

HBL Government Securities Fund (HBL GSF)Managed By: **HBL Asset Management Limited****Fund Stability Rating****Latest Rating****AA-(f)****29-Dec-25****What is Fund Stability Rating**

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

Fund Information

Launch Date	July 23, 2010
Fund Type	Open End
Category	Sovereign Income Fund
Risk Profile	Medium
Auditor	Yousuf Adil & Co. Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Up to 2%
Back-end Load	Nil
Benchmark	90% (6) months KIBOR rates + 10% (6) months avg. deposit rate (3) AA rated Banks by MUFAF
MQR Rating	AM1
Mgt. Fee	1.715% - 1.00% P.A

Fund Overview

HBL Government Securities Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on March 17, 2010, between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

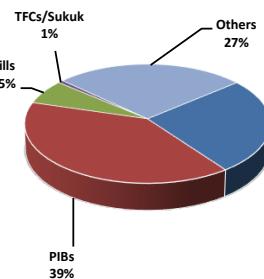
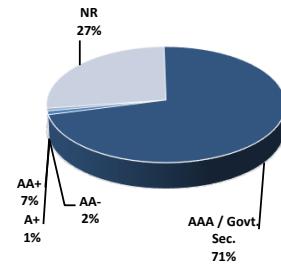
The investment objective of the Fund is to provide consistent returns to its investors through active investments in a blend of short, medium and long term securities issued and / or guaranteed by Government of Pakistan. The Fund will aim to provide superior risk adjusted returns through active duration and liquidity management tools.

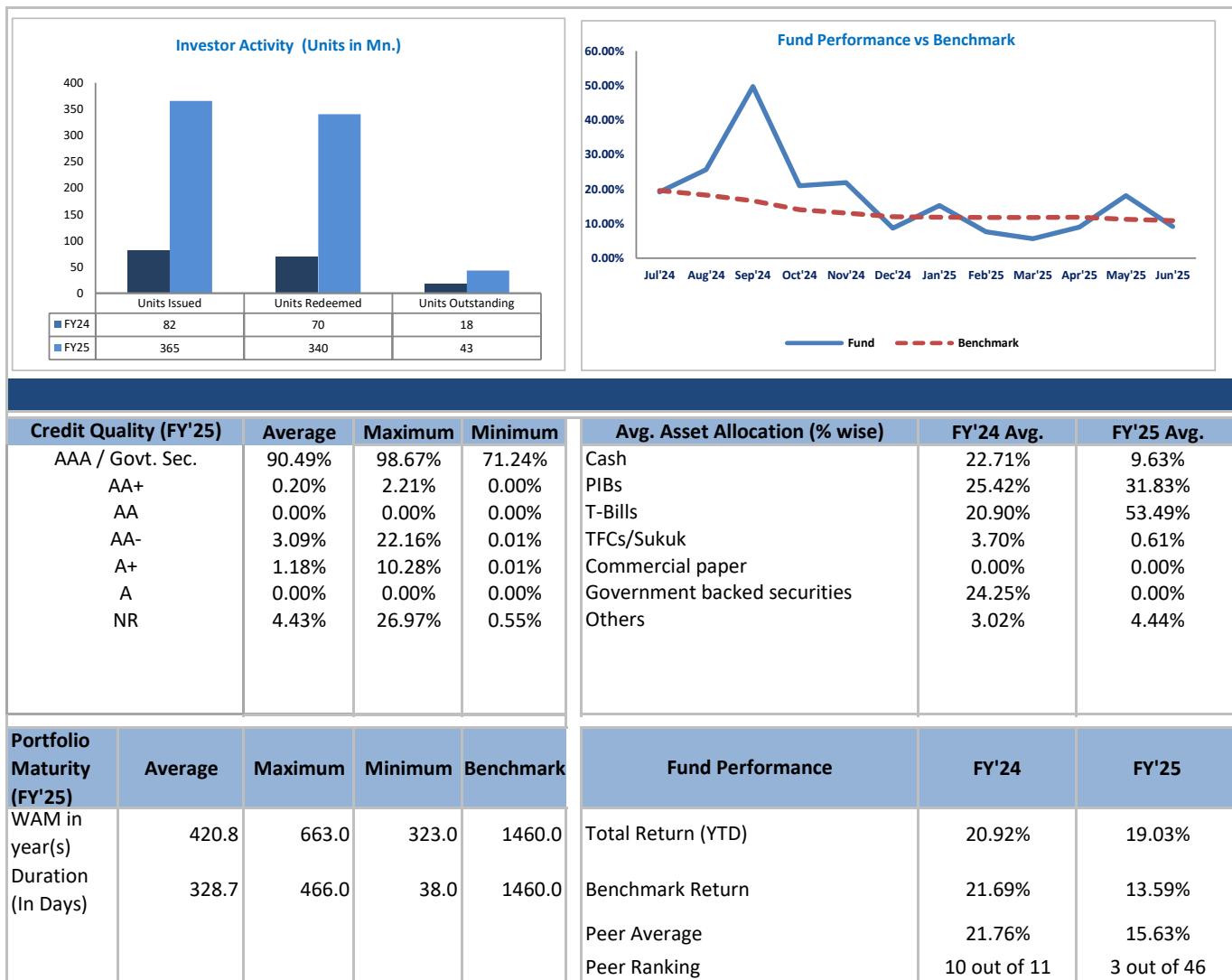
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Government Securities issued and/ or Guaranteed by GoP including Reverse Repo against Government Securities	N/A	70%-100%
Cash in Bank Accounts (excluding term deposits) and Government Securities up to 90 days Maturity	10% - 30% in case of cash in bank accounts & 0% to 100% in case of Tbills of less than 90 days 'A' or above in case of cash in banks	
Reverse Repo (up to six months only) against Government Securities	N/A	0-90%
Deposit with Scheduled Banks, DFI's and NBFC including TDR's, Letter of Placement (LOP), Certificate of Deposit and Certificate of Musharika of less than 6 months	A' or above	0-30%
Deposit with Scheduled Banks, DFI's and NBFC including TDR's, Letter of Placement (LOP), Certificate of Deposit and Certificate of Musharika of greater than 6 months	A' or above	0-15%
Authorized investments in overseas markets including mutual funds. Overseas investments would be subject to prior approvals/guidelines of SECP and SBP;	A' or above	Cap of USD 15m
Spread Transactions and MTS as approved by the Stock Exchanges and the SECP;	N/A	0-10%
Commercial papers	A' or above	0-20%
Term Finance Certificates / Sukuk	A' or above	0-20%

Net Assets

	Jun'23	Jun'24	Jun'25
Net Assets (In PKR ¹ Millions)	776	2,060	4,926

Asset Allocation - Jun'25**Credit Quality - Jun'25**



Fund Stability Analysis

HBL Government Securities Fund has been assigned a fund stability rating of AA-(f). This rating indicates a high degree of stability in the net asset value (NAV) of the fund. The risk associated with the fund is modest but may vary slightly due to changing economic conditions.

Asset Allocation:

During FY25, the Fund's Assets Under Management (AUM) peaked at Rs. 21.5bn in January 2025 before declining to Rs. 4.9bn by June 2025. During this period, the Fund's investments remained largely aligned with the parameters set out in the offering document. On average, the portfolio was primarily concentrated in Government-, with T-Bills and PIBs accounting for approximately 53% and 32% of the portfolio, respectively, while cash represented about 10% of total investments. issued and Government-backed securities

Credit Quality:

During FY25, the Fund's credit exposures remained fully aligned with the guidelines set out in the offering document, which allow investments in instruments rated 'A' and above. On average, the portfolio was heavily skewed toward Government Securities and AAA-rated instruments, together comprising approximately 90% of total holdings. The Fund's investment strategy reflects a conservative credit profile consistent with the applicable rating benchmarks, and maintaining this level of credit quality will remain important for the assigned rating going forward.

Market and Liquidity Risk:

During FY25, the Fund's Weighted Average Time to Maturity (WAM) remained well within the limit prescribed in the offering document, averaging 421 days.

The Fund's liquidity profile is considered sound, with liquid assets constituting ~96% of total assets. The AUM is predominantly held by retail investors, comprising ~47% of the portfolio, followed by corporate investors at ~37%, and the remaining portion held by associates.

Fund Performance:

During FY25, the Fund delivered a Year-to-Date (YTD) return of 19.03%, outperforming both its benchmark and the peer average, positioning it in the first quartile.

Financial Snapshot

	FY24	FY25
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY24	FY25
Total Income	583.3	1,992.2
Profit Before Tax	530.4	1,740.5
Profit After Tax	530.4	1,740.5
RATIO ANALYSIS	FY24	FY25
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
Name of Rated Fund	HBL Government Securities Fund	Sector	Mutual Funds
Type of Relationship	Solicited	Purpose of Rating	Fund Stability Rating (FSR)
Rating History			
Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	29-Dec-25	AA-(f)	Reaffirmed
Fund Stability	3-Mar-25	AA-(f)	Reaffirmed
Fund Stability	2-Jan-24	AA-(f)	Reaffirmed
Fund Stability	29-Dec-22	AA-(f)	Downgrade
Fund Stability	3-Jan-21	AA(f)	Reaffirmed
Fund Stability	31-Dec-20	AA(f)	Upgrade
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.		
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Rating Methodology	https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf		
Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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