

HBL Mehfooz Munafa Fund Plan I (HBL-MMFP-1)

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	January 31, 2024
Fund Type	Open-End Income
Category	Fixed Rate/Return Scheme
Risk Profile	Very low
Auditor	BDO Ebrahim & Co. Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Nil
Back-end Load	Contingent load on early redemption
Benchmark	70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated scheduled Bank as selected by MUFAP
MQR Rating	AM1
Mgt. Fee	0.15% P.A

The HBL Mehfooz Munafa Fund (the Fund/the Scheme/the Trust/the Unit Trust/HBL MEMF) has been established through a Trust Deed (the Deed) dated 05-Apr-2022, under the Sindh Trust Act, 2020 entered into and between HBL Asset Management Limited, the Management Company, and Central Depository Company of Pakistan Limited, 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.

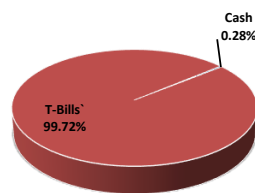
Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Bank deposits including TDRs & placement with Banks and DFIs	AA	0%-100%
Government Securities	N/A	0%-100%
Certificate of Deposit (COD) and Certificate of Musharaka (COM) Placements	AA	0%-90%
Any other investment as authorized by the commission from time to time	AA	0%-30%

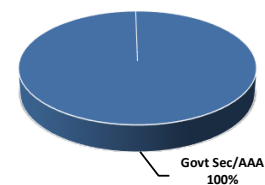
Net Assets

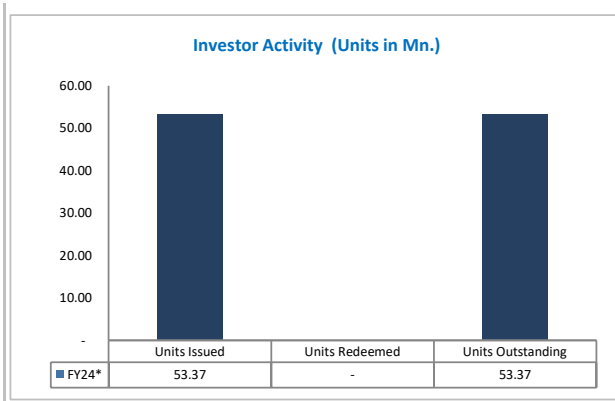
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR ¹ Millions)	-	-	5,362.00

Asset Allocation - Jun'24

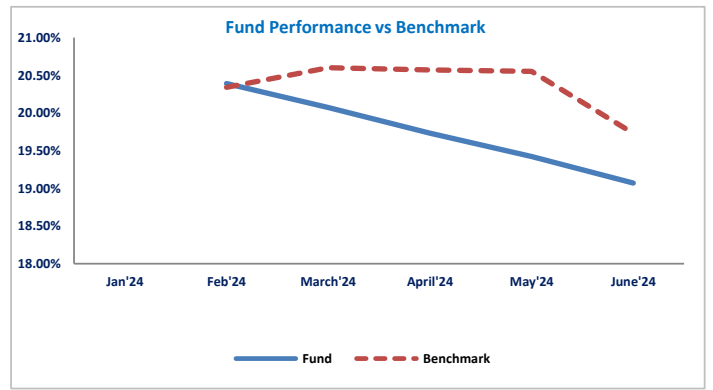


Credit Quality - Jun'24





* For the period from January 31, 2024 to June 30, 2024



Credit Quality (FY'24)*				Average	Maximum	Minimum	Avg. Asset Allocation (% wise)		FY'23 Avg.	FY'24 Avg.*
Govt Sec/AAA				99.65%	100.95%	0.00%	Cash		-	16.96%
NR				0.36%	0.97%	0.00%	T-Bills`		-	82.92%
							Other		-	0.13%
*For the period from January 31, 2024 to June 30, 2024										
Portfolio Maturity (FY'24)*	Average	Maximum	Minimum	Benchmark	Fund Performance		FY'23	FY'24*		
WAM (In Years)	0.55	0.82	1.00	3.00	Total Return		-	20.39%		
Duration (In Days)	200	300	1	1095	Benchmark Return		-	20.40%		
					Peer Average		-	20.27%		
					Peer Ranking		-	24 out of 49		
*For the period from January 31, 2024 to June 30, 2024										

Fund Stability Analysis

The HBL Mehfooz Munafa Fund Plan I ('HBL-MMFP-I' or 'the Plan') has been assigned a rating of AA+(f) for fund stability. This rating indicates a high degree of stability in the Net Asset Value (NAV) of the fund. The fund's risk profile is modest but may vary slightly due to changing economic conditions.

Asset Allocation:

Launched in January'24, with the Asset Under Management (AUM) of Rs.5.0b, the AUM of the Plan witnessed a subdued growth, coming in at Rs. 5.3b in Jun'24. The asset allocation strategy of the Plan has remained in line with the parameters as defined in the offering document, with T- Bills, on average, accounting for ~83% of the Plan's portfolio while cash comprised ~17% of the investments.

Credit Quality:

The credit quality exposures of the Plan have remained above the minimum rating threshold as per the offering document, which permits investments in instruments rated AA and above. On average, the Plan's portfolio is primarily composed of Govt Sec/AAA rated securities, indicative of a sound credit quality. Going forward, maintaining credit quality is crucial for sustaining current rating.

Market and Liquidity Risk:

The maturity of the Plan is one year. As per the offering document, the weighted average to maturity (WAM) of the 90% assets shall not exceed the maturity of the Plan, which the Plan has adhered to.

HBL-MMFP-I consists of a single unrelated corporate client, indicating a high concentration risk. However, the risk is mitigated by the plan's asset allocation strategy, with investments primarily held in liquid assets, thereby reducing the redemption risk.

Fund Performance:

As at June'24, the fund generated a return of 20.39%, slightly underperforming its benchmark of 20.40%, while outperforming its peer average of 20.27%.

Financial Snapshot

BALANCE SHEET	FY23	FY24*
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY23	FY24*
Total Income	-	430.4
Profit Before Tax	-	421.4
Profit After Tax	-	421.4
RATIO ANALYSIS	FY23	FY24*
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

*For the period from January 31, 2024 to June 30, 2024

Regulatory Disclosures			
Name of Rated Fund	HBL Mehfooz Munafa Fund Plan I	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)	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		

Lead Analyst	Analyst
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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.