



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 12.4% during the month of May-14 while return for the period 11MFY14 remained 11.95%. As a result of increasing allocation to PIBs in overall portfolio, the performance of the Fund has seen significant improvement during the last couple of months.

CPI inflation for the month of May-14 stood at 8.3% vs 9.2% during Apr-14; we expect that CPI for FY14 will remain in single digit and the Fund will be able to post a real rate of return over CPI close to the Long term Benchmark of the Fund.

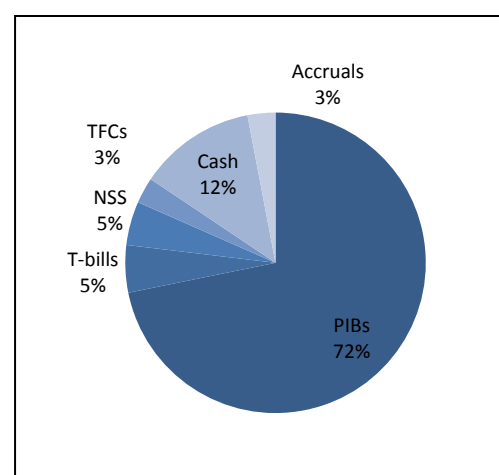
Due to continuous heavy borrowings by Government in long term PIBs, the long term yields remained intact on higher side. The 10Y PIB yield currently offers a spread of around 3% over 1Y T-bill rate; the OIC of PPF considers it an opportunity to lock in PPF's longer term yield and therefore continues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

Currently, PPF holds close to maximum permissible exposure in PIBs; any fresh contribution from GoPb can create room for further investment in PIBs. The OIC expects that a contribution of Rs. 3.0 billion will be realized before 30-June-14.

Fund Facts

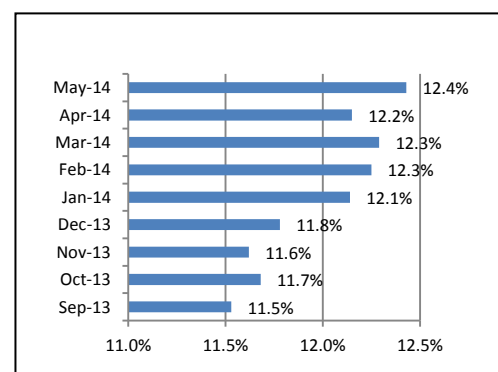
Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	21,339
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.16% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Asset Allocation – 31 May 2014

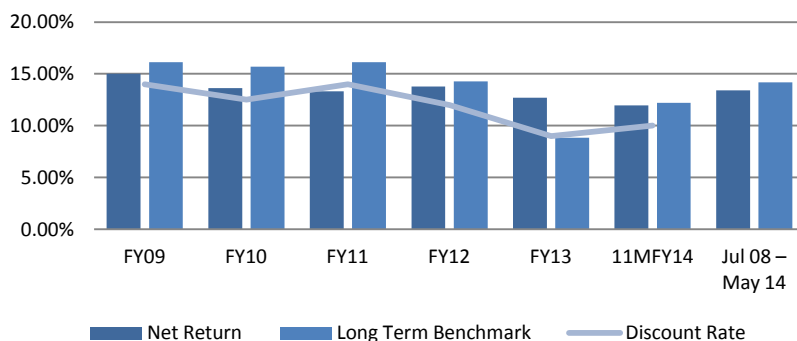


Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.60%
FY10	13.21%	9.41%	12.1	621.7	1.94%
FY11	10.81%	-2.88%	13.4	608.9	2.19%
FY12	16.86%	25.40%	15.6	757.1	2.06%
FY13	20.46%	38.96%	18.8	1052.1	1.79%
11MFY14	5.30%	-6.24%	21.6	986.5	2.19%
Jul '08 to May '14	13.70%	15.69%			

YTD Monthly Returns



Performance History



Operational Investment Committee

Aquil Raza Khoja, FCA	General Manager
Sobia Hasan, CFA	Head of Investments
Muhammad Sajid	Senior Research Analyst