

HBL Income Fund

Fund Manager's Report
August 2008

Investment Objective:

The objective of HBL Income Fund is to provide a stable stream of income with a moderate level of risk by investing in fixed income securities.

Fund Information :

Fund Type	Open End Income Fund
Currency	Pak Rupee (PKR)
Management Company	HBL Asset Management Limited
Registrar	HBL Asset Management Limited
Trustee	Central Depository Company of Pakistan Ltd.
Auditors	A. F. Ferguson & Co.
Sales Load	N I L
Min. Investment Amount	PKR 5,000
Management Fee	1.50% per annum
NAV per Unit	PKR 101.86

Fund Manager

M. Amir Khan

Fund Size:

PKR 5.187 billion

Benchmark

1 Month Kibor

Fund Return:

August 2008	11.00 %
Last 3 Months Average	9.75 %
Year to Date	10.40 %

Fund Manager's Commentary

Due to the liquidity crunch in the system 1-Month average Kibor rate advanced to 12.96% in August 2008 as against 12.85% in July 2008. With hostile inflationary pressures and swelling current account deficit, we believe that the Central bank would maintain a firm monetary stance.

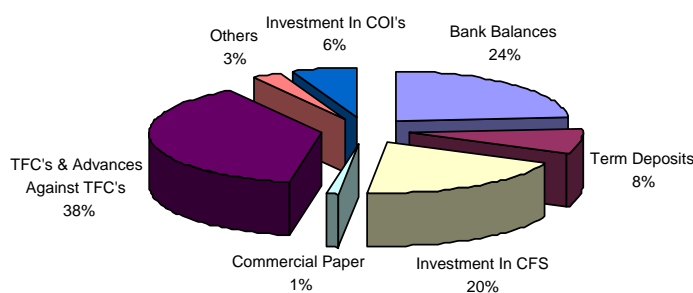
Due to the lesser volumes in the equity market, average CFS rate declined to 14.36% in August 2008 from 14.79% in July 2008. TFCs prices were down due to selling pressure. As a result, mark to market losses were witnessed in certain TFC's held in the Fund's portfolio.

Cutoff rate for 3 months T-bill was increased to 12.2959% on 15 August 2008 followed by another increase to 12.5631% on 28 August 2008. Cutoff for 6 months T-bill and 12 months bill remained unchanged at 11.50% and 11.84% respectively, as there were no bids in 6 months and 12 months tenure from Commercial Banks.

The annualized return for the month of August 2008 increased to 11% as against 9.29% in July 2008. The Fund under management declined by Rs 0.123 billion to Rs 5.187 billion as on 31 August 2008 due to redemptions.

During the month under review, the Fund's exposure in bank balances and CFS was increased while exposure in COIs was reduced.

Asset Allocation As on August 31, 2008



TFC Rating		Banks Ratings (TDR/Deposits)		Entities Ratings (COIs/CP)	
Rating	% of Total	Rating	% of Total	Rating	% of Total
AA+	10%	AAA	66%	AA	71%
AA	63%	AA+	1%	A	29%
AA-	6%	AA	1%		
A+	4%	A+	20%		
A	12%	A-	12%		
A-	5%				
Total	100%	Total	100%	Total	100%

Disclaimer:

All investments in mutual funds and securities are subject to market risk. The NAV based price of these units and any dividends and return thereon are dependant on forces and factors affecting the capital markets. These may go up or down on market conditions. Past performance is not necessarily indicative to future results. Please read the offering document to understand the investment policies and the risk involved.

HBL Stock Fund

Fund Manager's Report
August 2008

Investment Objective:

The objective of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments.

Fund Type	Open End Stock Fund
Currency	Pak Rupee (PKR)
Management Company	HBL Asset Management Limited
Registrar	HBL Asset Management Limited
Trustee	Central Depository Company of Pakistan Ltd.
Auditors	A. F. Ferguson & Co.
Sales Load	2.5 % (Front-end)
Min. Investment Amount	PKR 5,000
Management Fee	3.0% per annum
NAV per Unit	PKR 78.32

Fund Manager

M. Amir Khan

Fund Size:

PKR 1.494 billion

Fund Return:

July 2008

-8.61%

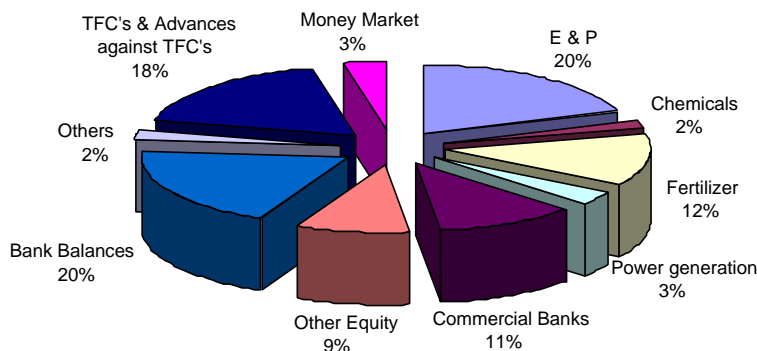
Benchmark

KSE-100 Index

Benchmark Return For
the Month of June 2008

-13%

Asset Allocation As On August 31, 2008



Fund Manager's Commentary

The month of August was full of political events. The resignation of President Musharraf, breaking of the coalition (PPP and PMLN) and the nomination of Mr. Zardari as President from the ruling party, PPP, were the main movers of market sentiment.

Out of 20 trading sessions in August 2008, the market was down on 10 trading sessions. The KSE-100 index which was 10,584 points as on July 31, 2008 slipped to close at 9,208 points as on August 31, 2008, thereby showing a decline of 13%.

The market remained silent to all good news like the introduction of demutualization bill in the assembly, the fast track privatization program announced by government including strategic sale of OGDC and better than expected results by blue chip companies.

The management of KSE once again intervened in the market and put a freeze at the level of 9,145 points to avoid further fall. Freezing of market sent the investors to the back seat as average daily volumes were as low as 44 million shares in the last week of August 2008, compared to average daily volumes of 73 million shares for the whole month.

In spite of 13% decline in KSE-100 index, the NAV of your fund declined by only 8.61%, thereby out performing the market by a reasonable margin. Your fund was invested to the extent of 57% in equities, 18% in TFC's, 3% in money market instruments, 20% in bank balances and 2% in others.

Top Ten Equity Holdings:

1. Engro Chemicals Pakistan Limited
2. Fauji Fertilizer Company Limited
3. Fauji Fertilizer Bin Qasim Limited
4. Habib Bank Limited
5. Hub Power Company Limited
6. Oil & Gas Development Corporation Limited
7. Pakistan Petroleum Limited
8. Pakistan Oilfields Limited
9. Pakistan Telecommunication Limited
10. United Bank Limited

(Note: The holdings are listed in alphabetical order)

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HBL ASSET MANAGEMENT

HBL Multi-Asset Fund

Fund Manager's Report
August 2008

Investment Objective:

The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as Equity, Equity related instruments, Fixed Income Securities, Continuous Funding System, Derivatives and money market instruments etc.

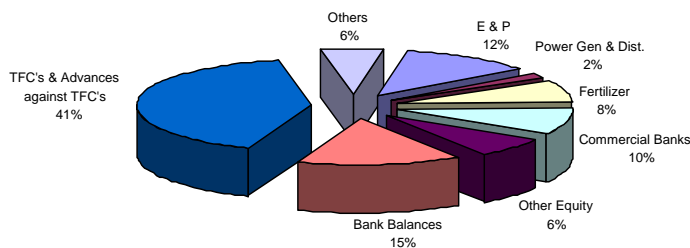
Fund Information :

Fund Type	Open End Balanced Fund
Currency	Pak Rupee (PKR)
Management Company	HBL Asset Management Limited
Registrar	HBL Asset Management Limited
Trustee	Central Depository Company of Pakistan Ltd.
Auditors	A. F. Ferguson & Co.
Sales Load	2.0 % (Front-end)
Min. Investment Amount	PKR 5,000
Management Fee	2.0% per annum
NAV per Unit	PKR 83.77

Fund Manager M. Amir Khan

Fund Size: PKR 639 million

Asset Allocation As On August 31, 2008



Fund Manager's Commentary

Due to the liquidity crunch in the system 1-Month average Kibor rate advanced to 12.96% in August 2008 as against 12.85% in July 2008. With hostile inflationary pressures and swelling current account deficit, we believe that the Central bank would maintain a firm monetary stance.

Cutoff rate for 3 months T-bill was increased to 12.2959% on 15 August 2008 followed by another increase to 12.5631% on 28 August 2008. Cutoff for 6 months T-bill and 12 months bill remained unchanged at 11.50% and 11.84% respectively, as there were no bids in 6 months and 12 months tenure from Commercial Banks.

The month of August was full of political events. The resignation of President Musharraf, breaking of the coalition (PPP and PMLN) and the nomination of Mr. Zardari as President from the ruling party, PPP, were the main movers of market sentiment.

Out of 20 trading sessions in August 2008, the market was down on 10 trading sessions. The KSE-100 index which was 10,584 points as on July 31, 2008 slipped to close at 9,208 points as on August 31, 2008, thereby showing a decline of 13%. The market remained silent to all good news like the introduction of demutualization bill in the assembly, the fast track privatization program announced by government including strategic sale of OGDC and better than expected results by blue chip companies.

The management of KSE once again intervened in the market and put a freeze at the level of 9,145 points to avoid further fall. Freezing of market sent the investors to the back seat as average daily volumes were as low as 44 million shares in the last week of August 2008, compared to average daily volumes of 73 million shares for the whole month.

The fund size decreased by 5.61% to Rs.639 million in August 2008 as against a decrease of 5.84% in July 2008. The NAV of the fund decreased by 5.46% in the month of August 2008 as against a decrease of 5% in July 2008. Your fund was invested to the extent of 38% in equities, 41% in TFC's, 15% in cash and 6% in others.

Top Equity Holdings:

1. BOC Pakistan Limited
2. Engro Chemical Pakistan Limited
3. Fauji Fertilizer Company Limited
4. Fauji Fertilizer Bin Qasim Limited
5. Habib Bank Limited
6. National Bank of Pakistan
7. Oil and Gas Development Company Limited
8. Pakistan Oilfields Limited
9. Pakistan Petroleum Limited
10. The Hub Power Company Limited

(Note: The holdings are stated in alphabetical order)

HBL ASSET MANAGEMENT

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