

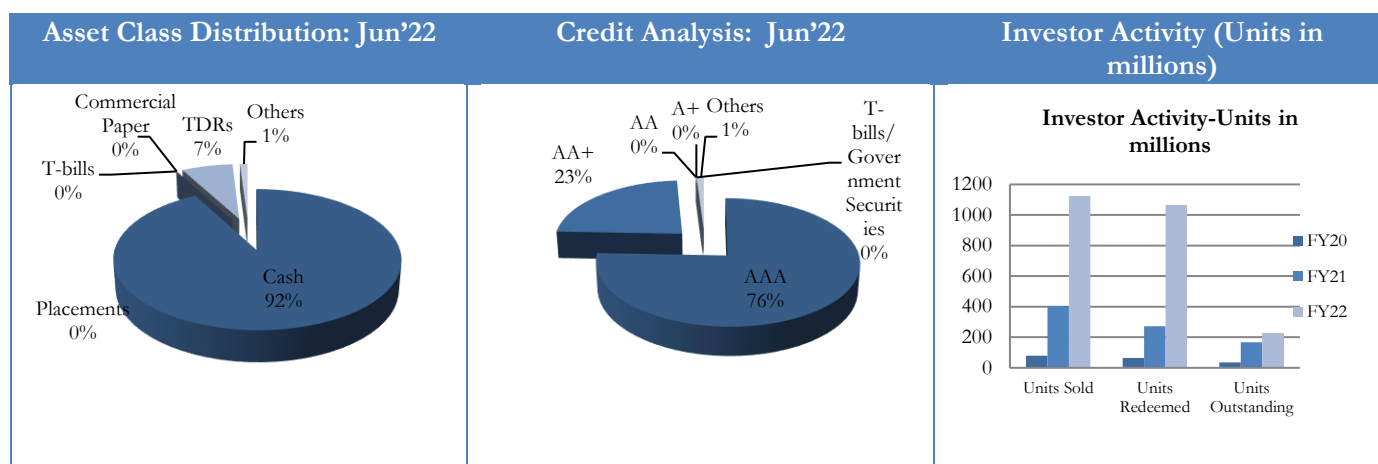
Date: December 13, 2022

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Investment Objective

The investment objective of AHCF is to provide its unit-holders optimum returns from a portfolio of low risk and short duration assets while maintaining high liquidity.

AL Habib Cash fund (Formerly First Habib Cash Fund)		
Rating Category	Latest	Previous
Fund Stability Rating	AA+(f) <i>Dec 13'22</i>	AA+(f) <i>Dec 28'21</i>
AMC	AL Habib Asset Management Limited	
Chief Executive	Mr. Kashif Rafi	
External Auditors	EY Ford Rhodes & Co Chartered Accountants	
Fund Manager	Mr. Ahmed Abbas	
Trustee	Central Depository Company of Pakistan Limited	
Sales Load	Nil	
Management Fee	Up to 10% of the gross earnings of the scheme	
Benchmark	70% three (3) months PKRV rates + 30% three(3) months average deposit rate of three (3) AA rated scheduled banks as selected by MUFAP	



Launched in March, 2011 AL Habib Cash Fund (Formerly First Habib Cash Fund) is an open-end money market fund designed to provide its investors with competitive returns while maintaining high liquidity by deploying assets in short-term low risk debt instruments. Fund size has posted sizeable growth, with Assets under Management (AUMs) at Rs. 22.9b (FY21: 16.9b) at end-FY22.

Investment decisions for the fund are made by the Investment Committee (IC) comprising personnel from top management and investment management department.

Table 1: Actual Asset Allocation

Investment policy	Ratings	Min-Max Exposure
Deposits with scheduled banks/ DFIs	AA	0%-70%
Government Securities	AAA	0%-100%
Term Deposit Receipts (TDR) and clean placements with Banks	AA	0-90%
Reverse Repo against government securities	AA and above	0%-50%
Current & Savings Account	AA	0%-100%
Certificate of Deposit, Certificate of Investment, Certificate of Musharaka	AA, AAA (in case of NBFC or Modaraba)	0%-25%
Foreign Investments (in authorized money market instruments and other money market mutual funds)	AA rated by a reputed International	Upto 30% with a maximum

	Rating Agency	limit capped at US \$15m
Any other investment as authorized by the commission from time to time	AAA for NBFC & Modaraba and AA & above for others	0-50%

The fund’s exposure in various sources of investment avenues have been stipulated in the Offering Document (OD) and Investment Policy Statement. In terms of credit quality, the fund cannot take exposure below ‘AA’ rated debt issue/issuer.

Asset Allocation:

Table 2: Actual Asset Allocation

	Avg. FY21	Avg. FY22	Oct’22
Cash	43%	61%	43%
T-bills	55%	37%	56%
TDRs	2%	2%	0%
Others	0.5%	1%	1%

In order to cater to its mandate provided in the fund’s Investment Policy Strategy, it has maintained a low exposure to risk. Majority of fund’s assets under management remained vested in its cash balances and T bills. However, exposure in T-bills has been diluted to 37% on a monthly average basis (FY21 52%) and divested towards building cash cushion for possible redemptions. The fund’s asset allocation plan majorly complied with the requisites of its offering document for FY22.

Credit Quality:

Table 3: Actual Credit Quality

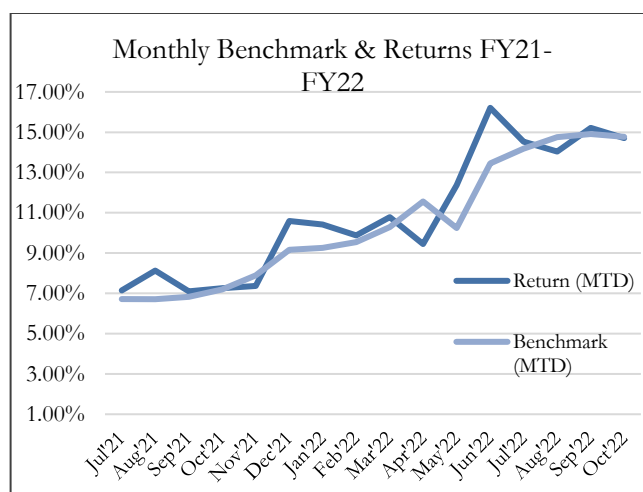
	Average	Maximum	Minimum
AAA	69%	99%	0%
AA+	30%	57%	0%
AA	0%	10%	0%
Others	0.7%	2%	0.2%

The fund’s IPS follows a conservative strategy whereby it restricts exposure in below ‘A’ rated issue/issuer. During FY22, average allocation in ‘AAA’ rated instruments was recorded at 69%, followed by 30% in ‘AA+’ rated instrument. Hence, the fund complied with the credit quality requisites for the assigned rating.

Modified Duration:

The average weighted maturity (WAM) of the fund is capped at 90 days in order to counter losses in case of any adverse movements in discount rate; while maturity of a single asset cannot exceed six months. During FY22, WAM of the fund remained in line with the criteria on actual basis; highest WAM was reported at 87 days end-Jul’21 as the fund placed its entire portfolio in T-bills. Lowest WAM was reported at 1 day on Dec’21 and May’22.

Fund Performance:



Fund performance is benchmarked against 30% three month average deposit rates of 3 ‘AA’ rated banks and 70% three month PKRV rates. The fund outperformed the annual return benchmark return of 9.30%, with a total annualized return recorded at 10.17%. The fund outperformed its benchmark return on annual basis, although underperformance has been noted in certain months. On the contrary, performance of the fund remained slightly below its peer average of 10.61%. The fund ranked 18 out of 24 in the category.

Table 4: Fund Performance

Performance	FY21	FY22
Total Return	6.84%	10.17%
Peer Group Return Ranking	13 out of 22	18 out of 24
Benchmark Return	6.70%	9.30%
Peer Group Average	6.71%	10.61%

FINANCIAL SUMMARY		
<i>(amounts in PKR 000)</i>		
BALANCE SHEET	FY21	FY22
Paid Up Capital	NA	NA
Total Equity	NA	NA
INCOME STATEMENT		
Total income	568,923	2,129,102
Profit Before Tax	513,010	2,006,247
Profit After Tax	513,010	2,006,247
RATIO ANALYSIS		
Net Cash Generated from Operating Activities	(534,976)	1,309,747
Current Ratio (x)	NA	NA
Gearing (x)	NA	NA

REGULATORY DISCLOSURES		Appendix		
Name of Rated Entity	AL Habib Asset Management Limited			
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	12/13/2022	AA+(f)	Reaffirmed
	Fund Stability	12/28/2021	AA+(f)	Reaffirmed
	Fund Stability	12/31/2020	AA+(f)	Upgraded
	Fund Stability	12/30/2019	AA(f)	Reaffirmed
	Fund Stability	12/24/2018	AA(f)	Reaffirmed
Instrument Structure	N/A			
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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