



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 net return of 13.2% during July-September FY15 vs. 11.7% during the corresponding period of FY14. The performance of the Fund significantly improved as a result of higher allocation of the portfolio in long term PIBs; PIBs were 71.8% of total portfolio as on 30th September 2014.

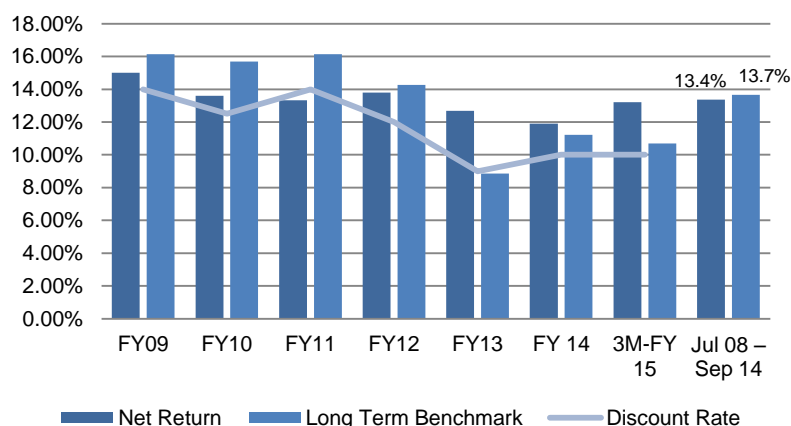
Return for the month of September was 14.5%; which was due to capital gain of Rs. 36 million realized on sale of PIBs. CPI Inflation for the month of September was recorded at 7.7% on YoY basis which is on lower side, especially in the wake of recent flood; we expect that inflation will remain in single digit for the full year FY15. Global economic slowdown and falling oil & commodity prices will further contribute towards lower domestic inflation.

Despite controlled inflation scenario, yields of long term PIBs are continually increasing solely due to heavy Government borrowings. Since, OIC of PPF considers that long term government paper is offering very attractive spread over inflation; the Fund will continue building up its long term PIBs portfolio and holding close to its maximum permissible exposure of 75% of Fund size.

This strategy has started to pay off already and higher allocation of PIBs in overall portfolio helped the Fund to post a return higher than its benchmark in the period.

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-Sep FY15	1.86%	0.72%	25.2	996.0	2.53%
Jul '08 to Sep '14	13.31%	13.84%			

Performance History



Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	25,211
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.12% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

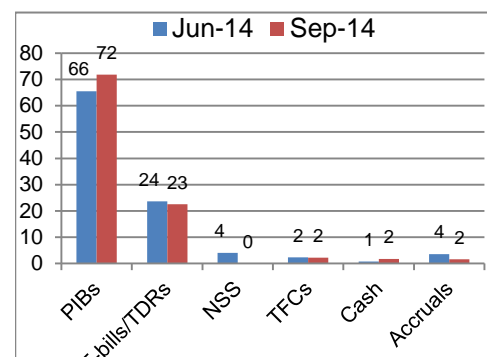
Fund Size FY15

Rs. million

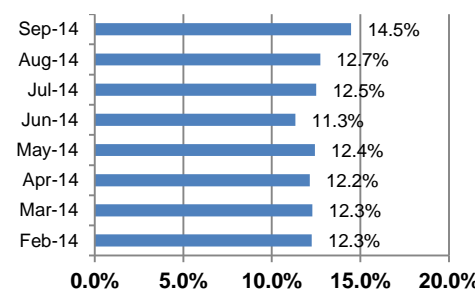
Beginning Fund Size (30 Jun 2014)	24,555
Add: Contribution during the year	-
Add: Gains during the year	789
Less: Expenses during the year	(8)

Ending Fund Size (30 Sep 2014) 25,336

Asset Allocation (% of Fund Size)



YTD Monthly Returns (Net)



Operational Investment Committee

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