

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

Performance Review

Punjab Pension Fund (PPF) generated a return of 12.3% during the month of Mar-14 while return for the period 9MFY14 remained 11.87%. As a result of increasing allocation to PIBs in overall portfolio, the performance of the Fund has seen improvement in the last couple of months.

CPI Inflation for the month showed some increase and clocked in at 8.5% on YoY basis. We expect that CPI for FY14 will comfortably remain in single digit and the Fund will be able to post a real return over CPI close to the Long Term Benchmark of the Fund.

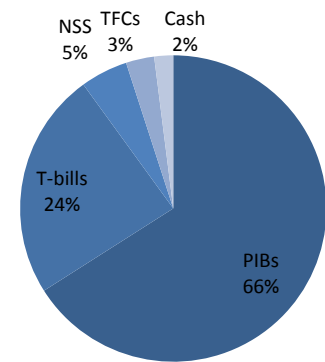
Despite lower inflation, long term bond yields remain high due to unwavering demand by Federal Government. The Government is aggressively re-profiling its borrowing to longer term debt in order to reduce the rollover risk, as per IMF directive. For the last quarter of FY14, the Government has announced an auction target for PIBs of Rs. 300 billion.

PPF started to expand its PIB portfolio since Dec-13 and at the end of Mar-14 the Fund has 66% exposure in PIBs. As long term PIBs are most suitable in terms of maturity profile because of long term nature of PPF's liabilities, the Fund will continue to retain high exposure to PIBs at prevalent attractive yields. Net Assets of PPF increased by 3.25% during 9MFY14 while liabilities declined by 7.2% for the same period. Resultantly the Funding Ratio has improved to 1.99% at the end of Mar-14 as compared to 1.79% in Jun-13. This is due to the substantial duration gap that exists between assets and liabilities of the Fund.

Fund Facts

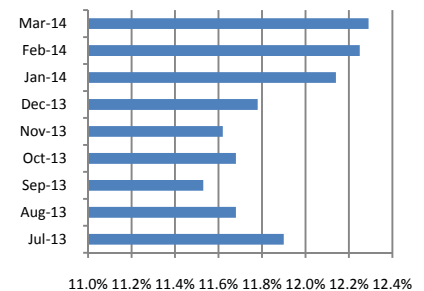
Fund Type	Pension Fund
Inception Date	16-May-08
Net Assets (Rs. million)	19,433
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.16% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Asset Allocation 31- Mar-14

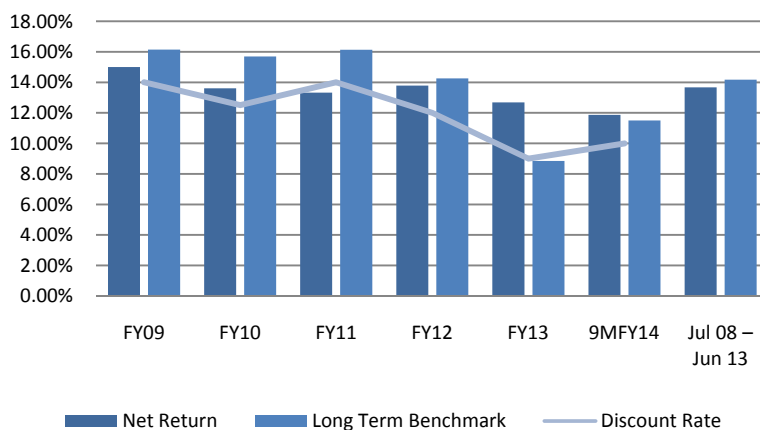


Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.60%
FY10	13.21%	9.41%	12.1	621.7	1.94%
FY11	10.81%	-2.88%	13.4	608.9	2.19%
FY12	16.86%	25.40%	15.6	757.1	2.06%
FY13	20.46%	38.96%	18.8	1052.1	1.79%
9MFY14	3.25%	-7.19%	19.4	976.5	1.99%
Jul '08 to Mar '14	13.73%	16.18%			

YTD Monthly Returns



Performance History



Operational Investment Committee

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