



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 made a net return of 18.5% during 1HFY15 vs. 11.7% during the corresponding period of FY14. This drastic improvement in the performance of the Fund came on the back of realized capital gain on sale of PIBs. During the 1HFY15, PPF realized an overall Capital Gain of Rs. 681 million; out of this Capital Gain of Rs. 625 million was realized during the month of November.

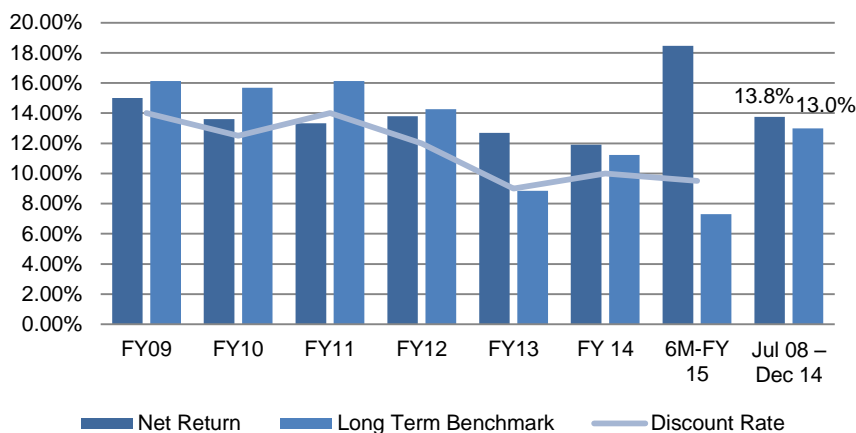
During the month of December, the Fund posted a return of 12.0%. The return for the month of December was on lower side because of two reasons: 1) PPF sold out a significant portion of high yielding PIB portfolio and shifted the sold amount in Special Saving Schemes; 2) PPF received a fresh contribution from the Government of Punjab during the month of December, and that amount was invested in short term instruments at relatively lower yield.

PPF still has 31% of its portfolio invested in long term PIBs; this portion of the portfolio will help the Fund to post a decent rate of return in prevailing lower interest rate scenario.

YoY CPI for the month of December-14 came at 4.3%; and since start of FY15, CPI Index increased only by 1.05% cumulatively. We expect average CPI for the FY15 will remain in a similar range. The OIC of PPF is of the view that SBP may cut its Policy Rate by another 50 basis points in next MPS which is expected to be announced by mid of January 2015.

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	940.52	2.64%
Jul-Dec FY15	12.93%	31.05%	29.0	1232.6	2.35%
Jul '08 to Dec '14	14.57%	16.54%			

Performance History



Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	28,975
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.15% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Fund Size FY15

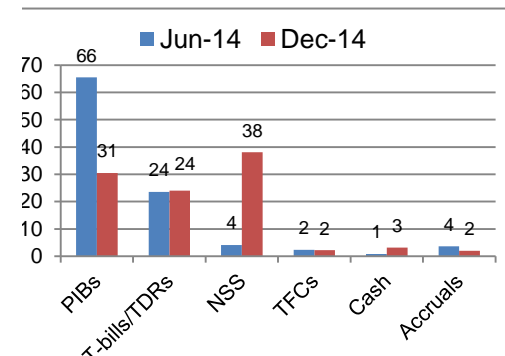
Rs. million

*Beginning Fund Size (30 Jun 2014)	24,555
Add: Contribution during the year	1,000
Add: Gains during the year	2,216
Less: Expenses during the year	(17)

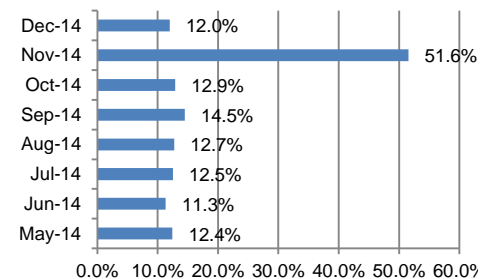
***Ending Fund Size (31 Dec 2014) 27,754**

* Excluding Unrealized Gain/(Loss) of Rs. 1.22 billion

Asset Allocation (% of Fund Size)



YTD Monthly Returns (Net)



Operational Investment Committee

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