



**Investment Objective** of Punjab Pension Fund (PPF) is to generate revenue for the discharge of pension liabilities of the Government of Punjab.

### Performance Review

PPF posted a net return of 9.2% during 8MFY18 vs. 10.2% during same period of FY17. The Fund posted a real return of 5.4% during the period. The performance of the Fund remains significantly higher than its benchmark of 6.8%; despite record low yields prevailing in the market.

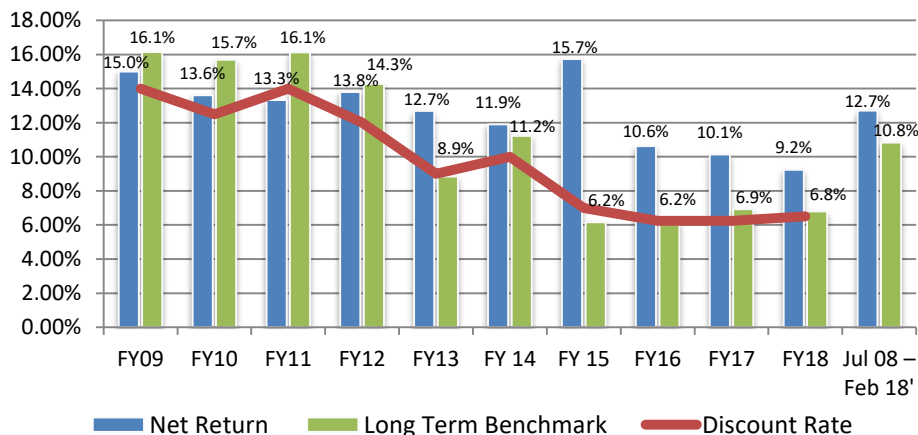
There was a sizeable shift in Fund's asset allocation during 8MFY18. An amount of Rs. 12.2 billion in 3yr Speial Saving Account (SSA), the higher yielding segment of portfolio, has matured during the period. As a result, net return for the period has dropped to single digit. Further, recent policy rate move of 25 basis point has also decreased unrealized gain on PIBs by Rs.49.7 Million. The OIC, in order to benefit from reversal in yields, has invested around 7% of fund size in PIBs for maturities of around 4 years; which increased the weight of PIBs in portfolio from 15.2% to 21.9%.

At the end of February 2018, the Fund has around 39% of its exposure in fixed rate PIBs, long term bank deposits, and products of National Saving Schemes. This high yielding portion of the portfolio will support the Fund in outperforming its benchmark in the year FY18.

CPI Inflation for the month of Feb-18 was recorded at 3.8 percent on YoY; and declined by 0.31 percent on MoM basis. As far as inflation outlook is concerned, the OIC of the Fund is of the view that softer food inflation due to healthy supply will subside some pressure from demand side; keeping CPI under SBP's annual projections of 4.5 – 5.5 percent for FY18.

Period	Growth		Market Value (Rs. billion)		Funding Ratio
	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%
8MFY18	5.47%	2.63%	52.0	5387.6	0.96%
Jul '08 to Jan '18	13.35%	14.99%			

### Performance History



### Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	51,962
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.12% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

### Fund Size FY18

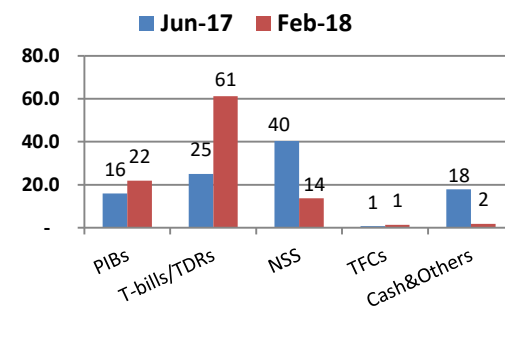
Rs. million

*Beginning Fund Size (01 Jul 2017)	47,128
Add: Contribution during the year	-
Add: Gains during the year	2,891
Less: Expenses during the year	(38)

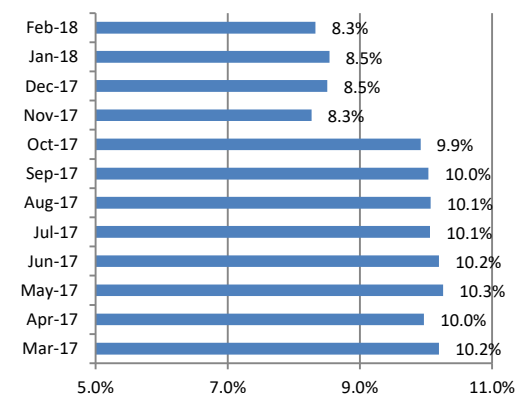
**\*Ending Fund Size (28 Feb 2018) 49,981**

\* Excluding Unrealized Gain of Rs. 1,981 million

### Asset Allocation (% of Fund Size)



### YTD Monthly Returns (Net)



### Operational Investment Committee

Aquil Raza Khoja, FCA	General Manager
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