



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

**Performance Review**

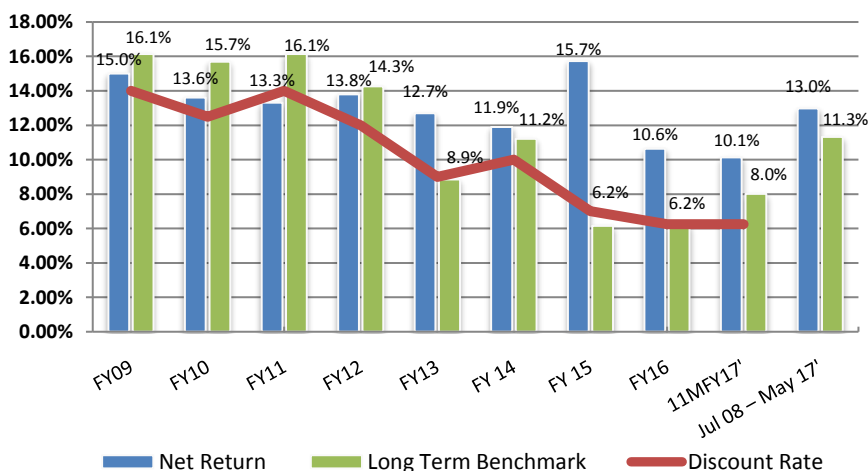
PPF posted a net return of 10.1% during the 11MFY17 vs. 10.7% during the same period of FY16. The performance of the Fund remains significantly higher than its benchmark of 8.0%; despite a sharp decline in market yields.

The Fund's portfolio slightly shifted from long term PIBs and NSS to short term TDRs/TBills. 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 are being invested in shorter term instruments. At the end of May 2017, the Fund has around 65% of its exposure in fixed rate PIBs, Long term Bank TDRs and products of National Saving Schemes. This high yielding portion of the portfolio will support the Fund in outperforming its benchmark in the year FY17.

CPI Inflation for the month of May-17 was recorded at 5.02 percent on YoY as opposed to 4.78% in April-17 and 3.17% in May-16. The main reason of the higher CPI number in May-17 was lower base of the last year; as there is no increase in CPI Index on MoM basis.

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	4280.7	0.94%
11M FY17	9.00%	7.28%	44.4	4588.3	0.97%
Jul '08 to May '17	13.76%	16.20%			

**Performance History**



**Fund Facts**

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	44,398
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.13% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

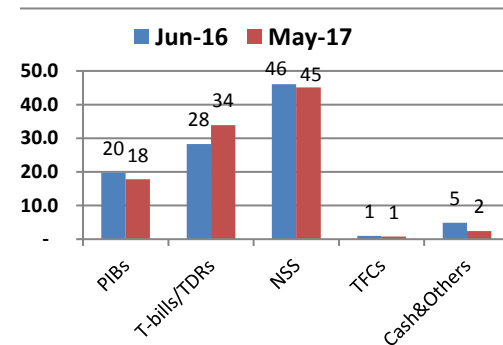
**Fund Size FY17**

Rs. million

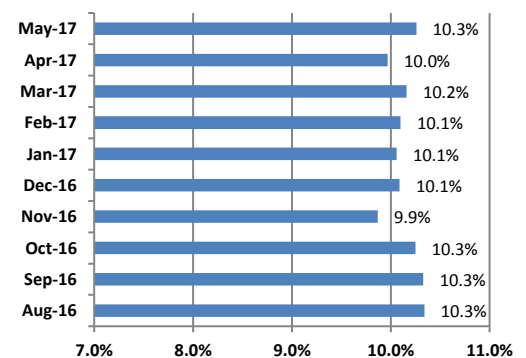
*Beginning Fund Size (01 Jul 2016)	38,204
Add: Contribution during the year	500
Add: Gains during the year	3,621
Less: Expenses during the year	(48)
<b>*Ending Fund Size (31 May 2017)</b>	<b>42,277</b>

\* Excluding Unrealized Gain of Rs. 2,121 million

**Asset Allocation (% of Fund Size)**



**YTD Monthly Returns (Net)**



**Operational Investment Committee**

Aquil Raza Khoja, FCA	General Manager
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