

Al Habib Cash Fund (AHCF)

Managed By: Al Habib Asset Management Limited

Fund Stability Rating

Latest Rating

AAA(f)

27-Dec-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

Launch Date	March 10, 2011
Fund Type	Open-ended
Category	Money Market Scheme
Risk Profile	Very Low (Principal at very low risk)
Auditor	BDO Ebrahim & Co. Chartered Accountants Central Depository Company of Pakistan Limited
Trustee	Pakistan Limited
Front-end Load	0.03
Back-end Load	Nil
Benchmark	70% 3M PKRV rates+ 30% 3M Avg. Dep. Rate of 3 AA rated banks
MQR Rating	AM2+
Mgt. Fee	Upto 10% of the gross earnings

Fund Overview

Al Habib Cash Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on March 10, 2011 between Al Habib Asset Management Limited and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

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.

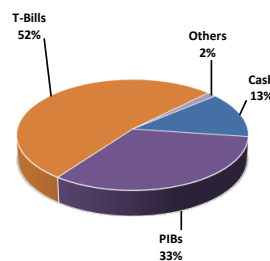
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash in Bank Accounts & Treasury Bills that can be readily converted into cash	AA	10%-100%
Deposit in Current, Saving and PLS Banks	AA	0%-100%
Term Deposit Receipt (TDR) and clean placement with Banks	AA	0%-90%
Money Market Placements/Letter of Placements/Certificates of Investment (COIs) and DFIs	AA	0%-90%
Deposits (Current / Saving / PLS account, term Deposit), Certificate of Deposit (CODs), Certificate of Investments (COIs), Certificate of Musharaka (COM), money market placement and other clean placements of funds with Microfinance Banks, NBFCs and Modaraba	AA for banks and AAA for NBFC and Modarabas	0%-25%
Government Securities - (PIBs, Treasury Bills and GOP Ijara Sukuks) Less than or equal to 6 Months Maturity and other Government Securities	N/A	0%-100%
Reverse Repo against Government Securities or such other securities as allowed by the Commission	AA for bank/DFI and AAA for NBFC and Modaraba	0%-90%
Foreign Instruments (in authorized money market instruments and other money market mutual funds)	AA rated by International Rating Agency	Up to 30% of Net Assets or USD 15 Million, whichever is lower
Any other Instrument as authorized by the commission from time to time	AAA for NBFC & Modaraba and AA & above for others	0%-50%

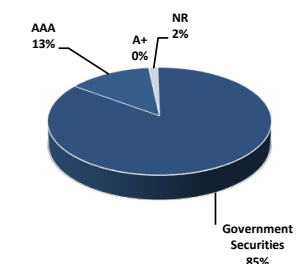
Net Assets

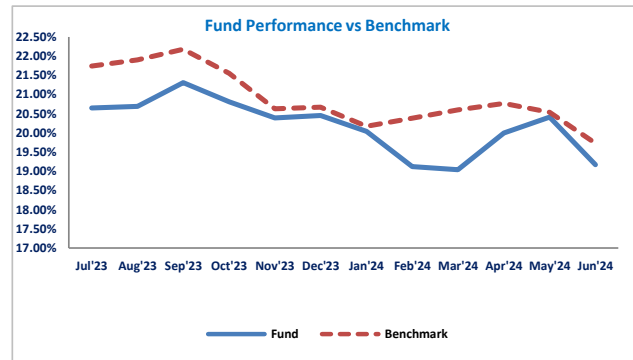
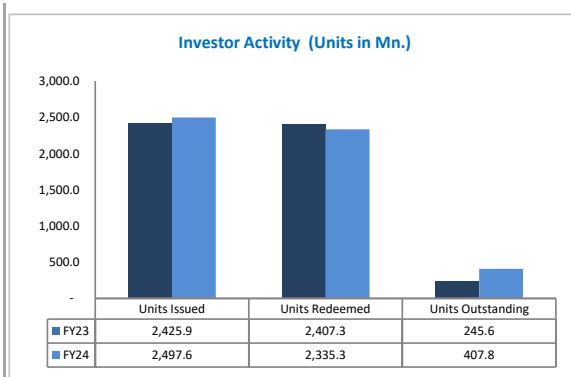
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	22,912	24,870	41,511

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)				Avg. Asset Allocation (% wise)		
	Average	Maximum	Minimum		FY'23 Avg.	FY'24 Avg.
Government Securities	77.27%	98.37%	0.00%	Cash	23.62%	19.19%
AAA	12.24%	63.09%	0.25%	Placements with Banks	1.33%	0.00%
AA+	6.95%	38.24%	0.00%	Placements with DFIs	0.00%	0.00%
AA	0.00%	0.00%	0.00%	PIBs	1.60%	27.02%
AA-	0.00%	0.00%	0.00%	GOP Ijarah Sukuk	0.00%	0.00%
A+	0.00%	0.01%	0.00%	T-Bills	72.19%	50.26%
A	0.00%	0.00%	0.00%	TFCs/Sukuk	0.00%	0.00%
A-	0.00%	0.00%	0.00%	CP	0.00%	0.00%
BBB+	0.00%	0.00%	0.00%	Spread/MTS	0.00%	0.00%
BBB	0.00%	0.00%	0.00%	Others	1.22%	3.53%
BBB-	0.00%	0.00%	0.00%			
NR	3.53%	20.14%	0.52%			

Portfolio Maturity (FY'24)					Fund Performance		
	Average	Maximum	Minimum	Benchmark		FY'23	FY'24
WAM (In days)	49.92	86.00	1.00	90.00	Total Return (YTD)	17.28%	22.16%
Duration (In Days)	49.92	86.00	1.00	90.00	Benchmark Return (YTD)	17.01%	22.90%
					Peer Average	17.41%	22.16%
					Peer Ranking	19 out of 24	16 out of 28

Fund Stability Analysis

The Al Habib Cash Fund ('AHCF' or 'the Fund') has been assigned a Fund Stability rating of AA+(f). 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 it may vary slightly due to changing economic conditions.

Asset Allocation:

During FY24, the Fund's Assets Under Management (AUM) recorded a significant growth, increasing to Rs. 41.5b in Jun'24 (Jun'23: Rs.24.9b). During this period, the Fund's asset allocation remained in line with its investment objective and the parameters defined in the offering document. On average, the government securities constituted the major portion of the Fund's investment exposures, with T-Bills accounting for 50.3% of the Fund's portfolio followed by PIBs, which made up 27.0% of the total exposures.

Credit Quality:

The credit quality of the Fund's portfolio has consistently remained above its minimum rating threshold of AA, as outlined in the offering document. Furthermore, the Fund's credit quality aligns with the VIS benchmark for the assigned rating, with ~90% of investments held in AAA-rated securities and the remainder in AA+-rated securities, reflecting a sound credit profile in line with the assigned rating.

Market and Liquidity Risk:

As per the offering document, the weighted average time to maturity (WAM) is capped at 90 days, a limit the Fund has adhered to, with the average WAM of around 50 days in FY24. Additionally, the Fund recorded a WAM exceeding 80 days in the last three months of FY24, with the maximum of 86 days in Jun'24.

The liquidity profile of the Fund is considered sound, given the major portion of investments placed in government securities. While retail clients continue to account for majority of the Fund's portfolio, representing 48.2% (FY23: 65.69%), corporates' share has seen a notable rise, comprising 43.7% (FY23: 20.7%) of the Fund's AUM. Additionally, the top ten investors depict low concentration risk, accounting for 45.9% of the total AUM.

Fund Performance:

During FY24, the Fund's annualized returns clocked in at 22.16%, outperforming its benchmark of 20.90%. However, the Fund's monthly returns have consistently lagged behind its benchmark. Relative to its peers, the Fund was placed in the third quartile, reflecting an improvement compared to previous year.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	4,272.6	7,086.5
Profit Before Tax	3,987.0	6,568.5
Profit After Tax	3,987.0	6,568.5
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	Al Habib 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	27-Dec-24	AAA(f)	Upgrade
Fund Stability	15-Nov-23	AA+(f)	Reaffirmed
Fund Stability	13-Dec-22	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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