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Analysts: Muniba Khan
Sidra Ahsan Qureshi

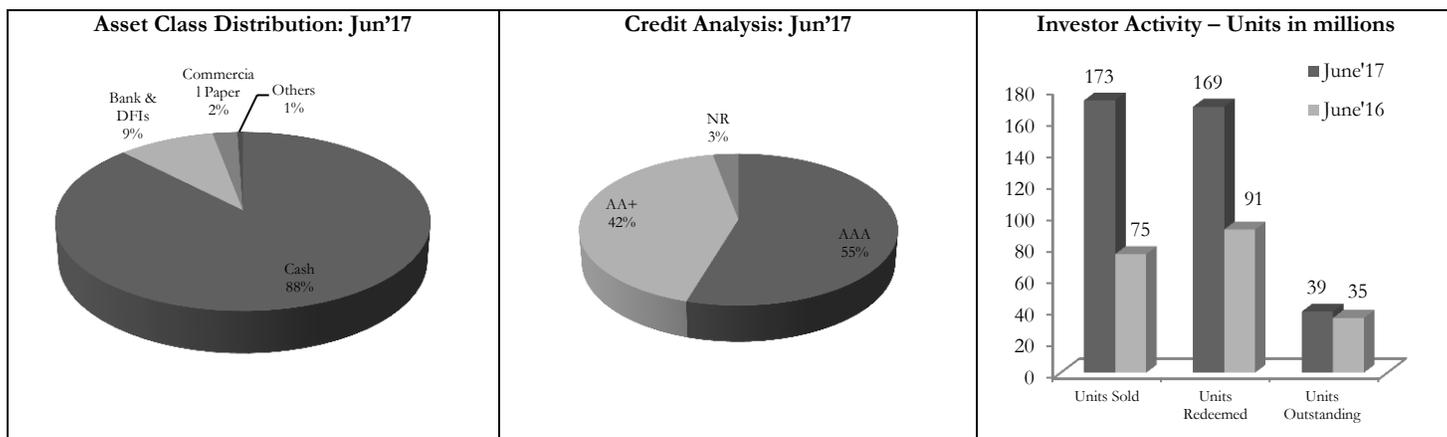
Investment Objective

The objective of the fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

HBL Money Market Fund		
Rating Category	Latest	Previous
Fund Stability Rating	AA(f) <i>Dec 29, 2017</i>	AA(f) <i>Jan 05, 2017</i>
AMC	HBL Asset Management Limited	
External Auditors – Fund	Deloitte Yousuf Adil & Co.	
Fund Managers	Mr. Faizan Saleem	
Trustee	Central Depository Company	
Front-end Load	-	
Back-end Load	-	
Management Fee	1% per annum	
Benchmark	70% 3 month PKRV & 30% 3 month deposit rate	

HBL MMF		
	FY17	FY16
Type of Scheme	Money Market	
Return (%)	6.5%	5.1%
Benchmark (%)	5.3%	5.5%
Peer Average (%)	6.8%	5.5%
Relative Ranking	13/21	19/22
Fund Size (in Rs. m)	3,942	3,514
Retail (%)	49%	23%
Associates (%)	5%	20%
Number of Investors	1,104	730
Top 10 Investors / AUMs	47%	72%
WATM (<i>Weighted Average Time to Maturity</i>)	19 days	13 days
Duration	18 days	13 days
Asset Allocation (<i>at end June</i>)		
<i>T-Bills</i>	-	34%
<i>PIBs</i>	-	-
<i>TFCs/Sukuks</i>	-	-
<i>Certificate of Investments</i>	-	2%
<i>Cash</i>	88%	48%
<i>Banks & DFIs</i>	9%	10%
<i>MTS</i>	-	-
<i>Commercial Paper</i>	2%	-
<i>Others (including receivables)</i>	1%	6%

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HBL Money Market Fund (HBL MMF) is an open ended fund which offers high liquidity by investing in shorter duration securities. Net assets of the funds increased to Rs. 3.9b (FY16: Rs. 3.5b) at end-FY17, largely emanating from retail investors. As per the internal investment policy, the fund may park its assets in government paper or as deposits in financial institutions.

Table 1: Offering document (extract)

Description	Min-Max limits	Min-Max Actual	Min Rating
Treasury Bills and other Government Securities	0%-100%	0%-92%	-
Reverse Repo against Government Securities or other authorized investments	0%-50%		AA
Deposits with / Lending (under LOP) to scheduled banks	0%-100%		AA
Securities issued by Government owned, controlled or managed entities provided that such securities are backed by an irrevocable and unconditional Government guarantee	0%-20%		AA
Deposits with / Lending (under LOP) to DFIs	0-10%		AA
Certificate of Deposits (CODs), Certificate of Investment (COIs), Certificate of Musharaka	0-10%		AAA
Foreign Money Market Investments	30% (cap of \$15m)		AA

The Investment Committee (IC) comprises Chief Executive Officer, Chief Investment Officer, Head of Research, Manager Risk, Head of Fixed Income and Senior Fund Manager Fixed Income. Investment decisions are consensus based.

Asset Allocation

Table 2: Asset Allocation

Assets	Jun'17	Jun'16	Average
T-Bills	-	34%	26%
Banks and DFIs	9%	12%	15%
Cash	88%	48%	56%
PIBs	-	-	1%
Commercial Paper	2%	-	0%
Others	1%	6%	1%
Total	100%	100%	100%

On a month end average, more than half of the fund's assets have been parked as cash while the remaining has been invested largely in government paper and deposits. As compared to preceding year, the fund altered its asset allocation with a higher quantum of assets held in the form of cash. As at end June'17, 88% (FY16: 48%) of net assets were allocated to cash.

Credit & Market risk

Table 3: Credit Quality Summary- FY17

Credit Quality	Average	Maximum	Minimum
Government Securities	19%	59%	0%
AAA	36%	73%	1%
AA+	38%	96%	2%
AA	5%	20%	0%
NR	1%	3%	0%

The fund is allowed to invest in issuer/issue with a minimum credit rating of 'AA'. Complying with the requirements, the fund invested in AA and above rated instruments/entities.

Table 4: Risk Summary-FY17

	Average	Maximum	Minimum
WATM (days)	35	67	4
Duration (days)	35	66	4

Over FY17, Weighted Average Time to Maturity remained under the specified limit of 90 days. Given greater funds held as cash, WATM was reported lower as compared to last year (FY17: 30 days; FY16: 54 days).

Liquidity Profile

Based on higher investment by retail investors, retail proportion increased to 49% (FY16: 23%) as at end June'17. Similarly, number of investors also increased to 1,107 (FY16: 730). Attributable to change in unit holding, granularity in investment improved as reflected in lower top-10 investor concentration (FY17: 47%; FY16: 72%).

Fund Performance

Figure 1: Monthly return Vs. Benchmark

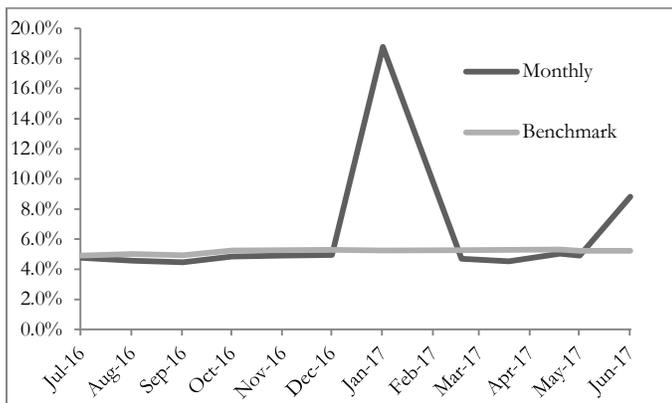


Table 5: Fund performance

	FY17	FY16
Return (%)	6.5%	5.1%
Benchmark (%)	5.3%	5.5%
Peer Average	6.8%	5.5%
Relative Ranking	13/21	19/22

Against benchmark defined as a weighted average of 3 month PKRV & 3 month deposit rate, the fund underperformed during the outgoing year. Moreover, the fund generated a return of 6.5% below the peer average of 6.8% mainly due to higher fund management fee. Nevertheless, relative to peers, fund's ranking improved to 13 out of 21 peers in FY17 (FY16: 19 out of 22 peers)

JCR-VIS Credit Rating Company Limited

Technical Partner – IIRA, Bahrain | JV Partner – CRISL, Bangladesh

Rating History

Rating Date	Medium to Long Term	Outlook	Short Term	Rating Action
<u>RATING TYPE: Fund Stability</u>				
29-Dec-17	AA(f)	-	-	Reaffirmed
05-Jan-17	AA(f)	-	-	Reaffirmed
14-Jan-16	AA(f)	-	-	Reaffirmed
26-Dec-14	AA(f)	-	-	Reaffirmed
21-Oct-13	AA(f)	-	-	Reaffirmed
29-Mar-12	AA(f)	-	-	Harmonized