



**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 0.25% during the period Jul-November FY19 vs its benchmark return of -1.95%. The Fund outperformed its benchmark by 2.2% during the period.

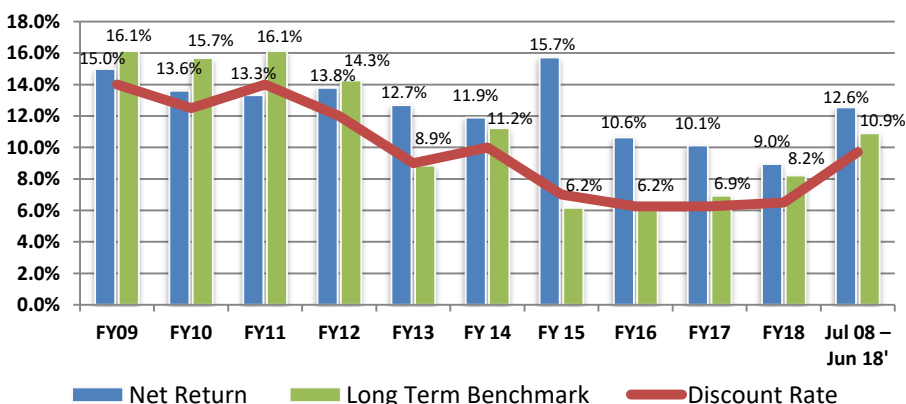
**Equity:** During the period July-November FY19, PPF's equity portfolio posted a return of -0.08% vs its applicable benchmark return of -3.41%. The outperformance was due to better timing of entry into equity market decided by the Fund. During the month of November-18, PPF's Equity Portfolio posted a return of -2.79% vs benchmark return of -3.01%.

**Fixed Income:** During the period July-November FY19, the Fixed Income portion of Fund's portfolio posted an annualized return of 1.05% vs its benchmark return of -1.79%. During November-18, PPF posted an annualized return of 5.35% on its fixed income portfolio; against benchmark return of 1.87%. 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 November-18, CPI Inflation recorded an increase of 6.5 percent on YoY basis. However, inflation jumped by only 0.11% on MoM basis. Lower food prices helped to moderate inflation numbers. However, core inflation shows persistent pressure. We expect that external account pressure, laggard impact of currency devaluation and rising demand and supply side pressures will further increase the inflation. The SBP has already revised its projection for average CPI to a range of 6.5% to 7.5% p.a. We also expect further monetary tightening by SBP in the remaining part of FY19.

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%
5M FY19	0.25%	-14.91%	56.7	4479.5	1.09%
Jul '08 to Nov '18	12.61%	11.84%			

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



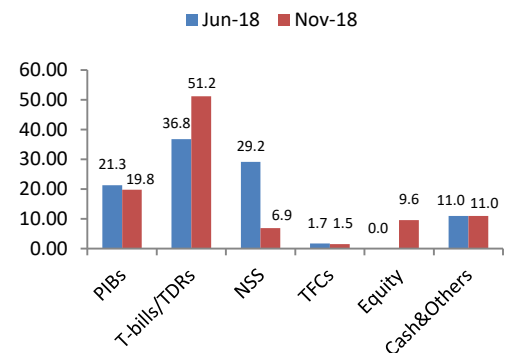
**Fund Facts**

Fund Type	Pension Fund
Inception Date	16-Jun-08
Net Assets (Rs. million)	56,709
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

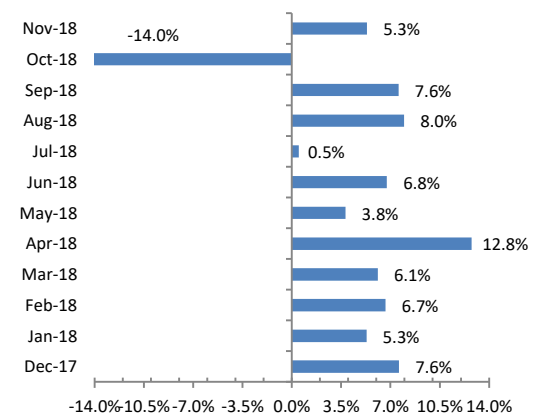
**Fund Size FY19**

**Rs. million**

Beginning Fund Size (01 Jul 2018)	53,195
Add: Contribution during the year	3,333
Add: Gains during year	204
Less: Expenses during the year	(23)
<b>Ending Fund Size (30 November 2018)</b>	<b>56,709</b>



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



**Operational Investment Committee**

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

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