

**Date: December 31, 2019**

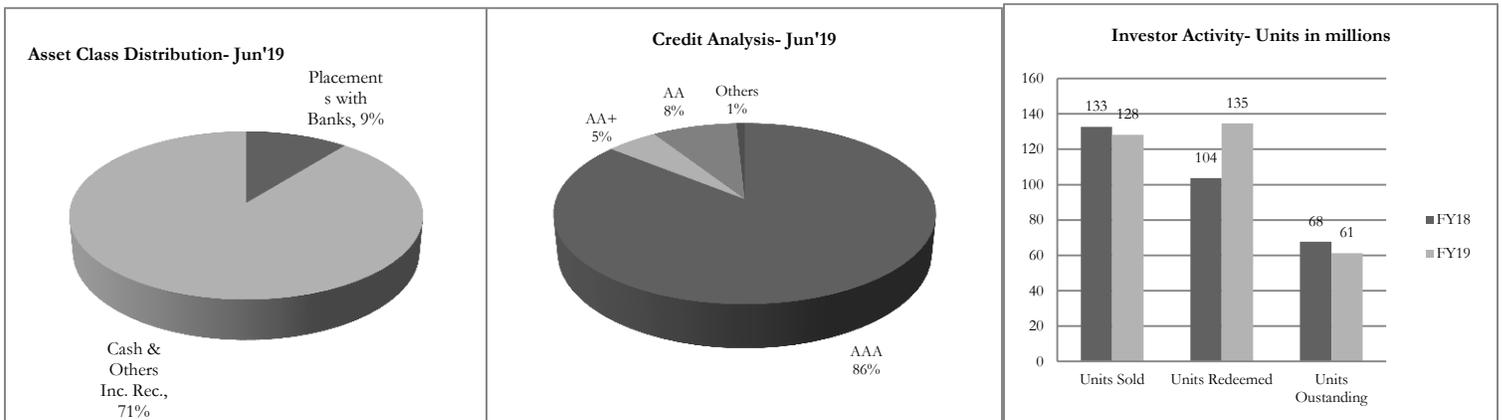
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### Investment Objective

The objective of the fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

HBL Money Market Fund		
Rating Category	Latest	Previous
Fund Stability Rating	<b>AA(f)</b>	<b>AA(f)</b>
	<i>Dec 30, 2019</i>	<i>Dec 26, 2018</i>
AMC	HBL Asset Management Limited	
External Auditors – Fund	Deloitte Yousuf Adil & Co.	
Fund Managers	Mr. Wamiq Sakrani	
Trustee	Central Depository Company	
Front-end Load	Up to 1%	
Back-end Load	-	
Management Fee	0.9368% of the avg. daily N A of the scheme	
Benchmark	70% 3M PKRV & 30% 3M avg. deposits rate of 3 AA and above rated Banks	

	HMMF	
	FY18	FY19
Type of Scheme	Money Market	
Return (%)	5.3%	8.5%
Benchmark (%)	5.4%	8.7%
Peer Average (%)	5.2%	8.7%
Relative Ranking	10 out of 22	17 out of 20
Fund Size (in Rs. m)	7,249	6,253
Retail (%)	42%	55%
Associates (%)	14%	14%
Number of Investors	2,025	2,837
Top 10 Investors / AUMs	53%	41%
Fund Stability Rating	AA(f)	AA(f)
Management fee	0.75%-1.00%	0.75%-1.00%
WATM (at end-June)	3	15
<b>Average Asset Allocation</b>		
<i>Corporate TFCs</i>	0%	0%
<i>Government backed / issued Securities</i>	0%	7%
<i>Others</i>	0%	13%
<i>Placements with Banks</i>	7%	9%
<i>Cash &amp; Others Inc. Rec.</i>	93%	71%



As an open-ended fund, the HBL Money Market fund (HBL-MMF) was launched on July 14, 2010, to offer investment opportunities to its unit-holders in highly liquid and shorter duration instruments. At end-FY19, net assets of the funds declined to Rs. 6.2b (FY: Rs. 7.2b) on account of higher redemptions. However, the asset base of the fund recouped and increased to Rs. 9.2b at end-Nov'19.

The offering document (OD) of the fund restricts exposure in government securities and AA rated or above, pertaining to low credit risk and high liquid mix.

**Table 1: Offering document (extract)**

Description	Min-Max limits	Min-Max Actual	Min Rating
Treasury Bills and other Government Securities	0%-100%		-
Reverse Repo against Government Securities or other authorized investments	0%-50%		AA and above
Deposits with / Lending (under LOP) to scheduled banks	0%-100%		AA
Securities issued by Government owned, controlled or managed entities provided that such securities are backed by an irrevocable and unconditional Government guarantee	0%-20%		AA
Deposits with / Lending (under LOP) to DFIs	0-10%		AA
Certificate of Deposits (CODs), Certificate of Investment (COIs), Certificate of Musharaka	0-10%		AAA

Foreign Money Market Investments	30% (cap of \$15m)		AA or above
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The Investment Committee (IC) comprises Chief Executive Officer, Chief Investment Officer, Head of Research, and Head of Fixed Income. Investment decisions are consensus based.

**Credit Risk**

**Table 2: Asset Allocation**

Asset Class Distribution	Jun'18	Jun'19
Corporate TFCs	0%	0%
Commercial paper	0%	13%
T-Bills	0%	7%
Government backed / issued Securities	0%	0%
Placements with Banks	7%	9%
Cash & Others Inc. Rec.	93%	71%

At end-FY19, around 71% of the fund base was allocated in cash and other equivalents while remaining was invested into commercial papers and bank placements. At the end of every quarter of FY19, maximum exposure in cash was witnessed, which were allocated in bank deposits to optimize funds return. Fund allocation was concentrated in cash, T-bills, and banks as 28%, 37% & 25% respectively at end-Oct'19.

**Table 3: Credit Quality**

Credit Quality	Average	Maximum	Minimum
AAA	74%	100%	25%
AA+	20%	67%	0%
AA	5%	18%	0%
NR	1%	8%	0%

The investment policy statement (IPS) of HBL-MMF restrict the fund to limit exposure primarily in sovereign instruments and AA rated or above. The fund has complied with its investment strategy and hence no breach was witnessed during FY19.

### Market Risk

**Table 4: Modified Duration**

Month	Modified Duration (Days)
Jul'18	72
Aug'18	20
Sep'18	1
Oct'18	61
Nov'18	27
Dec'18	32
Jan'19	13
Feb'19	53
Mar'19	18
Apr'19	24
May'19	36
Jun'19	15

As per the assigned ratings criteria, the fund is required to invest in securities whose weighted average time to maturity shall not exceed 90 days. The fund has complied with its requirements during FY19.

### Liquidity Profile

Retail holdings remained on the higher side. The proportion of retail increased to 55% (FY18: 50%). Owing to redemptions, granularity declined and the top 10 investor concentration increased to 75% (FY18: 53%) at the end-FY19. However, given the fund objective to invest in highly liquid and low-risk instruments, liquidity of the fund is considered adequate. Likewise, the number of investors increased to 2,859 (FY18: 2025) at end-June'19.

### Fund Performance

**Table 5: Fund Performance**

	FY18	FY19
Return (%)	5.3%	8.5%
Benchmark (%)	5.4%	8.7%
Peer Average (%)	5.2%	8.7%
Relative Ranking	10 out of 22	17 out of 20

During FY19, the fund registered an 8.5% return and has underperformed against the benchmark and peer average of 8.7%. Moreover relative ranking of the fund weakened during FY19 to a rank of 17/20 from 10/22 in the previous year.

### Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<b><u>RATING TYPE: Fund Stability</u></b>				
30-Dec-19	AA(f)	-	-	Reaffirmed
26-Dec-18	AA(f)	-	-	Reaffirmed
29-Dec-17	AA(f)	-	-	Reaffirmed
05-Jan-17	AA(f)	-	-	Reaffirmed
14-Jan-16	AA(f)	-	-	Reaffirmed
26-Dec-14	AA(f)	-	-	Reaffirmed
21-Oct-13	AA(f)	-	-	Reaffirmed
29-Mar-12	AA(f)	-	-	Harmonized

<b>FINANCIAL SUMMARY</b> <i>(amounts in PKR millions)</i>		
<b><u>BALANCE SHEET</u></b>	<b>FY18</b>	<b>FY19</b>
Paid Up Capital	NA	NA
Total Equity	NA	NA
<b><u>INCOME STATEMENT</u></b>		
Total income	359	696
Profit Before Tax	283	588
Profit After Tax	283	588
<b><u>RATIO ANALYSIS</u></b>		
Net Cash Generated from Operating Activities	732	-228
Current Ratio (x)	NA	NA
Gearing (x)	NA	NA