

*Date: January 4, 2021*

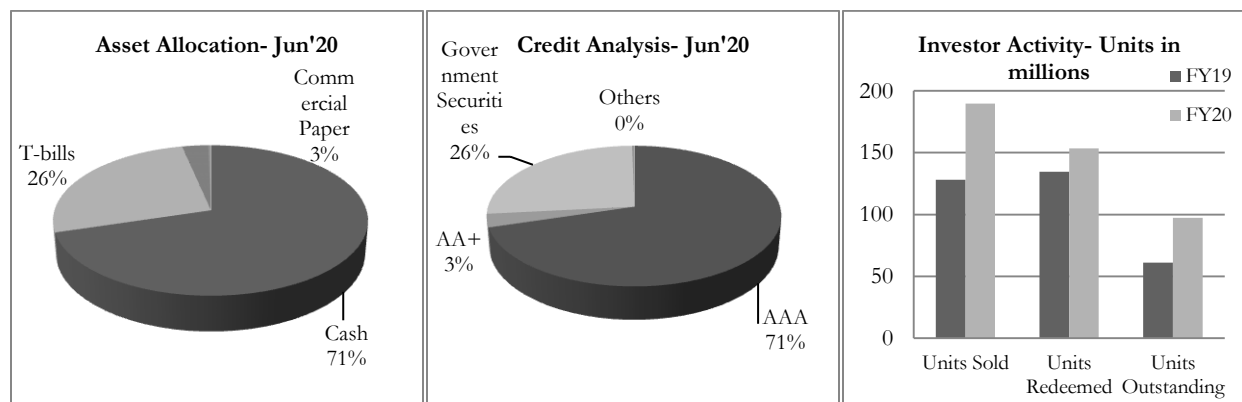
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### Investment Objective

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, 2020</i>	<i>Dec 30, 2019</i>
AMC	HBL Asset Management Limited	
External Auditors – Fund	Yousuf Adil Pakistan	
Fund Managers	Mr. Wamiq Sakrani	
Trustee	Central Depository Company	
Front-end Load	Upto 1%	
Back-end Load	-	
Management Fee	0.45%	
Benchmark	70% 3M PKRV + 30% 3M avg. deposits rate of 3 AA scheduled bank as selected by MUFAP	

	HMMF	
	FY19	FY20
Type of Scheme	Money Market	
Return (%)	8.47%	12.38%
Benchmark (%)	8.70%	11.63%
Peer Average (%)	8.73%	12.56%
Relative Ranking	18 out of 20	16 out of 20
Fund Size (in Rs. m)	6,253	9,975
Retail (%)	42%	56%
Associates (%)	14%	4%
Number of Investors	2,205	4,058
Top 10 Investors / AUMs	41%	37%
Fund Stability Rating	AA(f)	AA+(f)
Management fee	0.75-1.00%	0.45%
WATM (at end-June)	15	33
<b>Average Asset Allocation</b>		
<i>Placements with Banks and DFIs</i>	9%	0%
<i>Commercial Paper</i>	13%	3 %
<i>Others</i>	0%	0%
<i>T-bills</i>	7%	26%
<i>Cash &amp; Others Inc. Rec.</i>	71%	71%



Launched on July 14<sup>th</sup>, 2010, HBL Money Market Fund (HBL-MMF) is an open ended money market fund designed to offer its investors with high liquidity through short-duration debt instruments.

At end-FY20 net assets of the fund witnessed a substantial increase amounting to Rs. 9.97b (FY19 Rs. 6.2b)

The Offering Document (OD) of the fund restricts exposure to AA rated securities and above, to which HBL-MMF complied throughout the period.

**Table 1: Approved Investment Avenues-Offering document (extract)**

Description	Min-Max limits	Min. Rating
Cash in Bank Accounts	0%-100%	AA
Cash & Near Cash Instruments	10%-100%	-
Treasury Bills, Pakistan Investment Bonds and other Government Securities	0%-100%	-
Placements with Bank and DFI including Certificates of Deposit and TDR	0%-80%	AA
Commercial Paper	0%-25%	AA
Money Market placements, under LOP etc with Banks and DFIs.	0%-50%	AA
Placement of Funds with NBFCs and Modaraba under letter of placement(LOP), Certificates of Deposits/Investment (COD/I) and Certificate of Musharika (COM)	0%-25%	NBFC/Modabraba-AAA, Microfinance Bank- AA
Reverse Repo transactions against Government Securities or such securities with Banks and DFIs	0%-90%	AA
Reverse Repo transactions against Government Securities or such securities allowed under the Regulations from time to time with NBFCs and Modaraba	0%-90%	AAA

Foreign money market income Securities and any other instruments issued, listed and traded outside Pakistan	0-30% (cap of \$15m)	AA
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Investment Committee (IC) comprises Chief Executive Officer Head of Fixed Income, Head of Risk and Head of Research. All investment decisions are consensus based.

### Asset Allocation:

Table 2: Asset Allocation

Asset Allocation	Jun'19	Jun'20
Placements with Banks	9%	0%
Commercial Paper	13%	3%
T-bills	7%	26%
Cash and other receivables	71%	71%

During FY20 asset allocation complied with the specified standards of the offering document. The fund's assets remained primarily invested in cash and T-bills at 70% and 26% respectively. Exposure in T-bills increased during the period and no allocation was made in placement with banks. Remaining investment portfolio comprised of commercial paper and others at end-Jun'20.

Table 3: Credit Quality

Credit Quality	Average	Maximum	Minimum
AAA	40%	79%	0.2%
AA+	17%	41%	0.1%
AA	3%	8%	0.01%
NR	3%	26%	0%

Investment Policy Statement (IPS) limits HMMF to restrict exposure in sovereign instruments and AA or above rated. On a month-on-month average analysis, approximately 40% of the fund's assets were sited in AAA rated issue/issuer (FY19

74%) and 41% in government securities. Remaining investments of 17% were in AA+ rated issue/issuer and others. Barring months of Oct'19 and Jan'20 the fund has complied with the investment strategy.

### Market Risk:

Table 4: Modified duration

Month	Modified Duration (Days)
Jul'19	45
Aug'19	13
Sep'19	11
Oct'19	55
Nov'19	29
Dec'19	7
Jan'20	38
Feb'20	12
Mar'20	41
Apr'20	76
May'20	57
Jun'20	33

The fund complied with its internal policy limits lying within 90 days for the assigned ratings. Maximum WAM was reported at end-Apr'20 at 76 days remaining within the prescribed limits.

### Liquidity Risk:

During FY20 portfolio contribution by retail investors accounted for 56% of the fund's asset base whereas portion held by associates was 4%. Top-10 investor concentration was accounted for 37% of total net assets, (FY19: 41%). However, number of investors significantly increased to 4,058, (FY19: 2,859)

### Fund Performance:

**Table 5: Fund Performance:**

<b>Performance</b>	<b>FY19</b>	<b>FY20</b>
Return (%)	8.47%	12.38%
Benchmark (%)	8.70%	11.63%
Peer Average (%)	8.73%	12.56%
Relative Ranking	18 out of 20	16 out of 20

During FY20, HBL-MMF generated an annualized return of 12.38% (FY19 8.47%) outperforming its benchmark of 11.63% (FY19 8.70%) However, the fund under-performed its peer average of 12.56%.

Relative to its peers the fund ranked 16<sup>th</sup> out of a total of 20 funds.

### Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<b>RATING TYPE: Fund Stability Management Quality</b>				
30-Dec-20	AA+ (f)	-	-	Upgrade
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-Jan-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>FY19</b>	<b>FY20</b>
Paid Up Capital		NA	NA
Total Equity		NA	NA
<b><u>INCOME STATEMENT</u></b>			
Total income		696	1,137
Profit Before Tax		588	1,016
Profit After Tax		588	1,016
<b><u>RATIO ANALYSIS</u></b>			
Net Cash Generated from Operating Activities		(903)	(1,340)
Current Ratio (x)		NA	NA
Gearing (x)		NA	NA