

**HBL Money Market Fund (HBL MMF)**

*Managed By: HBL Asset Management Limited*

**Fund Stability Rating**

**Latest Rating**

**AA+(f)  
2-Jan-24**

**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**

<b>Auditor</b>	A.F Ferguson Chartered Accountant
<b>Trustee</b>	Central Depository Company of Pakistan Limited
<b>Front-end Load</b>	Up to 1.00%
<b>Back-end Load</b>	Nil
<b>Benchmark</b>	70% 3M PKRV rates + 30% 3M avg. deposit rate of three AA rated banks by MUFAP
<b>MQR Rating</b>	AM1 (VIS)
<b>Mgt. Fee</b>	0.50% p.a.

**Fund Overview**

HBL Money Market Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on July 14, 2010, between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

**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.

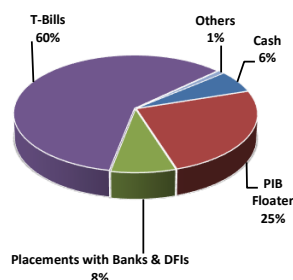
**Offering Document (Extract)**

Description	Minimum rating	Min- Max Limits
Treasury Bills and other government securities	N/A	0%-100%
Reverse repo against government securities or other authorized investments	AA and above for other than government securities	0%-50%
Deposits including TDR with scheduled banks	AA	0%-90%
Securities issued by Government owned, controlled or managed entities provided that such securities are backed by an irrevocable and unconditional Government guarantee	AA	0%-20%
Money Market placements under LOP with Banks DFIs.	AA	0%-50%
Certificate of Deposits (CODs), Certificate of Investment (COIs), Certificate of Musharaka with Banks/DFIs /NBFCs	AAA	0%-20%
Foreign Money Market Investments	AA or above	30% subject to a cap of US\$15 million (subject to prior approval of SECP and / or SBP)
Commerical paper/ Sukuk	AA	0%-20%

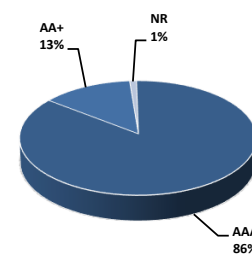
**Net Assets**

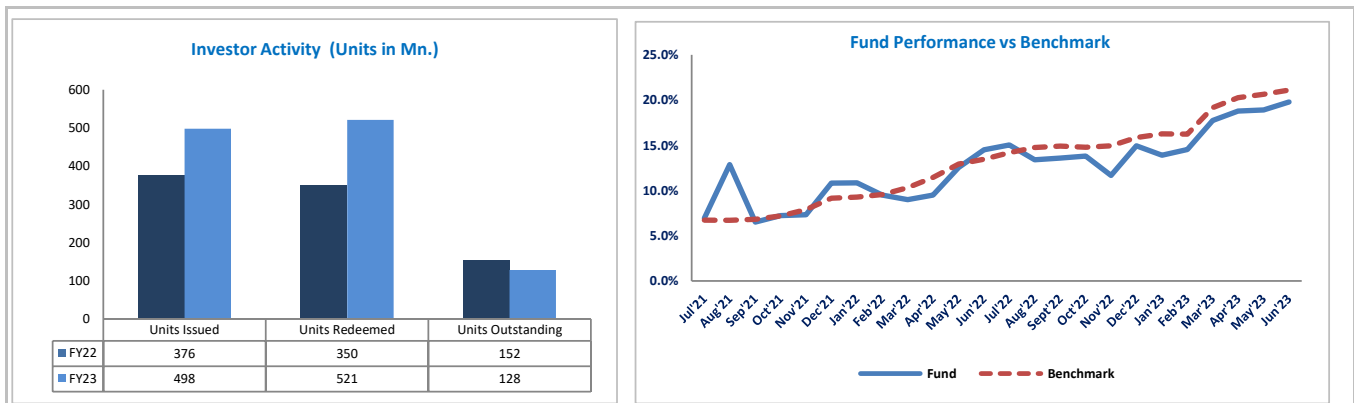
	Jun'21	Jun'22	Jun'23
Net Assets (In PKR' Millions)	12,795	15,591	13,198

**Asset Allocation - Jun'23**



**Credit Quality - Jun'23**





Credit Quality (FY'23)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'22 Avg.	FY'23 Avg.
AAA	74.18%	92.63%	6.74%	Cash	50.27%	17.85%
AA+	16.83%	80.73%	2.24%	Placements with Banks & DFIs	1.99%	4.85%
AA	7.72%	11.38%	0.01%	T-Bills	39.60%	49.40%
AA-	0.01%	0.10%	0.00%	TFCs/Sukuk	1.66%	8.11%
NR	1.25%	3.07%	0.43%	Commercial Paper	5.84%	3.26%
Total	100.00%	0.00%	0.00%	Others	0.65%	5.85%
				Total	100.00%	100.00%
Portfolio Maturity (FY'23)	Average	Maximum	Minimum	Fund Performance	FY'22	FY'23
WAM in year(s)	46	70	11	Total Return (YTD)	10.26%	16.66%
Duration (In Days)	46	70	11	Benchmark Return (YTD)	9.28%	16.92%
				Peer Average	10.61%	17.41%
				Peer Ranking	16 out of 21	23 out of 24

**Fund Stability Analysis**

HBL Money Market Fund has been assigned a rating of AA+(f) for its fund stability. 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:**

The fund has remained within the asset allocation parameters as identified in the offering document. During the FY23, the fund increased its average asset allocation in T-Bills to an average of 49.4% (FY22: 39.6%) and decreased its average allocation in cash to 17.9% (FY22: 50.3%). Other investment avenues during FY23 were PIBs, Commercial papers and Placements with Banks and DFIs.

**Credit Quality:**

The credit risk criteria of the fund falls within the guidelines stipulated in VIS methodology. The average credit quality for FY23 shows that a significant portion of the fund's assets fall within the 'AAA' (74.2%) and 'AA+' (16.8%) rating categories, with the remaining portion in the 'AA' (7.7%) rated securities.

**Market Risk:**

Weighted average maturity is capped at 90 days as per the fund's Investment Policy Statment (IPS). During FY23, Weighted Average Maturity (WAM) stood at 45 days (FY22: 39 days) with maximum duration of 70 days (FY22: 69 days).

**Fund Performance:**

The fund generated a YTD return of 16.7% as at Jun'23 slightly underperforming the benchmark and peer average of 16.9% & 17.4% respectively.

☐

Financial Snapshot			
<b>BALANCE SHEET</b>		<b>FY22</b>	<b>FY23</b>
Paid Up Capital		N/A	N/A
Total Equity		N/A	N/A
<b>INCOME STATEMENT</b>		<b>FY22</b>	<b>FY23</b>
Total Income		1,474.4	2,479.2
Profit Before Tax		1,394.2	2,183.8
Profit After Tax		1,394.2	2,183.8
<b>RATIO ANALYSIS</b>		<b>FY22</b>	<b>FY23</b>
Current Ratio (x)		N/A	N/A
Gearing (x)		N/A	N/A
FFO		N/A	N/A
Regulatory Disclosures			
<b>Name of Rated Fund</b>	HBL Money Market Fund	<b>Sector</b>	Mutual Funds
<b>Type of Relationship</b>	Solicited	<b>Purpose of Rating</b>	Fund Stability Rating (FSR)
Rating History			
Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	2-Jan-24	AA+(f)	Reaffirmed
Fund Stability	29-Dec-22	AA+(f)	Reaffirmed
Fund Stability	3-Jan-22	AA+(f)	Reaffirmed
Fund Stability	31-Dec-20	AA+(f)	Upgrade
Fund Stability	30-Dec-19	AA(f)	Reaffirmed
<b>Statement by the Rating Team</b>	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.		
<b>Probability of Default</b>	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
<b>Disclaimer</b>	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2023 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.		
<b>Rating Methodology</b>	<a href="https://docs.vis.com.pk/docs/FundstabilityRating.pdf">https://docs.vis.com.pk/docs/FundstabilityRating.pdf</a>		
<b>Rating Scale</b>	<a href="https://docs.vis.com.pk/docs/VISRatingScales.pdf">https://docs.vis.com.pk/docs/VISRatingScales.pdf</a>		

Lead Analyst	Analyst
<b>Amin Hamdani</b>	<b>Vernon Joseph Vellozo</b>
<a href="mailto:amin.hamdani@vis.com.pk">amin.hamdani@vis.com.pk</a>	<a href="mailto:vernon.ioseph@vis.com.pk">vernon.ioseph@vis.com.pk</a>

Note: VIS' mutual fund rating is not a recommendation to buy, sell, or hold any fund, in as much as it does not comment as to suitability for a particular investor.