

HBL Total Treasury Exchange Traded Fund (HBL TTETF)

Managed By: HBL Asset Management Limited

Fund Stability Rating

Latest Rating

AA-(f)

28-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

Launch Date	September 12, 2022
Fund Type	Open End
Category	Exchange Traded Fund
Risk Profile	Medium
Auditor	Yousuf Adil Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Nil
Back-end Load	Nil
Benchmark	HBL Total Treasury Index
MQR Rating	AM1
Mgt. Fee	0.40% P.A.

Fund Overview

HBL Total Treasury Exchange Traded Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on Sep 12, 2022, between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Investment Objective

HBL Total Treasury Exchange Traded Fund (HBL TTETF) is an open-ended scheme that is traded on Pakistan Stock Exchange with the aim to track the performance of its specified Benchmark Index.

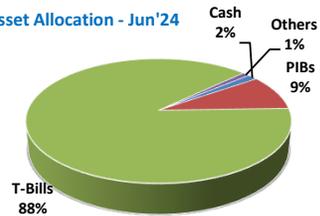
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Cash and Cash equivalent	A and above	0%-100%
T-Bills	-	0%-100%
PIBs	-	0%-100%

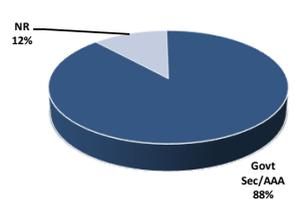
Net Assets

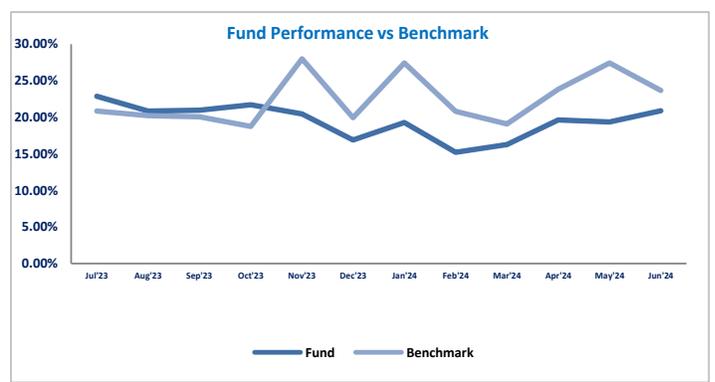
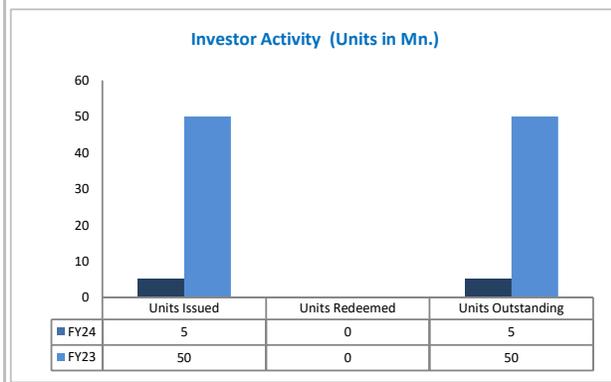
	Jun'22	Jun'23	Jun'23
Net Assets (In PKR' Millions)	N/A	115	153

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality FY'24	Average	Maximum	Minimum
Govt Sec/AAA	88.31%	99.46%	0.00%
AA+	0.00%	0.00%	0.00%
AA	0.01%	0.14%	0.00%
AA-	9.29%	98.31%	0.00%
A+	0.00%	0.00%	0.00%
A	0.00%	0.00%	0.00%
NR	2.40%	11.59%	0.47%
Total	100.00%		

Avg. Asset Allocation (% wise)	FY'23 Avg	FY'24 Avg.
Cash	11.88%	9.54%
PIBs	0.00%	2.08%
T-Bills	87.88%	87.64%
Others	0.23%	0.75%
Total	100.00%	100.00%

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark
WAM in year(s)	0.50	0.89	0.00	4.00
Duration (In Days)	181	324	1	1460

Fund Performance	Jun'23	Jun'24
Total Return	17.83%	21.40%
Benchmark Return	18.01%	24.97%
Peer Average	2.92%	81.43%
Peer Ranking	1 out of 6	6 out of 6

Fund Stability Analysis

Fund Rating:

The HBL Total Treasury Exchange Traded Fund ('HBL TTETF' or 'the Fund') has been assigned a rating of AA-(f) by VIS Credit Rating Company. This rating indicates a high degree of stability in the Net Asset Value (NAV) of the fund. While there may be modest variations in risk due to changing economic conditions, the fund is expected to maintain its stability.

Asset Allocation:

During FY24, the Assets Under Management (AUM), excluding fund of funds, increased to Rs.213m in May'24, before declining to Rs.153 in Jun'24. The fund's asset allocation has remained within the parameters as defined in the offering document. As mandated by the fund's offering document, the fund is required to take exposure in government-backed instruments and cash placements. On average, investments in government securities accounted for ~90% of the Fund's portfolio. Additionally, the offering document also stipulates a minimum exposure of 70% in government securities over a quarterly average, which the Company has complied to, barring the 1st quarter of FY24.

Credit Quality:

As per the offering documents, credit exposures are be maintained in government securities and cash placements with a minimum rating of A. The fund has maintained its major holdings in Govt Sec/AAA rated issue followed by a small portion of investments in AA- rated issues, indicating a sound credit risk appetite and adherence to the mandate.

Market and Liquidity Risk:

As per the offering document, the weighted average time to maturity (WAM) shall not exceed beyond 4 years, while the WAM of the fund has remained below 1 year, thereby complying with the said parameters.

Liquidity profile of the Fund is considered sound, with substantial portion of assets held in government securities. Unrelated corporates account for a major portion of the Fund's portfolio, comprising ~54% of the AUM, while retail investors constitute ~45% of the Fund's investment.

Fund Performance:

During FY24, the fund yielded an annualized return of 17.83%, underperforming its benchmark of 18.01%. Within its peer group of six exchange-traded funds (ETFs), the fund ranked sixth, attributed to its allocation strategy primarily in government securities. Conversely, investments of the other ETF funds were allocated to the equities market, which experienced growth over the period. Previously, subdued. Previously, HBL TTETF was the top performer among these peers, as the equities market had been subdued.

Financial Snapshot

	FY23	FY24
BALANCE SHEET		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY23	FY24
Total Income	76.0	115.0
Profit Before Tax	71.0	107.0
Profit After Tax	71.0	107.0
RATIO ANALYSIS	FY23	FY24
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 Total Treasury Exchange Traded 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	28-Mar-25	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.		
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.		
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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

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