



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
PENSION DEPARTMENT

No. SCD/AMCW/Circular/2024/224

May 29, 2025

Direction No. 13 of 2025

Subject: Performance Benchmarks for Pension Sub-Funds

To standardize the disclosures of performance and to bring coherence in the comparison of performance with respective benchmarks for pension sub-funds under sub regulation (1) of Regulation 671 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Securities and Exchange Commission of Pakistan ("the Commission"), in exercise of its powers conferred under section 282 B (3) of the Companies Ordinance 1984, hereby, directs Pension Fund Managers (PFMs) to use the following benchmarks for pension sub-funds:

Sr #	Pension sub-funds	Benchmarks
1	Equity Sub Fund	KSE-100 Index Or KSE-30 Index (Total Return Index).
2	Shariah Compliant Equity Sub Fund	KMI-30 Index Or KMI All Share (Total Return Index).
3	Debt Sub Fund	75% Twelve (12) months PKRV + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.
4	Shariah Compliant Debt Sub Fund	75% Twelves (12) months PKISRV + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.
5	Money Market Sub Fund	90% three (3) months PKRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.
6	Shariah Compliant Money Market Sub Fund	90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.
7	Equity Index Tracker Sub Fund	Return of the index being tracked by the PFM (Total return based).
8	Shariah Compliant Equity Index Tracker Sub Fund	Return of the Shariah Compliant index being tracked by the PFM (Total return based).
9	Commodity Sub Fund	Combination of 70% of relevant commodity's future contract at PMEX and 30% average of the highest rates on savings account of three (3)-AA rated scheduled banks as selected by MUFAP.
10	Shariah Compliant Commodity Sub Fund	Combination of 70% of relevant commodity's future contract at PMEX and 30% average of the highest rates on savings account of three (3)-AA rated scheduled Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.



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In addition to implementation of these prescribed performance benchmarks, the PFMs shall also adhere to the following.

A. Dissemination of Performance Benchmarks

Mutual Fund Association of Pakistan (MUFAP) shall calculate benchmarks for each category of Pension Funds for both, Conventional as well as Shariah Compliant. In case of performance benchmarks of the Commodity sub-fund for Conventional as well as Shariah Compliant types, the same shall be calculated by the respective PFMs and shared with MUFAP on a monthly basis.

B. Dissemination of Peer Group Average Returns

For effective implementation of enhanced performance disclosure, in addition to the prescribed performance benchmarks, MUFAP shall also disseminate the "Peer Group Average Return" for each category on a monthly basis as to ensure that every Pension sub-fund in any single category is using the uniform peer-group averages. For construction of such peer groups; a distinct segment may be used in the same category by MUFAP, provided that there are at least three (03) participants in the peer group where each of them is operational for at least six months.

In case of any new sub-fund, MUFAP shall publish its peer group comparison, but the sub-fund itself shall become part of peer group only after completing a period of 6 months.

Commodity sub-fund shall be excluded from the requirement of peer group return dissemination by MUFAP.

C. Performance Disclosure

1. All PFMs shall disclose comparison of their sub-funds' performance with the respective benchmark and Industry Peer Group Average Return, where applicable, in the respective category for the past 5 years in the Fund Manager's Report.
2. The disclosure of the benchmark performance and "Peer Group Average" shall also be applicable on distributors/ Investment advisors in terms of sharing the performance of a sub-fund with existing and prospective investors.
3. All PFMs shall disclose performance of their respective pension sub-funds over 1-year, 3-year, 5-year, 7-year, 10-year and since inception periods in comparison to their corresponding benchmarks.

D. Other Requirements

1. MUFAP shall monitor performance disclosures of the respective sub-funds and ensure effective compliance with the same.
2. For the purposes of calculating highest rates on savings account in a category, highest available rates among that category shall be used by the MUFAP.
3. MUFAP shall publish all the category wise benchmarks on monthly basis and use monthly weighted average rates to bring consistency.
4. MUFAP shall publish on its website, ranking of pension sub-funds on the basis of their last 365 days returns, on monthly basis.

E. Adoption of this Direction

1. The above-mentioned benchmarks shall be adopted by PFMs from 01 July, 2025.



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A handwritten signature in dark ink, appearing to read 'Musarat Jabeen', is positioned above the official title.

(Musarat Jabeen)
Divisional Head
(Pension Department)

Distribution:

1. Chief Executive Officers of all Pension Fund Managers
2. Mutual Funds Association of Pakistan
3. Trustees of Pension Fund Managers