

HBL Cash Fund (HBL CF)

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

Fund Overview

Launch Date	December 13, 2010
Fund Type	Open End
Category	Money Market Scheme
Risk Profile	Low
Auditor	Yousuf Adil & Co. Chartered Accountant
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	1.15% p.a

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.

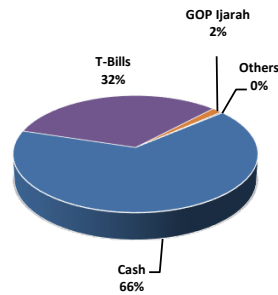
Offering Document (Extract)

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)

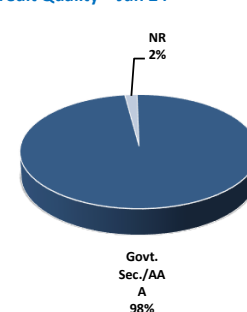
Net Assets

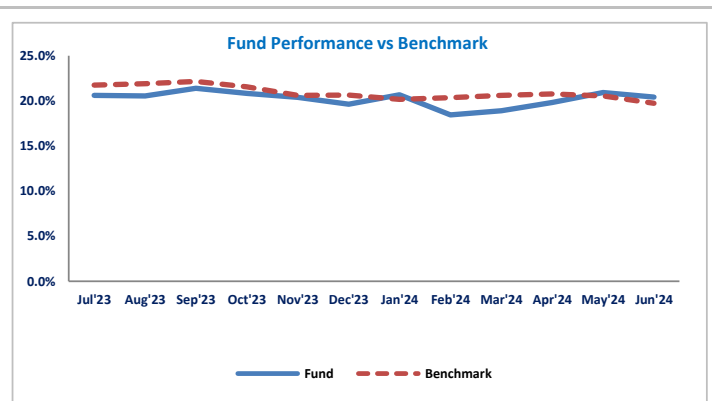
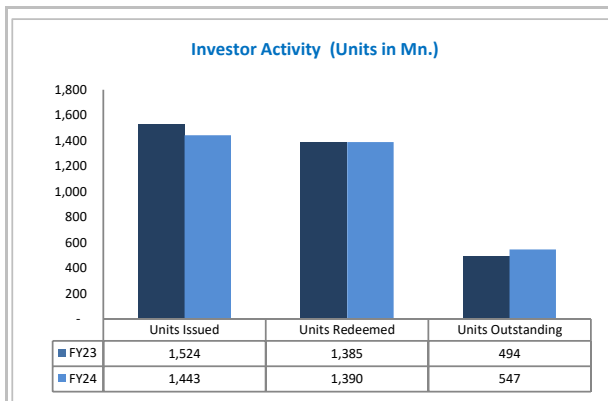
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	36,066	50,338	56,424

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.
Govt. Sec./AAA	82.64%	98.58%	49.83%	Cash	25.89%	22.84%
AA+	10.71%	44.49%	0.00%	Placements with Banks & DFIs	6.59%	3.59%
AA	0.08%	0.91%	0.00%	PIBs floater	9.47%	13.78%
AA-	0.00%	0.01%	0.00%	T-Bills	46.65%	53.25%
A+	0.00%	0.00%	0.00%	TFCs/Sukuk	2.77%	0.15%
NR	6.57%	43.79%	0.43%	Commercial paper	1.15%	0.13%
				Others	7.47%	6.27%

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM (In Days)	48.3	72.0	15.0	90.0	Total Return (YTD)	17.56%	22.20%
Duration (In Days)	48.3	72.0	15.0	90.0	Benchmark Return (YTD)	16.92%	20.90%
					Peer Average	17.41%	22.20%
					Peer Ranking	10 / 24	14 / 27

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:

During FY24, the Fund's Assets Under Management (AUM) increased slightly by ~12%, rising from Rs. 50.3b in Jun'23 to Rs. 56.4b in Jun'24. During this period, the Fund's investments were largely in accordance with the parameters outlined in the offering document. The Fund's investments were allocated to primarily concentrated in T-Bills (~53%), PIBs – Floater (~14%), and placements with banks and DFIs (~4%), with minimal exposure to GOP Ijarah.

Credit Quality:

During the review period, the Fund maintained its credit exposures in assets rated AA and above, in line with the guidelines outlined in the offering document. On average, investments were predominantly allocated to Govt Sec./AAA rated avenues, which constituted ~83% of the Fund's portfolio, followed by AA+ rated assets, comprising ~11% of the portfolio. Cash balances of the Fund were primarily held in banks rated above AA+. "Not Rated" exposures represent receivables against sale of securities/ profit accrued.

Market and Liquidity Risk:

During FY24, the average weighted average time to maturity (WAM) stood at 48 days, well within the defined threshold of 90 days.

The Fund's liquidity profile is considered sound, supported by the substantial proportion of its liquid assets. The Fund's portfolio is predominantly held by corporate investors, accounting for ~64% of the AUM as at Jun'24, while retail investors constituted ~35% of the investments, with minimal portion held by the associates. Additionally, client concentration risk is considered manageable, as top ten investors accounted for ~34% of the total AUM as at Jun'24

Fund Performance:

During FY24, the Fund generated an annualized return of 22.90%, outperforming its benchmark while in line with the peer average, placing the Fund in the second quartile.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	7,158.8	10,869.0
Profit Before Tax	6,653.4	10,104.2
Profit After Tax	6,653.4	10,104.2
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 Cash 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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