

The Punjab Pension Fund (PPF) 's investment objective is to generate revenue to discharge the Government of Punjab's pension liabilities.

Performance Review The Fund's Net Assets grew by 28.2% during 11M FY 2023-24.

Fixed Income Portfolio: During the period under review, the fund's Fixed-Income portfolio, which constitutes around 86% of the Fund, posted an annualized return of 20%. Although the Fund has a long-term investment objective, the OIC kept the duration of its fixed-income portfolio short, which helped the Fund avoid huge losses due to steep interest rate hikes by the SBP. A significant portion of the Fund's portfolio is invested in floating-rate bonds and short-term bank placements. However, recently, the interest rate cycle reversal has started. Hence, the Fund has started building a fixed-rate portfolio as well.

Equity Portfolio: The equity portfolio, which constitutes around 14% of the Fund, posted a holding period return of 91% compared to a market return (KSE-100 index) of 83%, translating into 8% overperformance.

For May 24, the YoY CPI slowed down to a 29-month low of 11.8%, while MoM inflation recorded a significant decline of 3.2%. This helped real interest rates expand to 10% and further increased the interest rate cut expectations. However, medium-term risks persist due to external uncertainties and the new IMF program.

| | Fund Performance* | Liability Estimate d | Fund Size (a) | Estimated** 30-yr Pension Liabilities (b) | (a)/(b) |
|--------------------|-------------------|----------------------|---------------|---|---------|
| FY09 | 15.00% | 22.38% | 3.5 | 636.3 | 0.55% |
| FY10 | 13.21% | 12.86% | 12.1 | 718.1 | 1.69% |
| FY11 | 10.81% | 40.03% | 13.4 | 1005.6 | 1.33% |
| FY12 | 16.86% | 40.03% | 15.6 | 1408.1 | 1.11% |
| FY13 | 20.46% | 40.03% | 18.8 | 1971.8 | 0.95% |
| FY14 | 5.65% | 40.03% | 24.8 | 2761.1 | 0.90% |
| FY15 | 21.57% | 40.03% | 35.3 | 3866.5 | 0.91% |
| FY16 | 11.14% | 14.12% | 40.2 | 4412.5 | 0.91% |
| FY17 | 9.88% | 14.12% | 49.3 | 5035.7 | 0.98% |
| FY18 | 7.97% | 14.12% | 53.2 | 5746.9 | 0.93% |
| FY19 | 1.34% | 14.12% | 59.2 | 6558.5 | 0.90% |
| FY20 | 17.72% | - | 76.3 | 6558.5 | 1.16% |
| FY21 | 13.59% | - | 85.2 | 6558.5 | 1.30% |
| FY22 | 5.68% | - | 94.0 | 6558.5 | 1.43% |
| FY23 | 11.63% | - | 108.6 | 6558.5 | 1.66% |
| 11M FY24 | 28.20% | - | 133.1 | 6558.5 | 2.03% |
| Jul '08 to May '24 | 13.05% | 17.26% | | | |

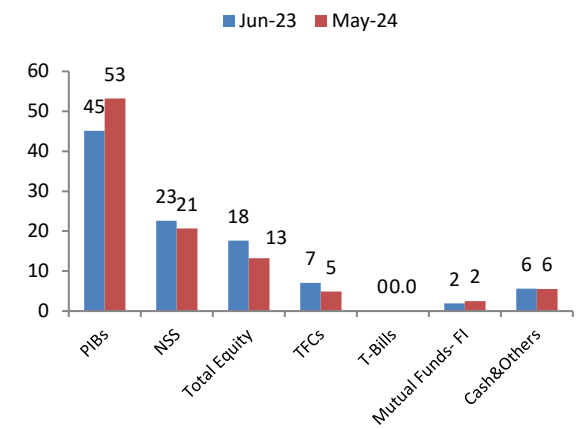
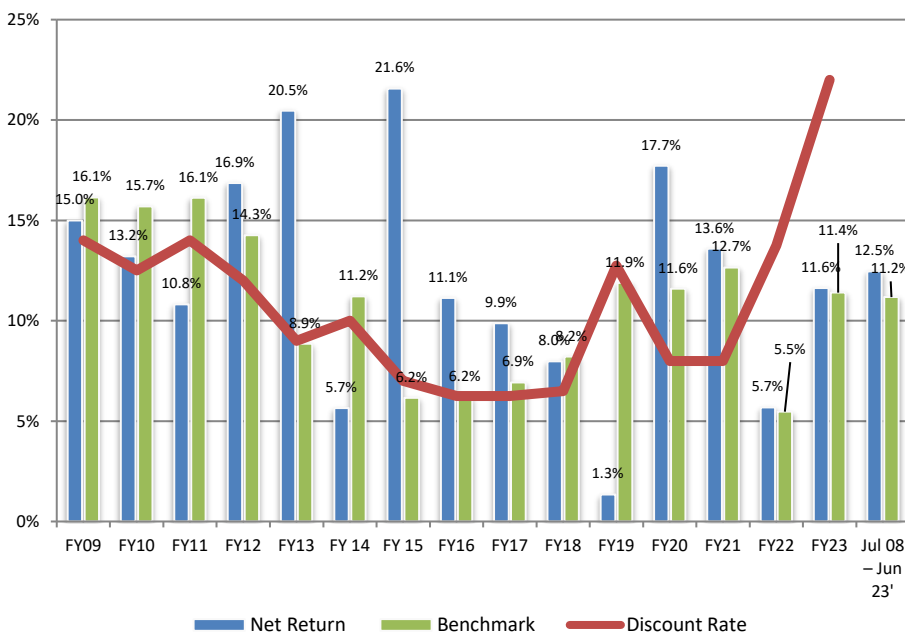
*Including mark-to-market gain/losses

**Based on actuarial reports of 30.6.2009, 30.6.2010, 30.6.2015 & 30.6.2019

| Fund Facts | |
|----------------------------------|--------------------------|
| Fund Type | Pension Fund |
| Inception Date | 16-Jun-08 |
| Net Assets (Rs. million) | 133,144 |
| Long Term Benchmark | YoY CPI + 3% |
| Management Expenses (annualized) | 0.13% p.a. of Net Assets |
| Trustee | CDC Pakistan Limited |
| Risk Profile of the Fund | Low to Moderate |

| Fund Size FY22-23 | Rs. |
|---|----------------|
| million | |
| Beginning Fund Size (1st Jul 2023) | 108,560 |
| Add: Contribution during the period | - |
| Add: Gain during period | 30,235 |
| Less: Expenses during the period | (151) |
| Less: Profit Withdrawal | (5,500) |
| Ending Fund Size (31st May 2024) | 133,144 |

Performance History



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