



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

Performance Review

PPF made a return of 11.9% during FY14 which is comfortably above than its long term benchmark of 11.22% (8.22% CPI + 3%). It is the second consecutive year that PPF is able to beat its long term benchmark; and more importantly without having any exposure in equities.

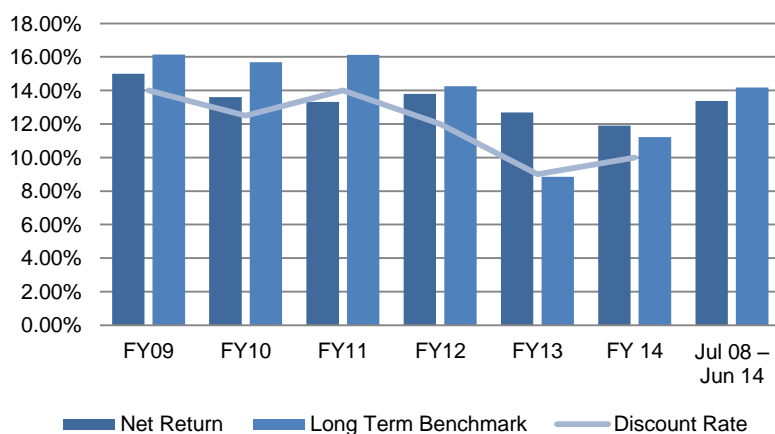
Since December 2013, the view of OIC on inflation & interest rates changed and it started investing in longer term PIBs. As the inflation remained relatively on lower side, the strategy paid off and higher allocation of PIBs in overall portfolio helped the Fund to post a return higher than its benchmark.

Due to continuous heavy borrowings by Government in long term PIBs, the long term yields remained intact on higher side. The 10-Year PIB's yield currently offers a spread of around 3% over 1-Year T-bill rate; the OIC of PPF considers it an opportunity to lock in PPF's longer term yield and therefore continues to invest in longer term government paper.

The OIC expects that CPI for FY15 will also remain in single digit; therefore, the Fund will continue to hold longer term PIBs in its portfolio close to its maximum permissible exposure of 75% of Fund size.

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	0.60%
FY10	13.21%	9.41%	12.1	621.7	1.94%
FY11	10.81%	-2.88%	13.4	608.9	2.19%
FY12	16.86%	25.40%	15.6	757.1	2.06%
FY13	20.46%	38.96%	18.8	1052.1	1.79%
FY14	5.65%	-5.75%	24.8	991.6	2.50%
Jul '08 to Jun '14	13.56%	15.46%			

Performance History



Fund Facts

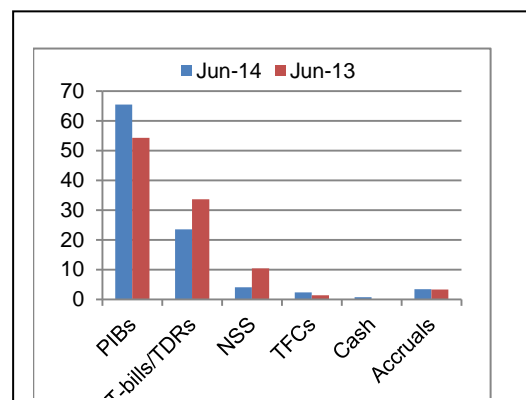
Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	24,750
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.16% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Fund Size FY14

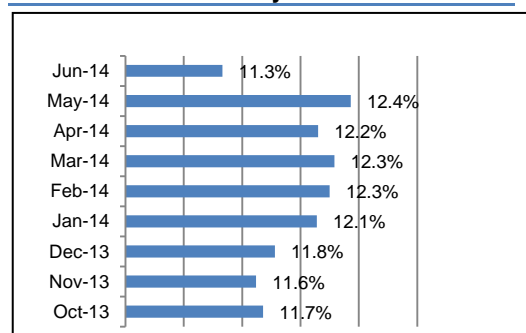
Rupees in millions

Beginning Fund Size (30 Jun 2013)	17,585
Add: Contribution during the year	4,800
Add: Gains during the year	2,198
Less: Expenses during the year	(28)
Ending Fund Size (30 Jun 2014)	24,555

Asset Allocation (% of Fund Size)



YTD Monthly Returns



Operational Investment Committee

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