



Punjab Pension Fund
Government of The Punjab



Monthly Performance Report September 2025



ECONOMIC OVERVIEW & OUTLOOK

The country's economy remained largely stable in the first three months of FY2025-26. However, slight inflationary pressure started to build up post the widespread floods impacting supply dynamics.

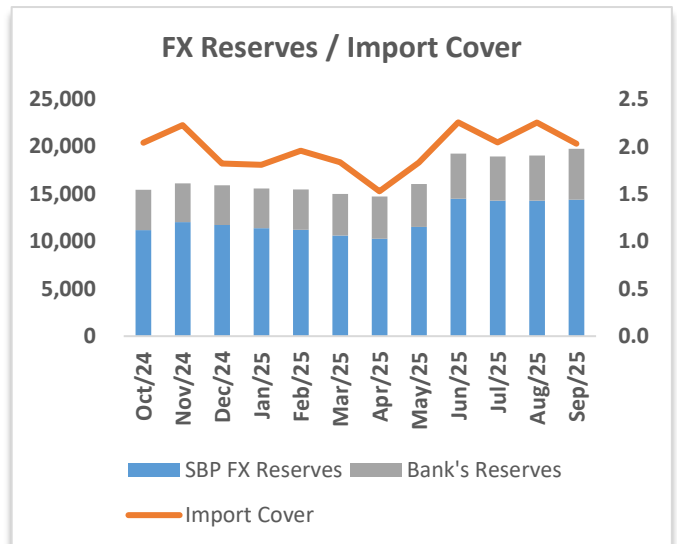
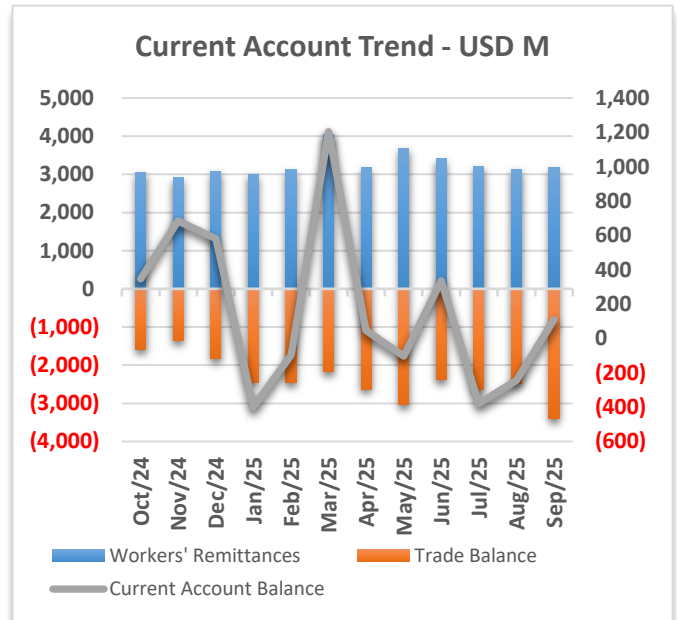
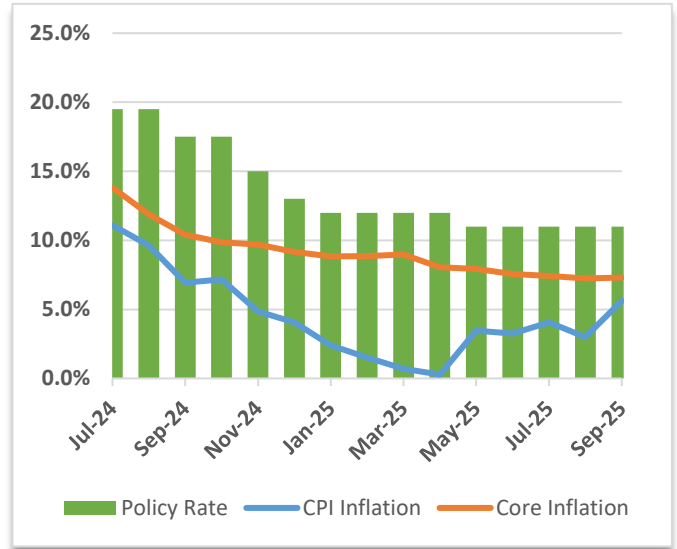
Considering the adverse effects of floods on the crop sector along with the potential increase in headline inflation, the Monetary Policy Committee (MPC) acted cautiously and decided to maintain the policy rate at 11%.

On the fiscal front, the government recorded a 14.1% YoY growth in tax collection during the first two months. However, the destruction by the floods could increase the government's expenditure along with a slowdown in tax collection in the coming months.

Despite the disruption arising from the ongoing floods, the economic outlook remains stable with improvement in large-scale manufacturing, supported by an uptick in automobile sales, cement dispatches, and allied industries. A rise in imports as the economic activity picks up pace will potentially exert pressure on the external account. However, sustained remittances along with declining global commodity prices will provide an additional buffer.

Key developments in September are as follows:

- I. CPI Inflation was recorded at 5.6% (YoY) during Sep'25 (Aug'25: 3.0%) whereas core inflation remained stable at 7.3%.
- II. Country recorded a Current Account Surplus of \$ 110 million during Sep'25. Strong monthly remittances of up to Rs. 3.2 billion provided support.
- III. Higher imports arising from rising demand of petroleum products (17.8%) and Palm Oil (29.1%) outpaced moderate export growth, leading to a rise in the trade deficit to Rs. 3.4 billion.
- IV. Rise in exports was witnessed in knitwear, garments, and bedwear, along with growth of 11.5% in service exports, particularly IT.
- V. External sector stability was evident from the continued buildup of FX reserves, providing additional import cover of up to 2 times.



STOCK MARKET OVERVIEW

The Pakistan Stock Market (PSX) continued its upward momentum fueled by investor confidence arising from diplomatic breakthroughs, including the Strategic Mutual Defence Agreement with Saudi Arabia, along with the meeting of Pakistani Prime Minister with his American counterpart. Moreover, the government executed the country's historic debt restructuring deal of Rs. 1.2 trillion to resolve the power sector circular debt, which was also positively intercepted by the respective sector. Furthermore, Cement sector outperformed the market as industry dispatches rose to 16% YoY in 1QFY26.

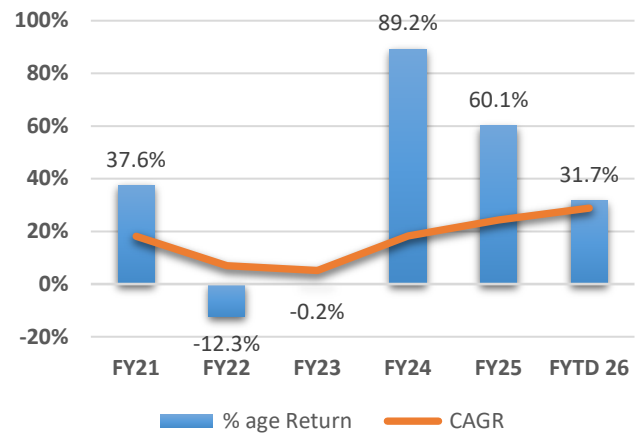
The KSE 100 Index surged to an all-time high of 165,494 pts to mark the closing of the month, registering a gain of 11.35% during the period.

The upcoming months remain eventful for the stock market as the IMF's second review of the Extended Fund Facility is due. Furthermore, the actual damage caused by the floods is yet to be assessed. However, this might cause the country's growth projection to shrink as compared to the initial estimates. Although the valuations remain attractive, the country's overall macroeconomic outlook, especially after the floods, remains crucial to shaping the market performance in the coming months.

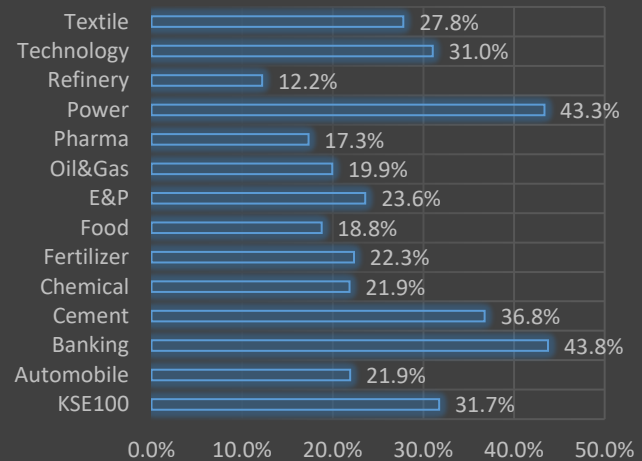
Key updates in September are as follows:

- i. The KSE 100 Index recorded the highest monthly gain of FY26 on a MoM basis of 11.35%. Overall, during the 1QFY26, the Index has surged 31.7%.
- ii. Highest sectoral gains were recorded by Power (29.9%), OMC (16.2%), Refinery (13.9%), Technology (13.9%), E&P (13.7%), and Cement (12.3%), which outperformed the market.
- iii. Cumulative trading volume for the month stood at 11,925 million shares with a trading value of Rs. 818,736 million (\$2,908 million).
- iv. As of the end of September, the total market capitalization of the KSE 100 Index stood at Rs. 4.9 trillion.
- v. Individuals, Mutual Funds, Banks/DFIs, Companies and Insurance were net buyers during the month, whereas Foreign Investors, Brokers and NBFC's remained net sellers.
- vi. The Average KSE 100 Index's PE ratio is now stabilizing around its historic average of 8.5x.

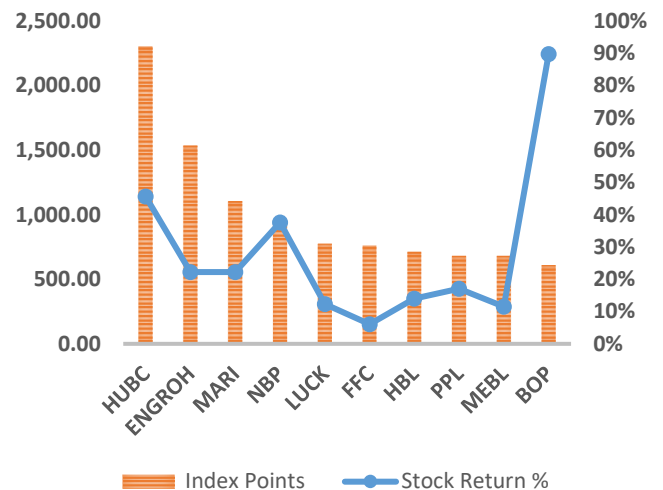
KSE-100 Index Performance (5 Years)



Sector Performance - FYTD 26



TOP CONTRIBUTING SCRIPS





MONEY MARKET OVERVIEW

The Monetary Policy Committee (MPC) decided to maintain the policy rate at 11% in its last review on 15th September 2025. The Committee cited a worsened macroeconomic outlook arising from flood-induced supply shocks. Although core inflation continued to decline, headline inflation is expected to increase considering the damages caused to the crop sector.

The SBP conducted the auction of T-Bills twice this month, on 3rd and 17th September, with the target amounts of Rs. 400 billion and 175 billion, respectively. The participation remained robust in both the auctions, with the SBP accepting Rs. 515.23 billion and 201.87 billion, respectively, from the auctions. The yields remained the same in both auction results across all tenors.

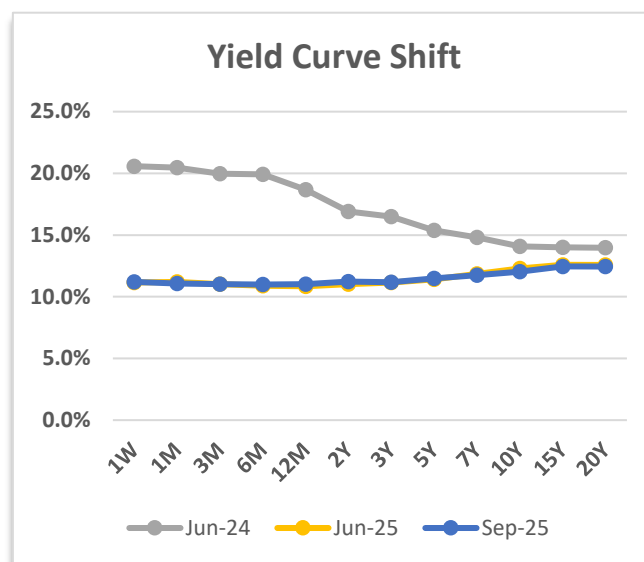
In the PIB Auction on 5th September 2025, the SBP accepted an amount of Rs. 654.28 billion against a target amount of 300 billion, whereas the offer amount was Rs. 1,695 billion, showing investors' robust participation. The table shows the cut off yield of each tenor. As compared to the auction of PIBs in the last month, the yield on 2Y PIB witnessed an increase of 11 bps, whereas the yield on 10Y and 15Y PIBs reported a decline of 11 bps and 7 bps, respectively. The yields on 3Y and 5Y PIBs remained the same.

The yield curve representing the month-end PKRVs witnessed an increase across all tenors ranging from 1 to 26 bps, mainly due to the concerns regarding rising inflationary pressure resulting from ongoing floods along with the MPC decision to maintain the policy rate at 11%.

With the CPI inflation rising at a moderate pace, the SBP projects that it will, however, remain in the range of 5-7% in FY26, though it may breach the upper bound during the second half of FY2025-26 before settling down between the predicted range. We project that while maintaining its cautious stance, the policy rate shall remain unchanged at 11% during the remaining period of the ongoing fiscal year. However, the inflationary outlook, which would further impact the MPC decision regarding policy rate, remains susceptible to multiple risks emanating from global commodity prices, trade deficits, and any natural calamity that could adversely impact the local market dynamics.

Policy Rate	11%
Next MPC Meeting	27-Oct-2025

Security	Latest Auction	Cut-Off Yields/Price
T-Bill 1M	17/Sep/25	10.75%
T-Bill 3M	17/Sep/25	10.85%
T-Bill 6M	17/Sep/25	10.85%
T-Bill 12M	17/Sep/25	11.00%
PIB 3Y	5/Sep/25	11.14%
PIB 5Y	5/Sep/25	11.44%
PIB 10Y	5/Sep/25	12.04%
PIB 15Y	5/Sep/25	12.38%
PFLH 5Y	30/Apr/25	96.87
PFLH 10Y	17/Sep/25	-
GISFRD1Y	29/Sep/25	10.43%
GISF3Y	29/Sep/25	10.75%
GISF5Y	29/Sep/25	11.14%
GISF10Y	29/Sep/25	-
GISV3Y	30/Apr/25	-
GISV5Y	29/Sep/25	-
GISV10Y	29/Sep/25	-





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

Performance Review: During the first three months of FY 2025-26, the Fund's net assets grew by 7.6%.

Fixed Income Portfolio: During 3M FY 2025-26, the Fund's Fixed Income portfolio generated an annualized return of 12.2%. 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, generated a return of 29.6%. The KSE-100 Index posted a return of 31.7% during the same period.

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

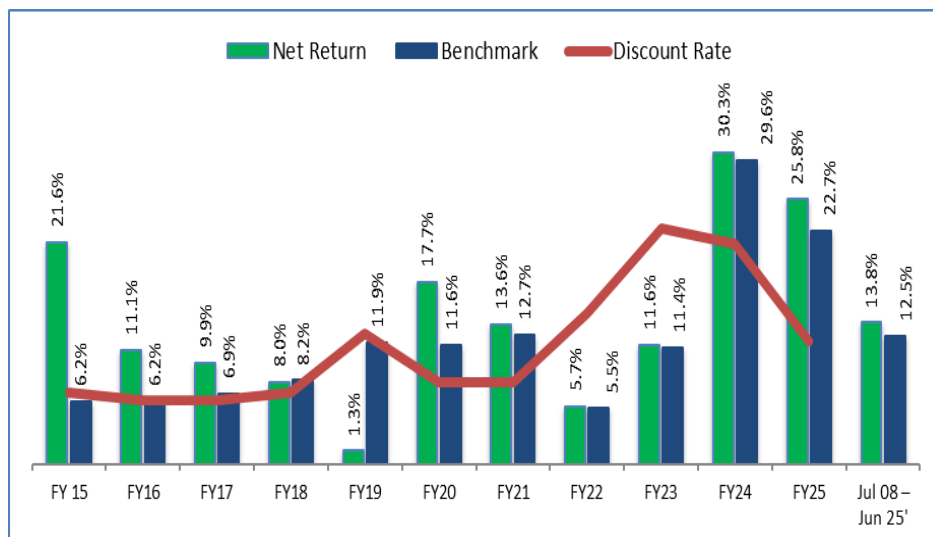
	Fund Performance*	Fund Size (a)	Estimated** 30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	3.5	636.3	0.55%
FY10	13.21%	12.1	718.1	1.69%
FY11	10.81%	13.4	1,005.6	1.33%
FY12	16.86%	15.6	1,408.1	1.11%
FY13	20.46%	18.8	1,971.8	0.95%
FY14	5.65%	24.8	2,761.1	0.90%
FY15	21.57%	35.3	3,866.5	0.91%
FY16	11.14%	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%
3M FY26	7.57%	184.5	6,385.6	2.89%

Jul '08 to Sep '25 14.07%

*Including mark-to-market gains/losses

**Based on actuarial reports

Performance History



Fund Facts

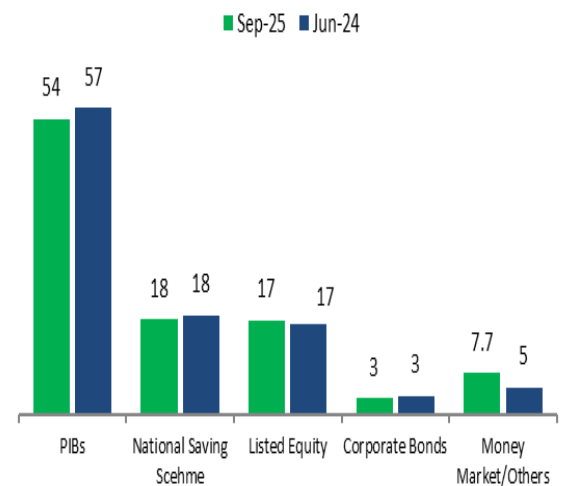
Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	184,506
Management Expenses (annualized)	0.15% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Risk Profile of the Fund	Low to Moderate

Fund Size FY24-25

Rs. million

Beginning Fund Size (1st Jul 2025)	171,528
Add: Contribution during the period	-
Add: Gain during period	13,047
Less: Expenses during the period	(69)
Less: Profit Withdrawal	-
Ending Fund Size (30th September 2025)	184,506

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 7.4% during 3M FY 2025-26.

Fixed Income: During the period under review, the Fund's Fixed-Income portfolio, which constitutes around 83% of the Fund, posted an annualized return of 11%. 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 17% of the Fund, posted a holding-period return of 30.8% compared to a market return (KSE 100 index) of 31.7%.

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

Fund Facts

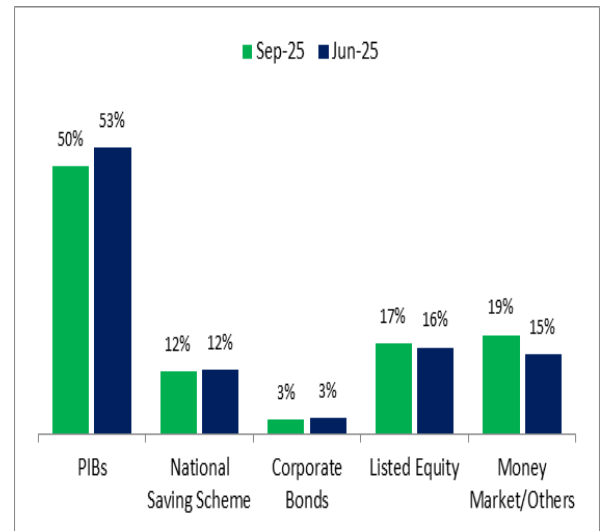
Fund Type	Provident Fund
Inception Date	25-Jun-14
Net Assets (Rs. million)	33,907
Management Expenses (annualized)	0.03% p.a.
Risk Profile of the Fund	Low to Moderate

Fund Size FY24-25

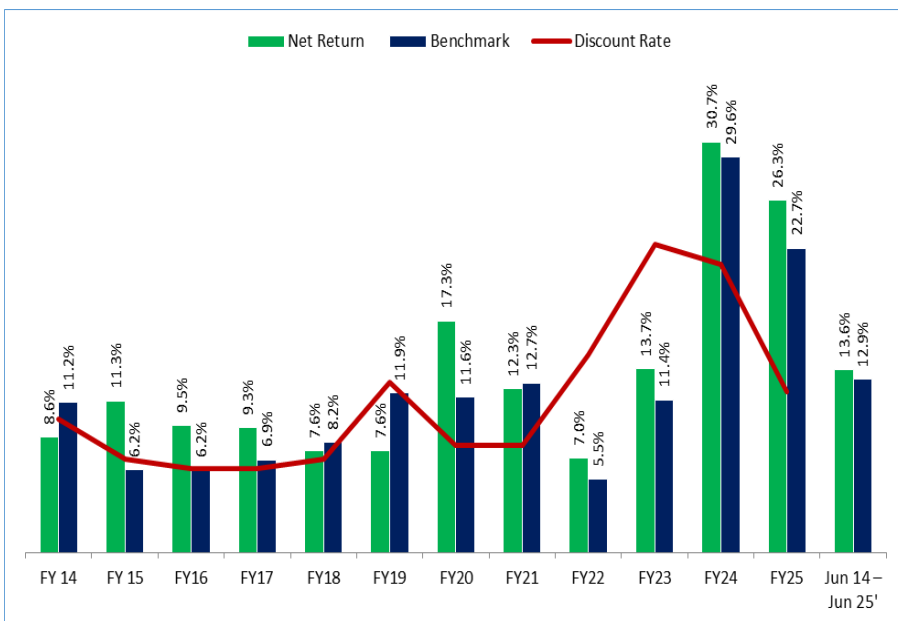
Rs. million

Beginning Fund Size (1 st July 2025)	31,565
Add: Contribution during the year	-
Add: Gains during the period	2,345
Less: Expenses during the period	(3)
Ending Fund Size (30th September 25)	33,907

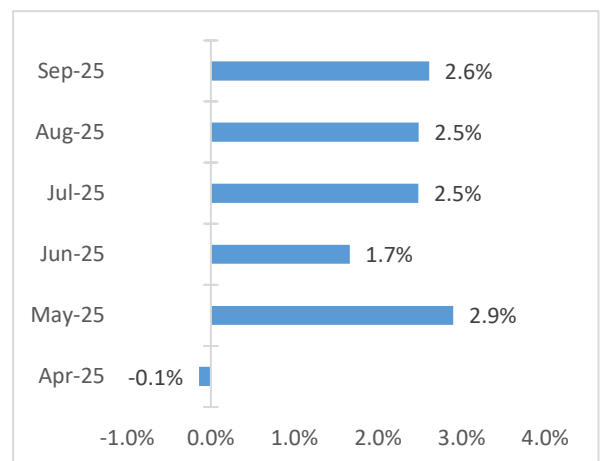
Asset Allocation



Performance History



Growth in Assets



Operational Investment Committee

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