



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

Performance Review

PPF posted a net return of 9.0% during 11MFY18 vs. 10.1% during same period of FY17. The Fund posted a real return of 4.8% during the period. The performance of the Fund remains significantly higher than its benchmark of 7.2%; despite record low yields during the FY18.

There was a sizeable shift in Fund's asset allocation during 11MFY18. An amount of Rs. 26.9 billion in 3yr Speial Saving Account (SSA), the higher yielding segment of portfolio, has matured during the period. As a result, net return for the period has dropped to single digit. PPF has reinvested around Rs. 11 billion in Special Saving Account after revision of profit rates by National Saving Organization. In the last Monetary Policy Statement, the SBP increased Policy Rate by 50 bps; resultantly, yield curve has shifted upward reducing unrealized gain of PPF by Rs.180 million during the month of May-18.

At the end of May 2018, the Fund has around 52.9% of its exposure in fixed rate PIBs, long term bank deposits, and products of National Saving Schemes. This high yielding portion of the portfolio will support the Fund in outperforming its benchmark in the year FY18.

CPI Inflation for the month of May-18 was recorded at 4.2 percent on YoY; and increased by 0.5 percent on MoM basis. As far as inflation outlook is concerned, the OIC is of the view that overall CPI for the full year will remain well within the target of 6 percent.

Fund Facts

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	52,910
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 FY18

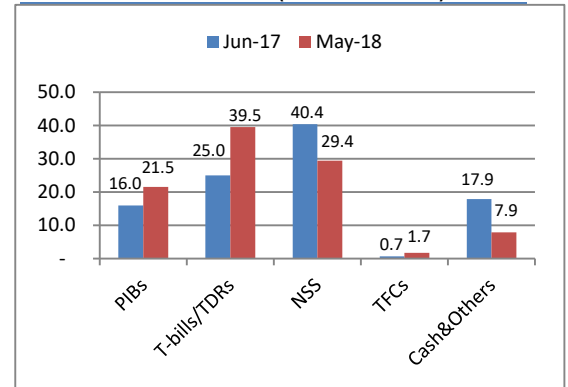
Rs. million

*Beginning Fund Size (01 Jul 2017)	47,128
Add: Contribution during the year	-
Add: Gains during the year	3,934
Less: Expenses during the year	(53)

***Ending Fund Size (31 May 2018) 51,009**

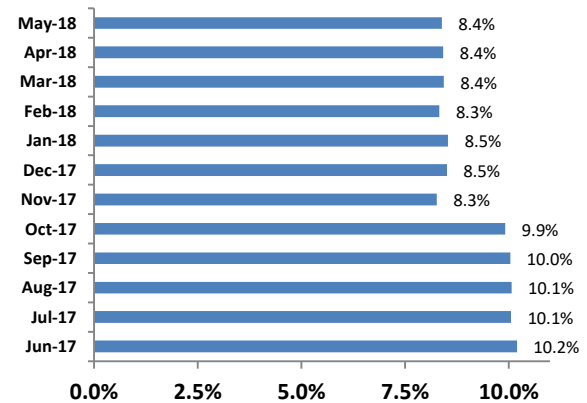
* Excluding Unrealized Gain of Rs. 1,901 million

Asset Allocation (% of Fund Size)

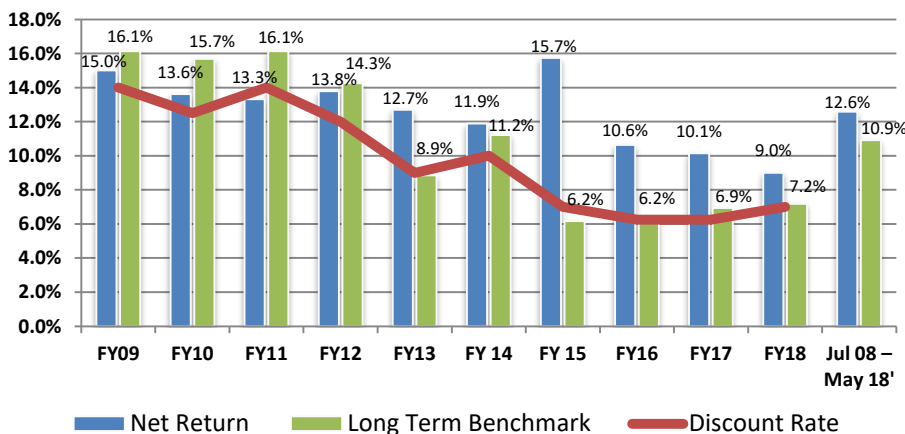


Period	Growth		Market Value (Rs. billion)		Funding Ratio
	Fund Assets	Liability Index	Fund Assets (a)	30-yr Pension Liabilities (b)	(a)/(b)
FY09	15.00%	28.01%	3.5	575.9	0.61%
FY10	13.21%	9.41%	12.1	637.6	1.90%
FY11	10.81%	-4.50%	13.4	608.9	2.20%
FY12	16.86%	21.93%	15.6	742.5	2.10%
FY13	20.46%	39.51%	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%
11MFY18	7.39%	3.33%	52.9	5424.0	0.98%
Jul '08 to May '18	13.19%	14.66%			

YTD Monthly Returns (Net)



Performance History



Operational Investment Committee

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

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