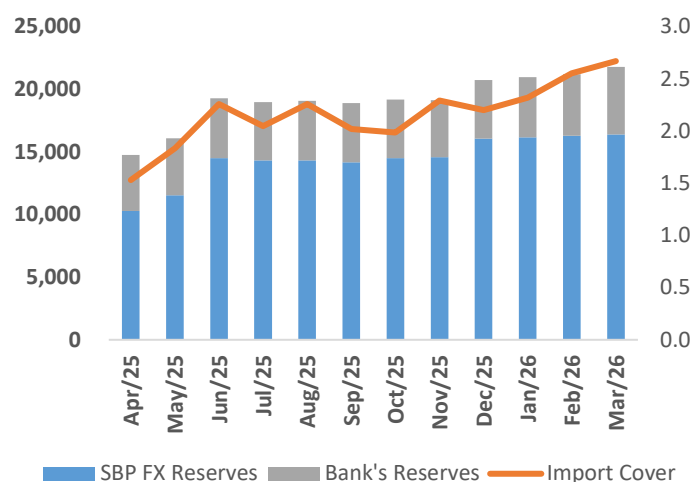
- I. CPI Inflation was recorded at 7.30% (YoY) (Feb’26: 7.0%), whereas Core Inflation rose to 7.77%.
- II. The country recorded a Current Account Surplus of USD 1,070 million, bringing the cumulative total for 9MFY26 to USD 8 million.
- III. The Trade Deficit stood at USD 2,376 million, a slight decrease from last month, bringing the cumulative deficit to USD 23.5 billion.
- IV. Imports were down by a slight 4% MoM, recorded at USD 5.1 billion, with major decreases recorded in Cooking Oil and other Food Items.
- V. External account stability was supported by robust remittances up by 16.5% MoM, and the continued buildup of FX reserves.



Current Account Trend - USD M



FX Reserves / Import Cover



STOCK MARKET OVERVIEW

The equity market experienced a sharp correction during March, with the KSE-100 Index declining by approximately 11.50% (around 19,300 points) to close at 148,743. This marked one of the steepest monthly declines, with trading volumes also falling significantly by 36.77% MoM, reflecting weak investor sentiment.

The primary driver of this downturn was the escalation of geopolitical tensions in the neighboring middle east region, which triggered a sharp spike in global oil prices and heightened inflation expectations. Additional pressures included foreign selling, subdued corporate earnings momentum, and local security/stability concerns.

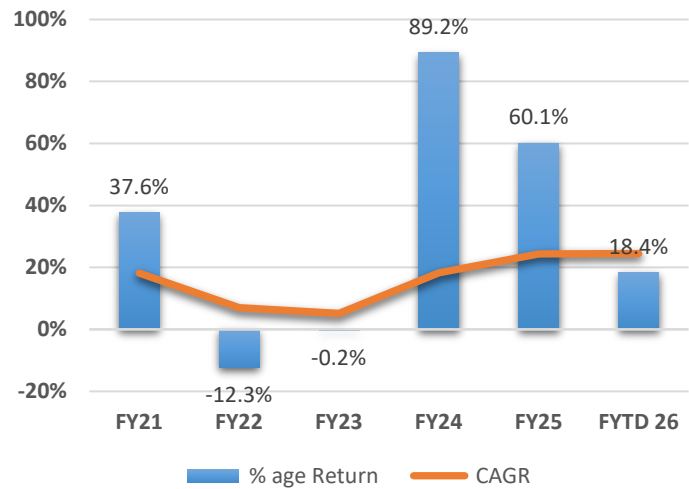
Sector-wise performance was mixed due to this complex situation. Oil Refinery and oil & gas exploration sectors, supported by higher international oil prices and improved margins managed to outperform the market. Defensive sectors such as food and power also showed relative resilience. In contrast, underperforming sectors included Cement (-18.2%), Banking (-13.8%), Textiles (-19.1%), and Pharmaceuticals (-15.2%), affected by demand slowdown (especially during Ramadan), foreign outflows, and margin pressures.

Overall, the market's decline appears largely sentiment-driven, and with valuations now compressed, any easing in geopolitical tensions could trigger a meaningful rebound.

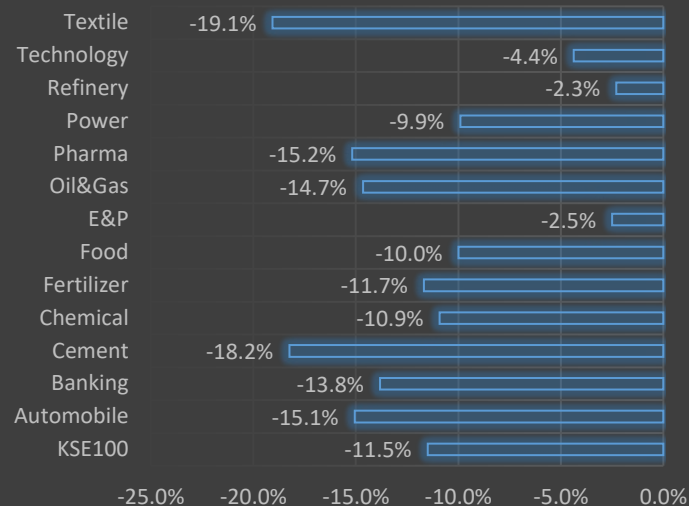
Key updates in March were as follows:

- I. The KSE 100 Index decreased -11.50% during the month, bringing the cumulative loss of CY26 to -14.54%.
- II. Highest cumulative sectoral gains of 9MFY26 were recorded by Banking (36.1%), Power (32.6%), Fertilizer (26%), and E&P (17.5%), which outperformed the market.
- III. Trading value of KSE100 stands at Rs. 658,175 million (~USD 2,357 million).
- IV. As of the end of March, the total market capitalization of the KSE-All shares stood at Rs. 16.5 trillion (~USD 59 billion).

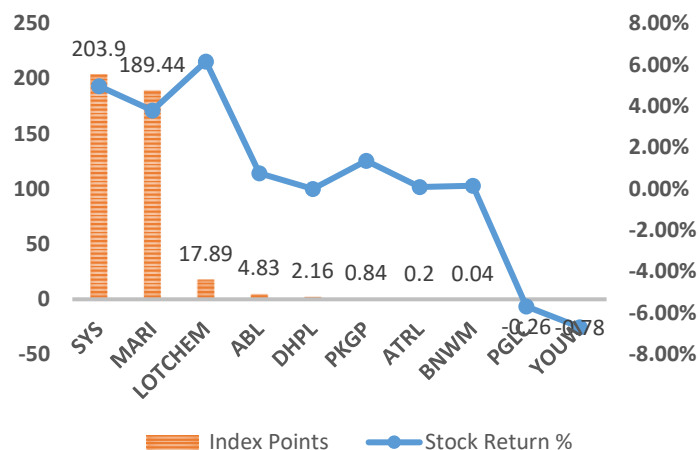
KSE-100 Index Performance



Sector Performance - March 26



TOP CONTRIBUTING SCRIPS



MONEY MARKET OVERVIEW

The money market in March reflected tightening liquidity conditions and rising yield expectations due to heightened geopolitical risks. The Monetary Policy Committee (MPC) meeting on March 9, 2026, resulted in the policy rate being held at 10.5%, as the central bank adopted a cautious stance in light of global uncertainty and potential inflationary effects from rising oil prices.

Market yields moved upward during the month, reflecting reduced expectations of near-term monetary easing. This was evident in interbank benchmarks, where 6-month KIBOR rose by around 98 basis points to 11.59%.

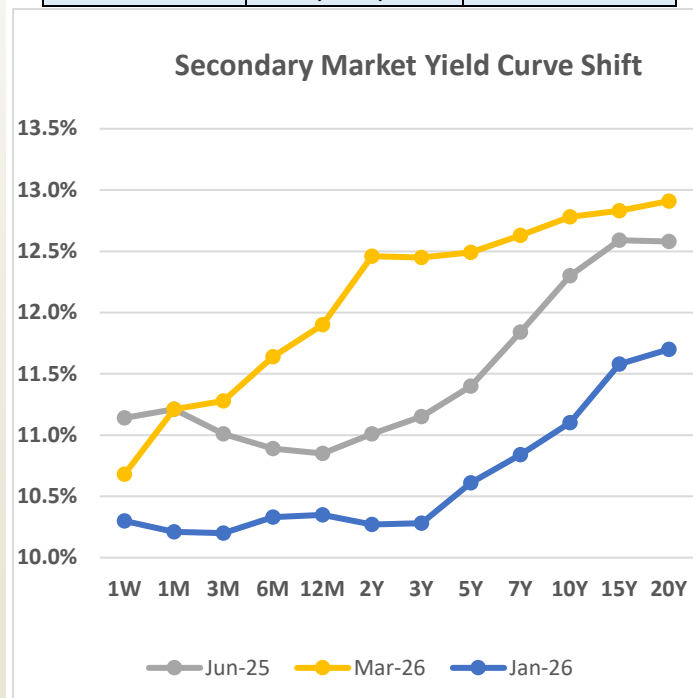
In government securities, the State Bank conducted two T-bill auctions during the month. In which, the government raised approximately Rs. 1627 billion against a target of Rs. 1250 billion. Cut-off yields increased across all tenors between 90 and 133 bps. This upward shift indicated market pricing of higher inflation and possible future policy tightening.

In the fixed-rate PIB auction approximately Rs. 466 billion was raised against a target of Rs. 400 billion, Cut-off yields increased across all tenors and were set at: 12.5% for 2Y, 3Y, & 5Y; and 12.4% for 15Y PIBs. Notably, 10-year bids were rejected, reflecting investor reluctance to lock in long-term rates amid uncertainty.

The increase in PKRV cut-off yields across all tenors reflects a broad-based upward shift in the yield curve, indicating a repricing of interest rate expectations by market participants. Auction results during the month showed consistent increases in cut-off yields for T-bills as well as PIBs. This synchronized increase across the curve suggests that the market is pricing in persistent inflationary pressures and a potentially tighter monetary stance going forward. The upward movement in yields is also consistent with rising interbank benchmarks, as evidenced by the increase in 6-month KIBOR during the month, reflecting tightening liquidity conditions.

Policy Rate	10.5%
Next MPC Meeting	27-Apr-2026

Security	Latest Auction	Cut-Off Yields/Price
T-Bill 1M	16/Mar/26	11.48%
T-Bill 3M	16/Mar/26	11.50%
T-Bill 6M	16/Mar/26	11.50%
T-Bill 12M	16/Mar/26	11.50%
PIB 3Y	26/Mar/26	12.50%
PIB 5Y	26/Mar/26	12.50%
PIB 10Y	26/Mar/26	N/A
PIB 15Y	26/Mar/26	12.40%
PFLH 5Y	30/Apr/25	96.87
PFLH 10Y	16/Mar/26	94.42
GISFRD1Y	25/Mar/26	11.50%
GISF3Y	25/Mar/26	0.00%
GISF5Y	25/Mar/26	11.75%
GISF10Y	25/Mar/26	0.00%
GISV3Y	30/Apr/25	-
GISV5Y	14/Oct/25	-
GISV10Y	25/Mar/26	96.55





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

Performance Review: During the 9M FY 2025-26, the Fund's net assets grew by 9.7%.

Fixed Income Portfolio: During 9M FY 2025-26, the Fund's Fixed Income portfolio constituted around 83.5% of the portfolio, which generated an annualized return of 11.6%. This performance was primarily driven by the Fund's timely allocation to long-term fixed-rate PIBs ahead of the monetary easing cycle, while maintaining a strong focus on diversification across asset classes and investment tenors.

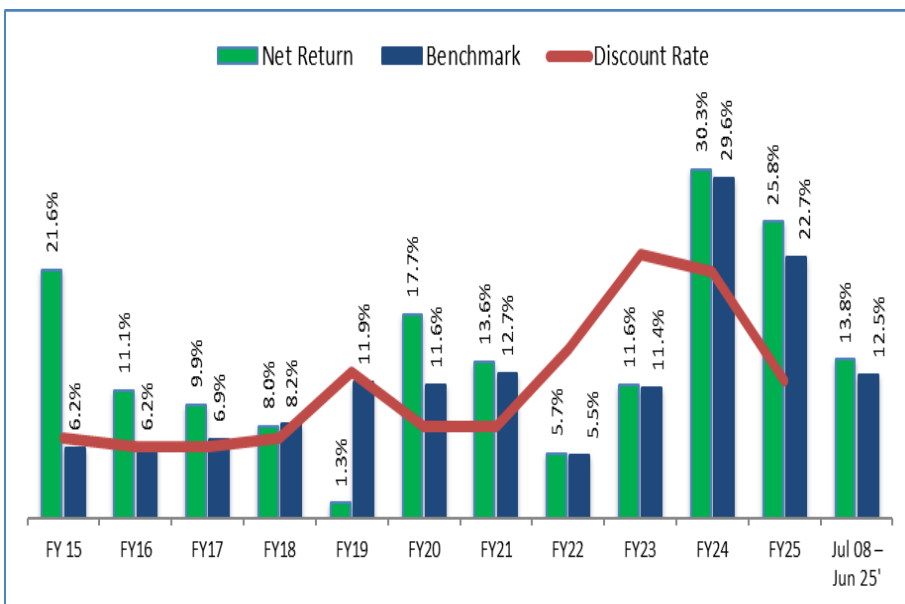
Equity Portfolio: The Equity Portfolio, representing 16.5% of the Fund, returned 15.8%. The benchmark return during the same period was 14.7%.

Going forward, in FY 2025–26, the Fund will maintain a prudent mix of fixed-income and equity allocations while actively rebalancing in line with evolving interest rates and market conditions. The Fund will also factor in the impact of the ongoing Middle East conflict, particularly elevated energy prices, inflationary pressures, and increased market volatility, necessitating a more robust and risk-conscious investment approach.

	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%
9M FY26	9.74%	188.2	6,385.6	2.95%
Jul '08 to Mar '26	14.00%			

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

Performance History



Fund Facts

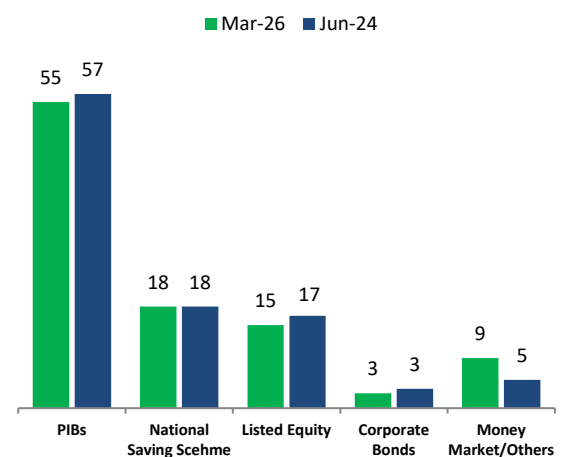
Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	188,244
Management Expenses (annualized)	0.19% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Risk Profile of the Fund	Low to Moderate

Fund Size FY24-25

Rs. million

Beginning Fund Size (1st Jul 2025)	171,534
Add: Contribution during the period	-
Add: Gain during period	16,968
Less: Expenses during the period	(258)
Less: Profit Withdrawal	-
Ending Fund Size (31st March 2026)	188,244

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

The Fund’s assets grew by 9.5% during 9M 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 11.1%. This performance was primarily driven by the Fund’s timely allocation to long-term fixed-rate PIBs ahead of the monetary easing cycle, while maintaining a strong focus on diversification across asset classes and investment tenors. However, the intensified Middle East crisis has taken away most of the gains.

Equity: The equity portfolio, which constitutes approximately 16% of the Fund, posted a holding-period return of 16%, compared with a benchmark return of 14.7%.

Going forward, in FY 2025-26, the Fund will maintain a prudent mix of fixed-income (floating- and fixed-rate bonds) and will keep the equity allocations near its strategic allocation.

Fund Facts

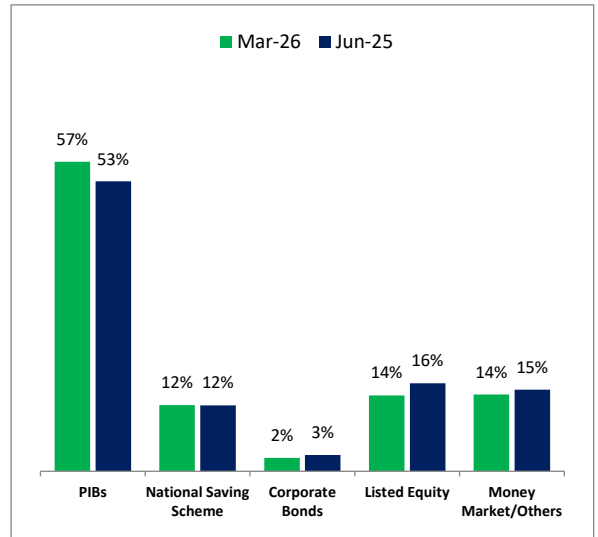
Fund Type	Provident Fund
Inception Date	25-Jun-14
Net Assets (Rs. million)	34,552
Total Expenses (annualized)	0.04% p.a.
Risk Profile of the Fund	Low to Moderate

Fund Size FY24-25

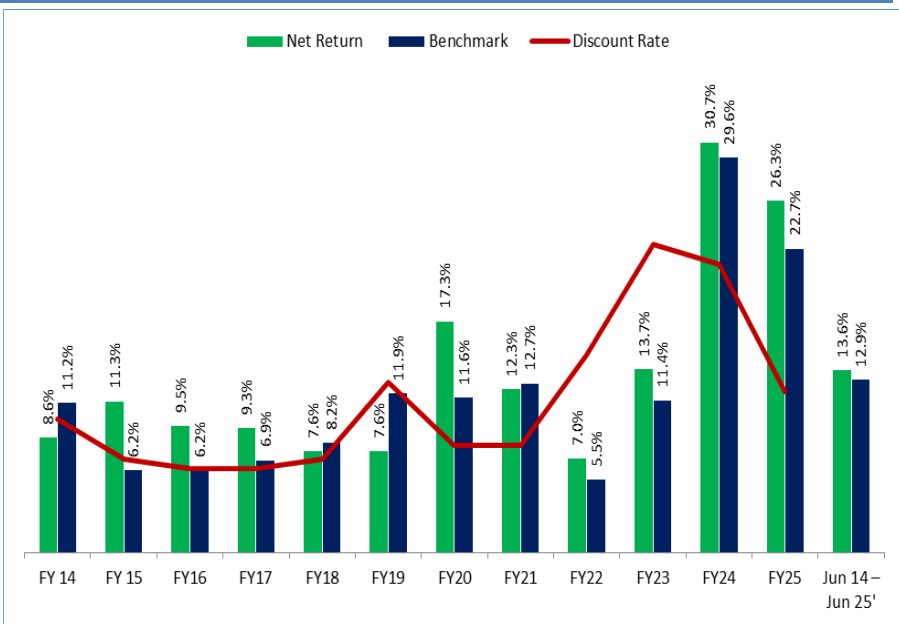
Rs. million

Beginning Fund Size (1 st July 2025)	31,562
Add: Contribution during the year	-
Add: Gains during the period	3,001
Less: Expenses during the period	(11)
Ending Fund Size (31st March 2026)	34,552

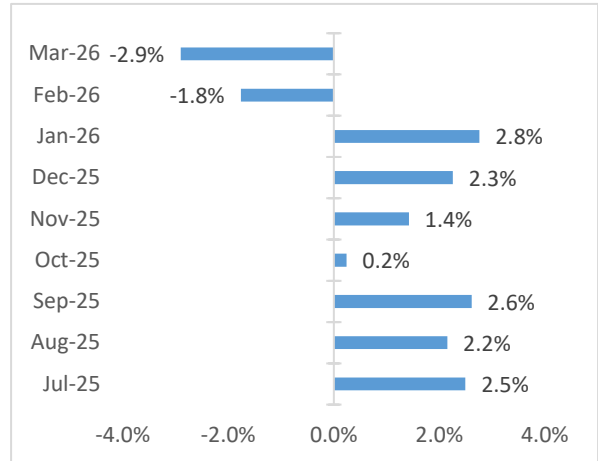
Asset Allocation



Performance History



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.gov.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