



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 10.1% during the year FY17 vs. 10.6% during FY16. The Fund posted a real rate of return of 6.2%, over CPI Inflation, during the year and outperformed its benchmark by 3.2%. The FY17 is a fifth year in a row, the Fund outperformed its benchmark.

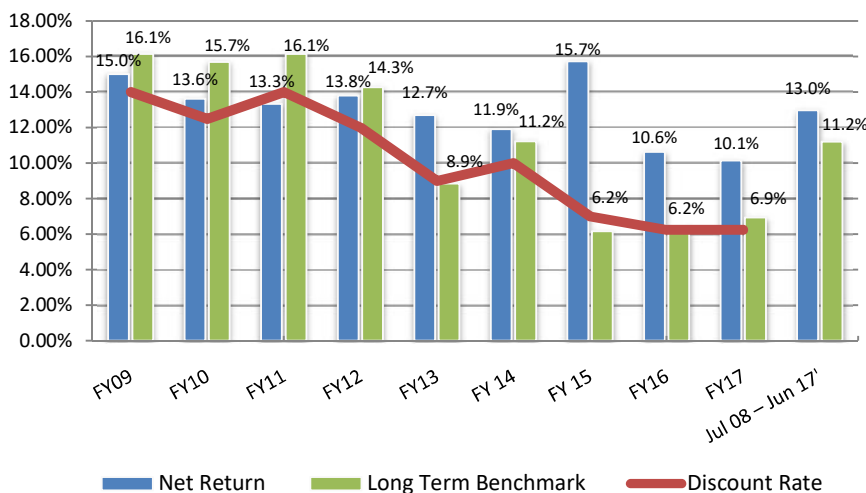
During the year FY17, the size of the Fund increased by Rs. 9.0 billion; out of that Rs. 5.0 billion was contributed by the GoPb as a fresh contribution and remaining was the profit earned during the year.

During the year FY17, The Fund's portfolio continues to shift towards short term instruments. This is because the OIC of the Fund is following a strategy of investing in short duration instruments and not taking exposure in long term instruments at currently prevailing lower yields. Therefore, all the coupons of PIBs and the amount of fresh contribution are being invested in shorter term instruments.

FY17 was another year of low inflation cycle since FY12. Although some reversal was seen in prices, but overall they were well within comfortable limits. As far as outlook for FY18 is concerned, the OIC of PPF is of the view that there is no immediate threat of reversal in prices. The fall in value of Pak Rupee can be a real concern for a possible rise in CPI.

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%
Jul '08 to Jun '17	13.73%	15.85%			

Performance History



Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	49,269
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.14% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Fund Size FY17

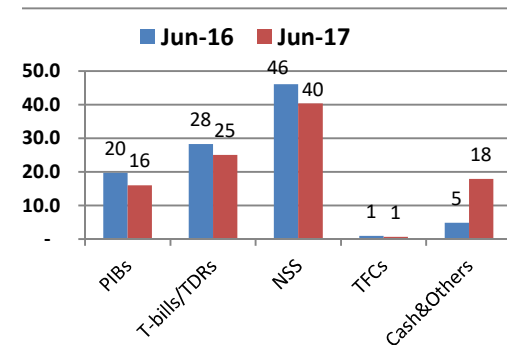
Rs. million

*Beginning Fund Size (01 Jul 2016)	38,204
Add: Contribution during the year	5,000
Add: Gains during the year	3,977
Less: Expenses during the year	(53)

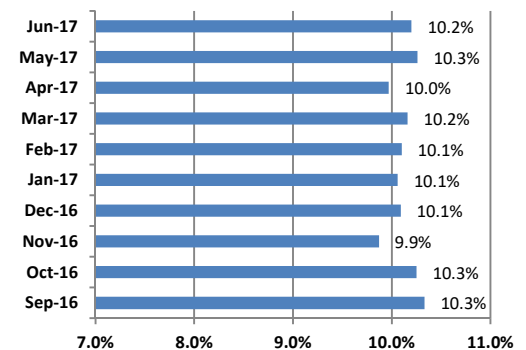
*Ending Fund Size (30 Jun 2017) 47,128

* Excluding Unrealized Gain of Rs. 2,141 million

Asset Allocation (% of Fund Size)



YTD Monthly Returns (Net)



Operational Investment Committee

Aquil Raza Khoja, FCA	General Manager
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