

Al Habib Money Market Fund (AHMMF)

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	December 20, 2021
Fund Type	Open-ended
Category	Money Market Scheme
Risk Profile	Very Low (Principal at very low risk)
Auditor	BDO Ebrahim & Co. Chartered Accountants
Trustee	Central Depository Company of 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 Money Market Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on December 20, 2021, between Al Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

The investment objective of AHMMF is to provide its unit-holders optimum returns from a portfolio of low risk and short duration assets while being highly liquid.

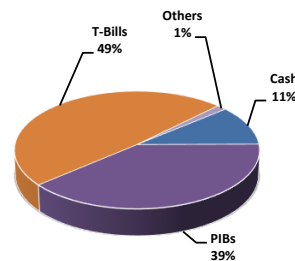
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash and Near Cash Instruments which include Cash in Bank Accounts (Excluding TDR), GOP Ijara Sukuk & Treasury Bill not exceeding 90 days to maturity, at all times	AA	10%-100%
Term Deposit Receipt (TDR) and clean placement with Commercial/Scheduled Banks	AA	0-90%
Letter of Placements/Certificate of Investment (COIs) with DFIs	AA	0-90%
Deposits (Current / Saving / PLS account, term deposit), Certificate of Investments (COIs), Certificate of Musharaka Placements under approved Shariah Compliant Structure 1) With Microfinance Banks 2) With NBFCs/ Modaraba	AA, AAA	0-25%
Government Securities - (PIBs, Treasury Bills and GOP Ijara Sukuks) more than 90 days and equal to 6 Months Maturity and other Government Securities	N/A	0-100%
Reverse repo against Government Securities or such other securities allowed	AA for Bank/ DFI and AAA for NBFC and Modaraba	0-90%
Foreign Investments (in authorized money market instruments and other money market mutual funds)	AA rated by International Rating Agency	Upto 30% of Net Assets or US \$15 Million, whichever is lower

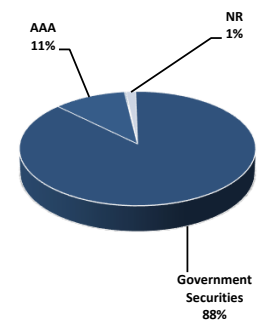
Net Assets

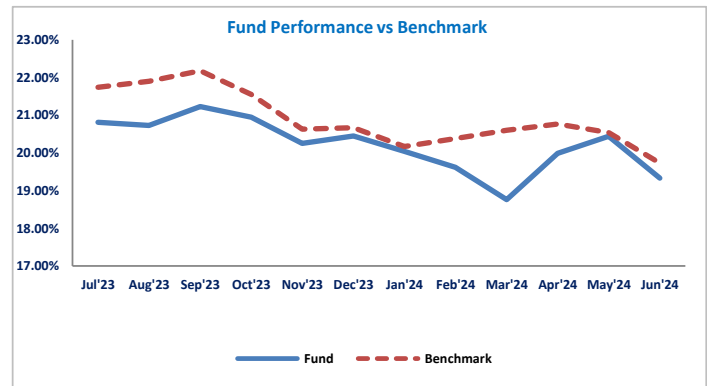
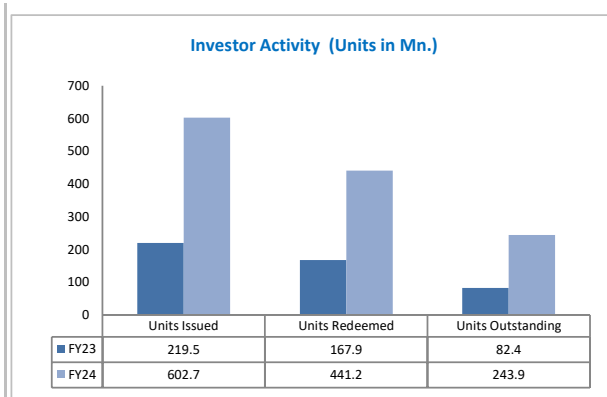
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR' Millions)	3,076.00	8,273.00	24,386.00

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.
Government Securities	76.77%	98.72%	2.49%	Cash	23.61%	20.40%
AAA	15.63%	65.53%	0.68%	TDR	0.83%	0.97%
AA+	5.74%	23.58%	0.00%	Placements with DFIs	0.00%	0.00%
AA	0.00%	0.00%	0.00%	PIBs	0.00%	26.69%
AA-	0.00%	0.00%	0.00%	GOP Ijarah Sukuk	0.00%	0.00%
A+	0.00%	0.00%	0.00%	T-Bills	75.10%	50.08%
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	0.45%	1.87%
BBB-	0.00%	0.00%	0.00%			
NR	1.87%	8.39%	0.23%			

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM (in Days)	53.42	90.00	2.00	90.00	Total Return (YTD)	17.30%	22.14%
Duration (In Days)	53.42	90.00	2.00	90.00	Benchmark Return (YTD)	17.01%	20.90%
					Peer Average	17.41%	22.16%
					Peer Ranking	17 out of 24	14 out of 28

Fund Stability Analysis

Al Habib Money Market Fund ('AHMMF' or 'the Fund') has been assigned a fund stability rating of AA+(f) based on a high degree of stability in the net asset value of the fund, with modest market and liquidity risk that may vary slightly due to changing economic conditions.

Asset Allocation:

During FY24, the Fund's assets under management (AUMs) increased to Rs. 24.4b as of Jun'24 (Jun'23: Rs. 8.27b), with the asset allocation strategy remaining aligned with the parameters outlined in the offering document. The majority of the investments remained vested in government securities, holding an average of ~77% of the Fund's portfolio. Additionally, allocation to PIBs increased from an average of ~0% in FY23 to an average of ~27% in FY24.

Credit Quality:

The Fund's portfolio credit quality has consistently remained above its minimum rating threshold of AA, as outlined in the offering document. It also aligns with the VIS benchmark for the assigned rating, with ~92% of investments 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, which the Fund has remained compliant with. The highest WAM of the Fund was recorded at 90 days while lowest WAM was reported at 2 days.

The liquidity profile of the Fund is considered sound, in view of the quantum of liquid investments it holds. Corporate investors continued to dominate the Fund's AUM, accounting for ~91% of total investments. The top ten investors represented ~62% of the AUM as at June 2024, reflecting a higher concentration risk.

Fund Performance:

During FY24, the Fund yielded an annualized return of 22.1%, outperforming against its benchmark return of 20.9%. However, the Fund's monthly returns have consistently remained behind its benchmark. Relative to its peers, the Fund was placed in the third quartile.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT		
Total Income	842.6	3,515.7
Profit Before Tax	787.1	3,258.8
Profit After Tax	787.1	3,258.8
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 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	27-Dec-24	AAA(f)	Upgrade
Fund Stability	15-Nov-23	AA+(f)	Reaffirmed
Fund Stability	30-Dec-22	AA+(f)	Initial
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.