



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

**Performance Review (Performance reported on Mark to Mark basis)**

PPF posted a net return of 1.05% during the period Jul-Jan FY19 vs its benchmark return of -1.22%. The Fund outperformed its benchmark by 2.27% during the period.

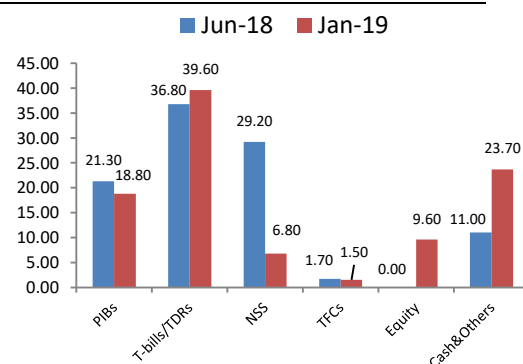
**Equity:** During the period July-Jan FY19, PPF's equity portfolio posted a return of 0.22% vs its applicable benchmark return of -2.80%. The outperformance was primarily due to better timing of entry into equity market decided by the Fund. During the month of January-19, PPF's Equity Portfolio posted a return of 9.96% vs benchmark return of 10.26%.

**Fixed Income:** During the period July-Jan FY19, the Fixed Income portion of Fund's portfolio posted an annualized return of 2.22% vs its benchmark return of -1.56%. During January-19, PPF posted an annualized return of 14.55% on its fixed income portfolio; against benchmark return of 20.85%. During the period, PPF's return has been adversely affected by the sharp reversal of interest rates; however, the Fund still managed to outperform its benchmark because of timely shifting its allocation in short term investments.

In January-19, CPI Inflation jumped to 7.19 percent on YoY basis & increased by 1.0% on MoM basis. Recovery of food index along with trickled down effect of higher energy prices i.e. gas, electricity & petroleum pushed CPI Inflation into higher trajectory. Core inflation is also showing persistent upside pressure. Second round impact of currency devaluation and cost push pressure will keep CPI high in upcoming months. The SBP has already revised its projection for average CPI for FY-19 to a range of 6.5% to 7.5% p.a. In backdrop of likely IMF entry, we are expecting further monetary tightening by SBP in the remaining part of FY19. However, laggard impact of currency devaluation on trade numbers & impact of policy rate hike on Fiscal space will decide future course of action.

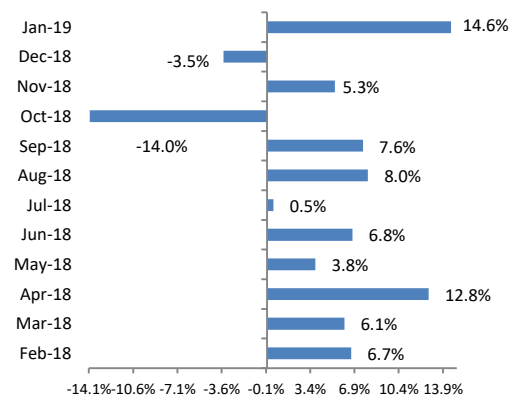
Fund Facts	
Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	57,137
Long Term Benchmark	YoY CPI + 3%
Management Expenses (annualized)	0.10% p.a. of Net Assets
Trustee	CDC Pakistan Limited
Auditors	KPMG Taseer Hadi & Co.
Risk Profile of the Fund	Low to Moderate

Fund Size FY19	Rs. million
<b>Beginning Fund Size (01 Jul 2018)</b>	<b>53,195</b>
Add: Contribution during the period	3,333
Add: Gains during period	2,684
Less: Reversal during the period	(2,044)
Less: Expenses during the period	(32)
<b>Ending Fund Size (31 January 2019)</b>	<b>57,137</b>

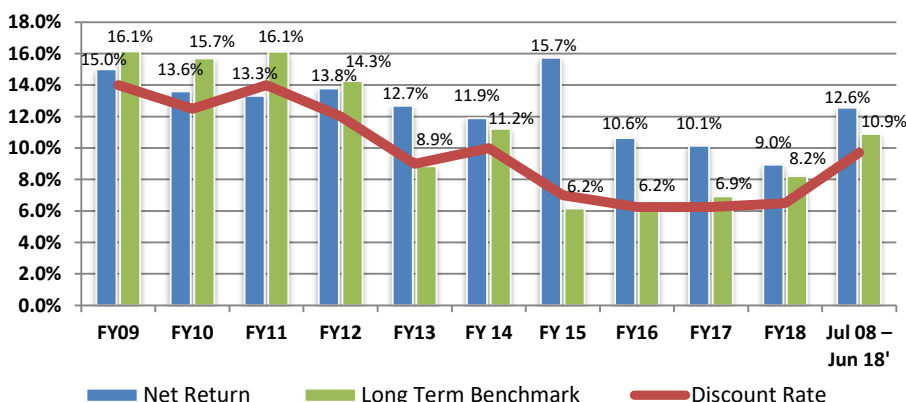


Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.61%
FY10	13.21%	9.41%	12.1	637.6	1.90%
FY11	10.81%	-4.50%	13.4	608.9	2.20%
FY12	16.86%	21.93%	15.6	742.5	2.10%
FY13	20.46%	39.51%	18.8	1035.8	1.82%
FY14	5.65%	-9.20%	24.8	940.5	2.64%
FY15	21.57%	45.22%	35.3	3866.4	0.91%
FY16	11.14%	18.65%	40.2	4995.0	0.81%
FY17	9.88%	5.08%	49.3	5249.1	0.94%
FY18	7.97%	0.29%	53.2	5264.5	1.01%
7M FY19	1.05%	-23.05%	57.1	4050.1	1.41%
Jul '08 to Jan '19	12.48%	10.58%			

**YTD Monthly Returns- Fixed Income (p.a.)**



**Performance History-(Excluding Mark to Market)**



**Operational Investment Committee**

Aquil Raza Khoja, FCA General Manager  
 Muhammad Sajid, CFA Portfolio Manager

**Research Analyst**

Haroon Zafar, CFA