

HBL Money Market Fund (HBL MMF)

Managed By: HBL Asset Management Limited

Fund Stability Rating

Latest Rating

AA+(f)

3-Mar-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 14, 2010
Fund Type	Open End
Category	Money Market Scheme
Risk Profile	Low
Auditor	A.F Ferguson Chartered Accountant
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Up to 1.00%
Back-end Load	Nil
Benchmark	70% 3M PKRV rates + 30% 3M avg. deposit rate of three AA rated banks by MUFAP
MQR Rating	AM1 (VIS)
Mgt. Fee	1.00% 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.

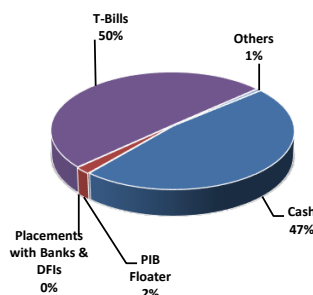
Offering Document (Extract)

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%

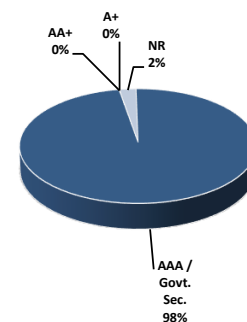
Net Assets

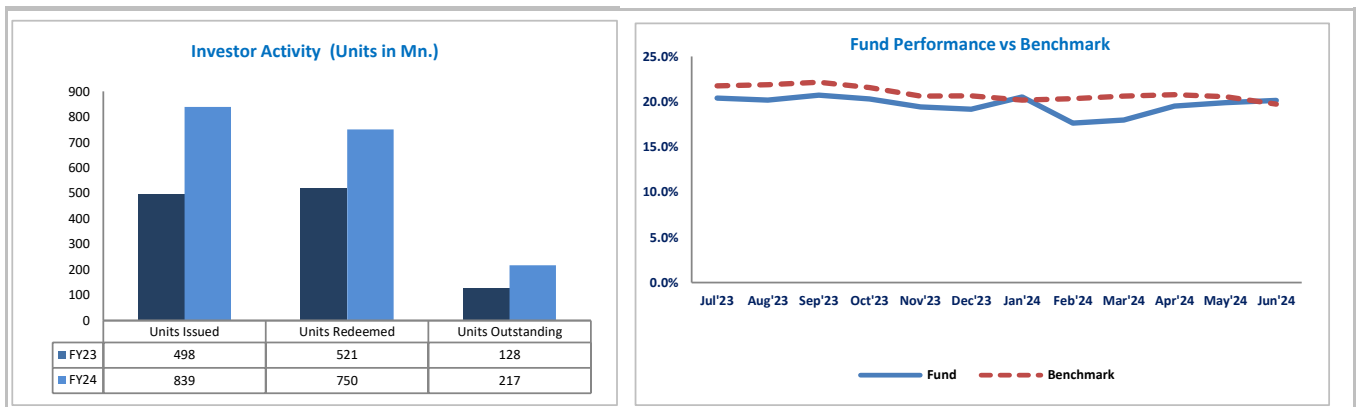
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	15,591	13,198	22,481

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
AAA / Govt. Sec.	83.18%	99.54%	43.74%	Cash	17.85%	22.68%
AA+	11.90%	49.88%	0.03%	PIB Floater	10.67%	13.18%
AA	0.00%	0.01%	0.00%	Placements with Banks & DFIs	4.85%	3.20%
AA-	0.01%	0.07%	0.00%	T-Bills	49.40%	59.35%
A+	0.05%	0.30%	0.00%	TFCs/Sukuk	8.11%	0.10%
NR	4.86%	44.12%	0.14%	Commercial Paper	3.26%	0.00%
Total	100.00%	0.00%	0.00%	Others	5.85%	1.50%
				Total	100.00%	100.00%

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM (In Days)	54	79	14	90	Total Return (YTD)	16.66%	21.54%
Duration (In Days)	54	79	14	90	Benchmark Return (YTD)	16.92%	20.90%
					Peer Average	17.41%	22.28%
					Peer Ranking	23 out of 24	27 out of 27

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:

During FY24, the Fund's Assets Under Management (AUM) witnessed significant growth of ~70%, coming in at Rs. 22.5b as at Jun'24 (Jun'23: Rs. 13.2b). Throughout this period, the Fund's investments adhered to the parameters outlined in the offering document, with a predominant allocation to T-Bills, accounting for ~59% of the portfolio. The remaining investments were allocated to Cash (~23%), PIB Floaters (~13%), and Placements with Banks and DFIs (~3%), with a minimal portion in TFCs/Sukuk, comprising Short-Term Sukuk as confirmed by the client.

Credit Quality:

The Fund's credit quality is considered sound, with exposures primarily in Government Securities and AAA rated avenues, accounting for ~83% of the investments while remaining were placed in AA+ rated securities. The Fund's offering document allows for investments not below AA. While the Fund complied with this stipulation, minimal placements below the minimum rating threshold were observed in Sept'23, Mar'24 and Apr'24. The Not Rated portion represents receivables from the sale of investments, primarily related to government securities, as well as accrued profit. Cash deposits were largely kept in banks rated AA+ and above. Going forward, maintenance of credit quality in line with the VIS Benchmark will be important for the assigned rating.

Market and Liquidity Risk:

During FY24, the Fund's weighted average time to maturity (WAM) consistently remained within the defined limit, with average WAM reported at 54 days as against the capped limit of 90 days.

Liquidity profile of the Fund is supported by its substantial portion of liquid assets. The retail investors of the Fund dominate the Fund's AUM, making up ~78% of the Fund's portfolio as at Jun'24 while remaining portion was held with corporate investors. Additionally, the client concentration of the Fund is considered low, as top ten investors accounted for ~24% of the Fund's total assets.

Fund Performance:

During FY24, the Fund yielded an annualized return of 21.54%, outperforming its benchmark while underperforming the peer average, placing the Fund in the fourth quartile.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	2,479.2	4,336.4
Profit Before Tax	2,183.8	3,906.7
Profit After Tax	2,183.8	3,906.7
RATIO ANALYSIS		
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 Money Market 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	3-Mar-25	AA+(f)	Reaffirmed
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
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 Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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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.