

HBL Cash Fund (HBL CF)

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

Auditor	BDO Ebrahim & Co. Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Up to 1.0%
Back-end Load	Nil
Benchmark	70% 3-months PKRV rates + 30% 3-months avg. deposit rate of 3 AA rated Banks by MUFAP
MQR Rating	AM1 (VIS)
Mgt. Fee	0.81% p.a

Fund Overview

HBL Cash Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on December 13, 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 competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools.

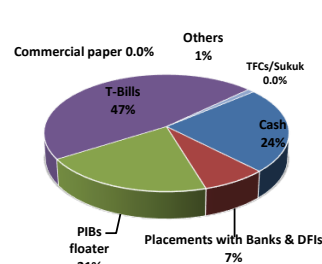
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash in Bank Accounts	AA	0%-100%
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	AA	0%-80%
Commercial Paper	AA	0%-20%
Money Market placements, under LOP etc with Banks and DFIs	AA	0%-50%
Placement of Funds with NBFCs and Modaraba under letter of placement (LOP), Certificates of Deposits/Investment (COD/I) and Certificate of Musharika (COM)	NBFC/Modaraba AAA, Microfinance Bank AA	0%-25%
Reverse Repo transactions against Government Securities or such securities with Banks & DFIs	AA	0%-90%
Reverse Repo transactions against Government Securities or such securities allowed under the Regulations from time to time with NBFCs & Modarba	AAA	0%-90%
Subject to Prior written approval of the Commission and other regulatory approvals, the Fund may seek to invest in foreign money market Income Securities and any other instruments issued, listed and traded outside Pakistan on such terms, guidelines and directions as may be issued by Commission and the State Bank of Pakistan from time to time	AA	0%-30% (cap of \$15m)

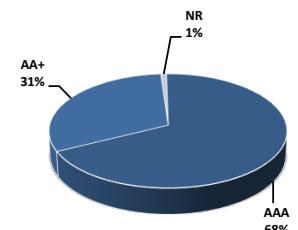
Net Assets

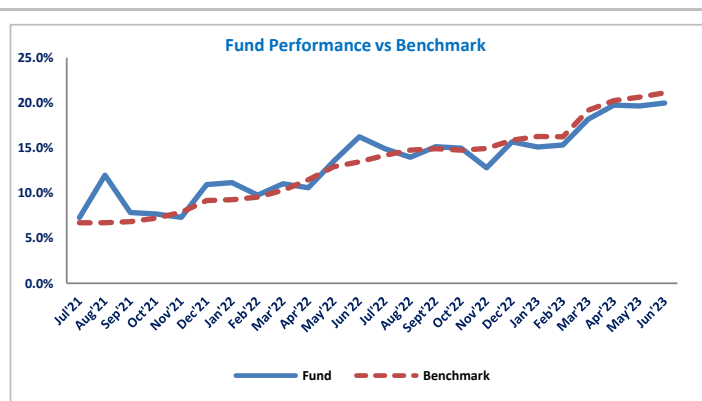
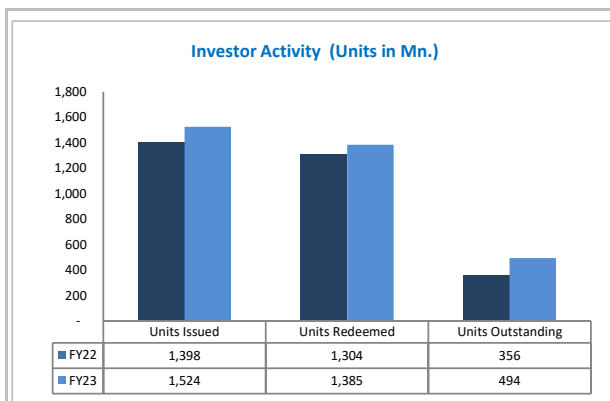
	Jun'21	Jun'22	Jun'23
Net Assets (In PKR' Millions)	26,449	36,066	50,335

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	72.98%	97.86%	48.75%	Cash	54.89%	25.89%
AA+	15.08%	47.71%	0.00%	Placements with Banks & DFIs	3.98%	6.59%
AA	4.35%	18.75%	0.00%	PIBs floater	0.00%	9.47%
AA-	0.18%	2.06%	0.00%	T-Bills	36.15%	46.65%
A+	0.00%	0.00%	0.00%	TFCs/Sukuk	1.60%	2.77%
NR	7.42%	27.21%	0.37%	Commercial paper	2.34%	1.15%
				Others	1.03%	7.47%

Portfolio Maturity (FY'23)	Average	Maximum	Minimum	Fund Performance	FY'22	FY'23
WAM (In Days)	36.2	68.0	5.0	Total Return (YTD)	10.97%	17.56%
Duration (In Days)	36.2	68.0	5.0	Benchmark Return (YTD)	9.28%	16.92%
				Peer Average	10.61%	17.41%
				Peer Ranking	6 out of 24	10 out of 24

Fund Stability Analysis

The HBL Cash Fund has been assigned a fund rating of AA+(f). This rating indicates a high degree of stability in the Net Asset Value (NAV) of the fund. While the fund's risk is modest, it may vary slightly due to changing economic conditions. The fund has consistently maintained this rating over multiple rating assessments.

Asset Allocation:

The fund has remained within the asset allocation parameters as identified in the offering document. During the review period, the fund's major holdings were placed in T-Bills (Avg FY23: ~46.6%) and Cash (Avg FY23: ~25.9%) while other allocations were in commercial papers, TFCs/Sukuks, PIBs, and Placements with Banks and DFIs.

Credit Quality:

The fund is required to invest in instruments that have a minimum credit quality rating of 'AA' or higher. On an average basis in FY23, 72.9% of the fund's investment portfolio was held with 'AAA' (or government securities) rated issue/issuer and the remaining in 'AA+', 'AA' and 'A+' rated instruments.

Market Risk:

Weighted Average Maturity (WAM) is capped at 90 days as per the fund's IPS. During FY22, Weighted Average Maturity (WAM) of the fund stood at 36 days. Maximum duration during the review period was reported to be 68 days in Apr'23.

Fund Performance:

HBL Cash Fund has been assigned a rating of AA+(f) based on its overall performance. As at Jun'23 the generated a YTD return of 17.6% outperforming the benchmark of 16.9%. Relative to peers, the fund was placed in the second quartile in the category of 24 funds.

