

HBL Income Fund

Fund Manager's Report
August 2009

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 96.22

Fund Manager

M. Amir Khan

Fund Size:

PKR 2.38 billion

Benchmark

1 Month Kibor

Comparison Fund

Return Vs Bench Mark :

	Fund Return	Bench Mark
August 2009	8.84%	12.51%
Last 3 Months Average	8.73%	12.45%
Year to Date	15.02%	12.25%

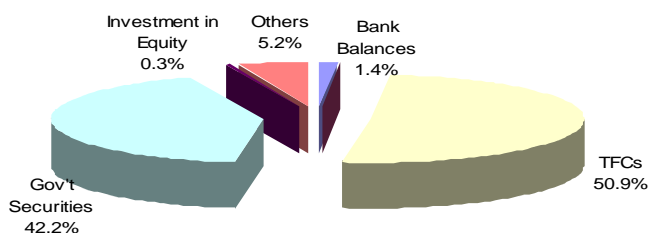
Fund Manager's Commentary

The Money Market continued to stay volatile during the first half of the month in anticipation of the monetary policy, which was announced by the State Bank of Pakistan on 15th of August, 2009. SBP reduced the policy rate by 100 Bps to 13.00%. The rate cut was lower than the market expectations as a result of which yields on treasury bills and bonds rose sharply.

SBP conducted its fortnightly T-Bill auction on 13th Aug 2009, heavy participation was witnessed specially in the 12-Month tenor. The Cut off rates for 12-Months T-bill increased by 35 Bps to 12.2292% from 11.8769%. A total of PKR 89.4 billion worth of T-bills were sold against a target of PKR 80 billion. Bids for 3 & 6 months were rejected. The second auction which was conducted after the announcement of the monetary policy by SBP produced different results and a sharp increase in Cut off yields was witnessed. A total of PKR 43.2 billion worth of T-bills were sold against a target of PKR 60 billion. The cut off rate for 3, 6 & 12-month T-bills increased by 95, 104 & 22 basis points to 12.3700%, 12.5517% and 12.4442% respectively.

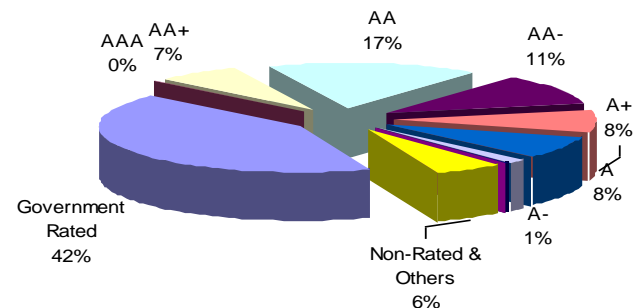
KIBOR showed an increasing trend during the month as 1-Month KIBOR started off at 12.29% and closed at 12.64%. The less than expected cut in discount rate is one of the reasons for this increase in KIBOR along with shortage of liquidity caused by Ramadan and Eid outflows. The average 1-Month KIBOR increased by 51 basis points to 12.51% in August 2009 compared to 12.00% in July 2009

Asset Allocation as on August 31 , 2009



TFC prices on selective counter showed slight decline the activity however remained limited.

Asset Quality as on August 31 , 2009



Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB
TFC	-	11.13%	33.33%	21.56%	15.00%	15.78%	2.58%	0.62%
Bank Deposits / TDR	10.36%	87.18%	2.07%	-	0.32%	0.07%	-	-

HBL ASSET MANAGEMENT

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 Multi-Asset Fund

Fund Manager's Report
August 2009

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 89.37
Fund Manager	M. Amir Khan

Fund Size:

PKR 633 million
50% KSE-100 Index and 50%
One Month KIBOR

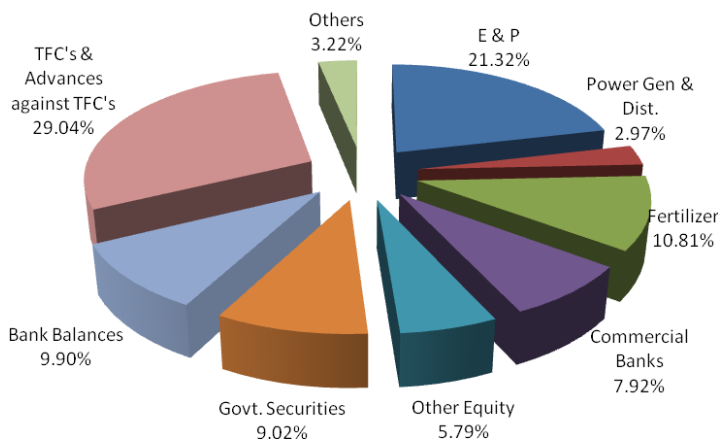
Benchmark

Comparison Fund Return

Vs Bench Mark :

	Fund Return	Bench Mark
August 2009	6.25%	6.70%
Last 3 Months Average	3.62%	3.03%
Year to Date	10.42%	11.08%

Asset Allocation As on August 31, 2009



Fund Manager's Commentary

The Money Market continued to stay volatile during the first half of the month in anticipation of the monetary policy, which was announced by the State Bank of Pakistan on 15th of August, 2009. SBP reduced the policy rate by 100 Bps to 13.00%. The rate cut was lower than the market expectations as a result of which yields on treasury bills and bonds rose sharply.

KIBOR showed an increasing trend during the month as 1-Month KIBOR started off at 12.29% and closed at 12.64%. The less than expected cut in discount rate is one of the reasons for this increase in KIBOR along with shortage of liquidity caused by Ramadan and Eid outflows. The average 1-Month KIBOR increased by 51 basis points to 12.51% in August 2009 compared to 12.00% in July 2009

KSE-100 index closed at 8,675.67 points at the end of August 2009 from 7,720.93 points at the start of August 2009, showing a net gain of 12.37%. The market generally remained bullish during the month as out of 20 trading sessions during August 2009, 12 sessions were closed with gains. The market increased gradually till the 21st of the month followed by a sharp increase till month end.

Important events that kept the sentiment positive during the month included the approval of third tranche and additional loan for budget financing by IMF to help the country to address the increasing balance of payment and stabilizing the currency, decrease in key policy rate by 100bps to 13% by the State Bank and raise in the country's rating by S&P to B- with stable outlook. After one week S&P raised Pakistan's long-term sovereign rating to B-minus from CCC+.

Your fund was invested to the extent of 48.82% in equities, 29.04% in TFC's, 9.02% in Govt. Securities, 9.9% in cash and 3.22% in others.

Top Equity Holdings:

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

(Note: The holdings are stated in alphabetical order)

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HBL Stock Fund

Fund Manager's Report
August 2009

Investment Objective:

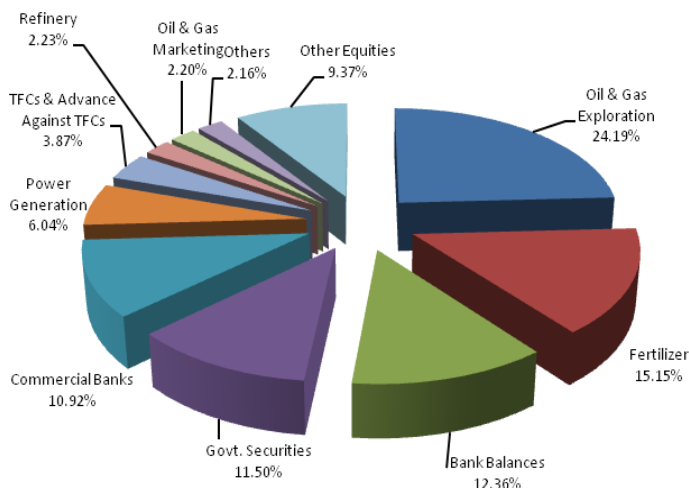
The objective of the Fund is to provide long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments.

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 87.24
Fund Manager	M. Amir Khan
Fund Size:	PKR 1.608 Billion
Benchmark	KSE-100 Index

Comparison Fund Return Vs Bench Mark :

	Fund Return	Bench Mark
August 2009	8.40%	12.37%
Last 3 Months Average	4.43%	7.50%
Year to Date	14.52%	21.13%

Asset Allocation As on August 31, 2009



Fund Manager's Commentary

KSE-100 index closed at 8,675.67 points at the end of August 2009 from 7,720.93 points at the start of August 2009, showing a net gain of 12.37%. The market generally remained bullish during the month as out of 20 trading sessions during August 2009, 12 sessions were closed with gains. The market increased gradually till the 21st of the month followed by a sharp increase till month end.

Important events that kept the sentiment positive during the month included the approval of third tranche and additional loan for budget financing by IMF to help the country to address the increasing balance of payment and stabilizing the currency, decrease in key policy rate by 100bps to 13% by the State Bank and raise in the country's rating by S&P to B- with stable outlook. After one week S&P raised Pakistan's long-term sovereign rating to B-minus from CCC+.

On the last two sessions of the month, KSE-100 surged by 360 points on the back of inflow from foreign investors.

Average daily trading volume remained slightly less during the month and stood at 155.26m shares against the average daily volume of 161.90m shares during July 2009.

Top Ten Equity Holdings:

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

(Note: The holdings are listed in alphabetical order)

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