

HBL Financial Sector Income Fund Plan-I (HBL-FSIFP-I)

Managed By: HBL Asset Management Limited

Fund Stability Rating

Latest Rating

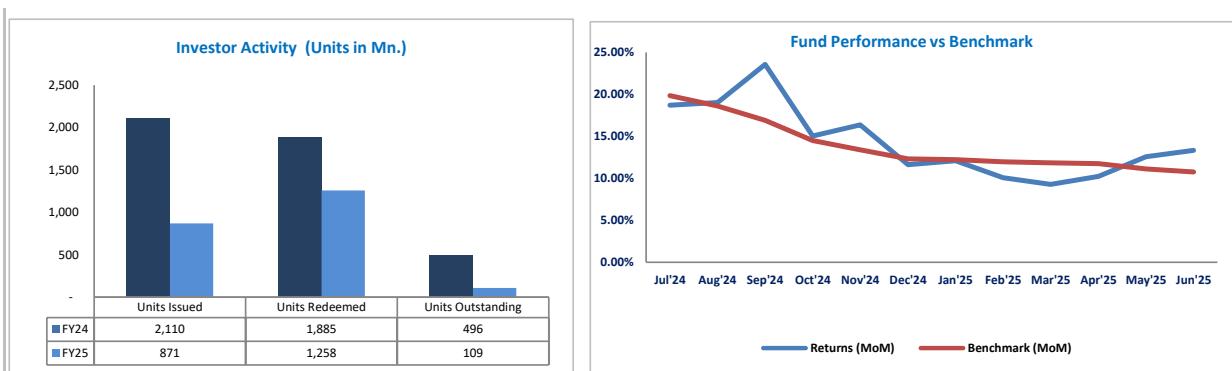
A+(f)

29-Dec-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 18, 2022			HBL Financial Sector Income Fund Plan-I (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered into on November 16, 2021, between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.			
Fund Type	Open End						
Category	Income Scheme						
Risk Profile	Medium						
Auditor	BDO Ebrahim & Co., Chartered Accountant						
Trustee	Central Depository Company of Pakistan Limited						
Front-end Load	Up to 2%						
Back-end Load	Nil						
Benchmark	75% six (6) months KIBOR rates + 25% six (6) months avg. deposit rate (3) AA rated Banks by MUFAP						
MQR Rating	AM1 (VIS)						
Mgt. Fee	1.25% P.A						
Offering Document (Extract)							
Description	Minimum rating	Min- Max Limits					
Government Securities	-	0%-50%					
Cash and near cash instruments which include cash in bank accounts with banks including Microfinance banks (excluding TDR's), government securities not exceeding 90 days maturity *	A and above	25%-100%					
Term Deposits Receipts , COMS / COIs / LOPs / COILs / & other Money Market Instruments issued by Banks (including Microfinance Banks) and Financial Institutions	A and above	0%-75%					
Commercial Papers/Short-term Sukus etc. and any other money market securities;	A and above	0%-75%					
Reverse Repo Against Government Securities, where maximum maturity of the underlying security will be one year	A and above	0%-50%					
Debt securities including TFCs/ Sukus	A and above rating for Entity and Instrument	0%-75%					
MTS, Spread Transactions	-	0%-40%					
Any other securities or instruments that may be permitted or approved under the SECP Rules, Regulations or any other directive from time to time.	A and above	0%-30%					
Exchange Traded Funds	-	0%-10%					
Net Assets							
	Jun'23	Jun'24	Jun'25				
Net Assets (In PKR' Millions)	27,434	50,709	11,255				
Asset Allocation - Jun'25			Credit Quality - Jun'25				



Credit Quality (FY'25)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'24 Avg.	FY'25 Avg.
Govt Sec/AAA	31.15%	52.27%	22.12%	Cash	61.48%	39.06%
AA+	20.38%	33.49%	0.45%	MTS/Spread Transaction	4.63%	3.77%
AA	0.24%	0.43%	0.18%	PIBs Floater	2.96%	0.00%
AA-	9.92%	0.43%	0.64%	Stock/Equities	0.06%	0.86%
A+	29.33%	36.74%	21.63%	TFC/Sukuks	3.80%	2.58%
A	0.00%	0.00%	0.00%	T-Bills	3.53%	6.98%
NR	8.98%	31.89%	3.74%	Commercial Paper	0.00%	0.00%
Total	100.00%			Gov backed/Guaranteed Sec	8.25%	0.00%
				Placements with Banks and DFIs	10.90%	27.72%
				Others	4.40%	4.35%
				Total	100%	100%

Portfolio Maturity (FY'25)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'24	FY'25
WAM in year(s)	0.75	1.99	0.49	4.00	Total Return (YTD)	22.11%	15.32%
Duration (In Days)	71	103	58	1460	Benchmark Return	18.82%	13.79%

Fund Stability Analysis																																						
<p>The HBL Financial Sector Income Fund Plan-I ('HBL-FSIFP-I' or 'the Plan') has been assigned a rating of A+(f). This rating indicates a moderate degree of stability in the net asset value (NAV) of the fund, with risk factors that may vary with possible changes in the economy.</p> <p>Asset Allocation: During FY25, the Plan's Assets under Management (AUM) exhibited significant decline, reaching Rs. 11b in June'25 (June'24: Rs. 51b). The fund has remained compliant with the asset allocation parameters set within the offering document. During FY25, on a month-on-month average basis, the Plan has invested majorly in cash, accounting for 39.1% of the total portfolio, while the remaining investments were placed in placements with Banks and DFIs (27.7%), PIBs (14.7%), MTS/Spread transactions (3.8%), and others (4.4%).</p> <p>Credit Quality: During the review period, the Plan's credit quality exposures remained fully compliant with the limits prescribed in the offering document, which prohibits investments in issues or issuers rated below 'A'. On average, around 31% of the portfolio was allocated to Government Securities and AAA-rated issuers, followed by A+ rated exposures accounting for approximately 29.3%. Investments in AA+ rated issuers represented about 20.4% of the portfolio on average. In addition, cash placements were maintained with banks meeting the minimum rating criteria set out in the policy, ensuring continued adherence to established credit quality standards.</p> <p>Market and Liquidity Risk: Weighted Average Maturity (WAM) is capped at 4 years as per the fund's IPS. During FY25, average WAM of the Plan stood at 274 days, well within the defined threshold.</p> <p>The Plan's liquidity profile is sound, supported by a high allocation to liquid assets representing about 74% of investments. The investor base is reasonably diversified, with retail investors comprising around 56% of AUM and unrelated corporates accounting for approximately 43%, supporting effective liquidity management.</p> <p>Fund Performance: As of June'25, the Plan generated an annualized return of 15.32% against a benchmark of 13.79%. Relative to its peers, the Plan ranked 26th out of 46 income funds, placing it in the third quartile.</p>																																						
<p>Financial Snapshot</p> <table border="1"> <thead> <tr> <th></th> <th>FY24</th> <th>FY25</th> </tr> </thead> <tbody> <tr> <td>BALANCE SHEET</td> <td></td> <td></td> </tr> <tr> <td>Paid Up Capital</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Total Equity</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>INCOME STATEMENT</td> <td></td> <td></td> </tr> <tr> <td>Total Income</td> <td>8,684.0</td> <td>7,984.7</td> </tr> <tr> <td>Profit Before Tax</td> <td>7,963.7</td> <td>7,208.0</td> </tr> <tr> <td>Profit After Tax</td> <td>7,963.7</td> <td>7,208.0</td> </tr> <tr> <td>RATIO ANALYSIS</td> <td></td> <td></td> </tr> <tr> <td>Current Ratio (x)</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Gearing (x)</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>FFO</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>				FY24	FY25	BALANCE SHEET			Paid Up Capital	N/A	N/A	Total Equity	N/A	N/A	INCOME STATEMENT			Total Income	8,684.0	7,984.7	Profit Before Tax	7,963.7	7,208.0	Profit After Tax	7,963.7	7,208.0	RATIO ANALYSIS			Current Ratio (x)	N/A	N/A	Gearing (x)	N/A	N/A	FFO	N/A	N/A
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Regulatory Disclosures			
Name of Rated Fund	HBL Financial Sector Income 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	29-Dec-25	A+(f)	Reaffirmed
Fund Stability	3-Mar-25	A+(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 Methodology	https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf		
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.