

HBL Income Fund

Fund Manager's Report
February 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 106.13 |

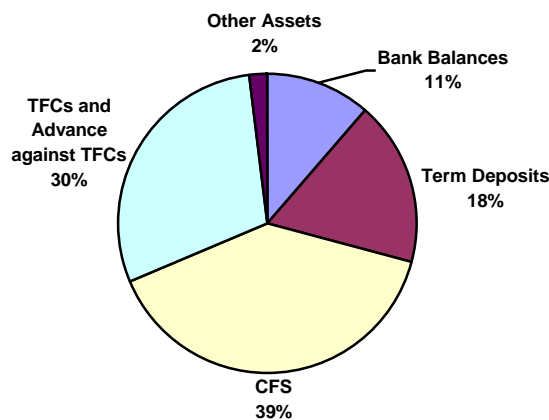
Fund Manager M. Amir Khan

Fund Size: PKR 6.39 billion

Fund Return:

| | |
|---------------|-------|
| February 2008 | 8.72% |
| January 2008 | 9.46% |

Asset Allocation as on Feb 29, 2008



Fund Manager's Commentary

CFS rates averaged to 10.83% per annum for the first half of the month. After the General Elections, CFS rates increased and averaged to 11.26% per annum. This was a result of the strong rally witnessed in the equity market, resulting in demand for funds and keeping CFS market near its cap of Rs. 55 Billion. On a month to month basis, the CFS rate averaged to 11.03% per annum, as against 11.16% per annum in the previous month.

Money Market rates inched upward in the month under review as we saw KIBOR increasing. The average One-Month KIBOR was 9.89%, increasing from 9.83% in the previous month. An increase in the cut off yields of 3, 6 & 12 Month T-Bills was also seen primarily due to the tight monetary stance maintained by the State Bank of Pakistan.

The Fund will benefit from the increase in 6-Month KIBOR as most of the TFCs are linked with it.

The Fund's exposure in Term Deposits decreased, as some were matured near the month end.

| TFC Portfolio Rating | | AA- | TDR Portfolio Rating | | AA |
|----------------------|------------|-----|----------------------|------------|----|
| Rating | % of total | | Rating | % of total | |
| AA+ | 2.12 | | AA+ | 21.74 | |
| AA | 70.47 | | AA | 43.48 | |
| AA- | 6.46 | | AA- | 17.39 | |
| A+ | 1.79 | | A+ | 17.39 | |
| A | 16.71 | | | | |
| A- | 2.45 | | | | |
| 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 ASSET MANAGEMENT

HBL Stock Fund

**Fund Manager's Report
February 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 Information :

| | |
|------------------------|---|
| 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 108.87 |

Fund Manager M. Amir Khan

Fund Size: PKR 2.00 billion

Fund Manager's Commentary

Dull activity in the first week of the month was witnessed as the KSE-100 Index made a low of 13,885 points as on February 11, 2008, after starting the month from 14,017 points. This was followed by a strong bull run and the index made an all time high of 15,078 points as on February 28, 2008 (showing an increase of 8.59% or 1193 points). The KSE-100 Index closed at 14,934 points on February 29, 2008. A net gain of 6.54% or 917 points was recorded on MoM basis.

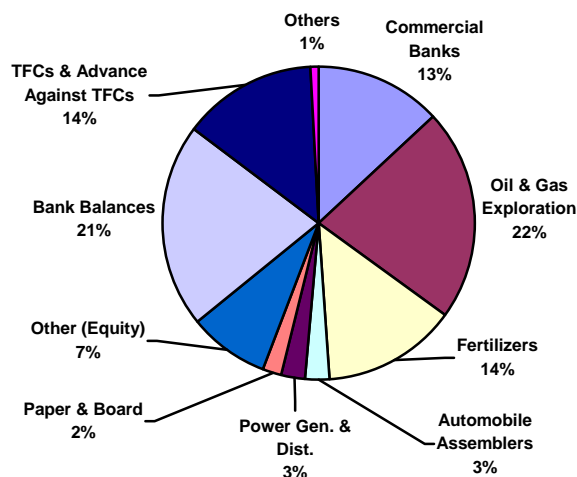
The Fund increased its exposure in Oil & Gas Exploration, Commercial Banks and Fertilizer sectors. The Fund was invested in equity shares to the extent of 64% as on February 29, 2008, compared to 51% last month.

Top Equity Holdings:

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

(Note: The holdings are stated in alphabetical order)

Asset Allocation as on Feb 29, 2008



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HBL ASSET MANAGEMENT

HBL Multi-Asset Fund

**Fund Manager's Report
February 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.

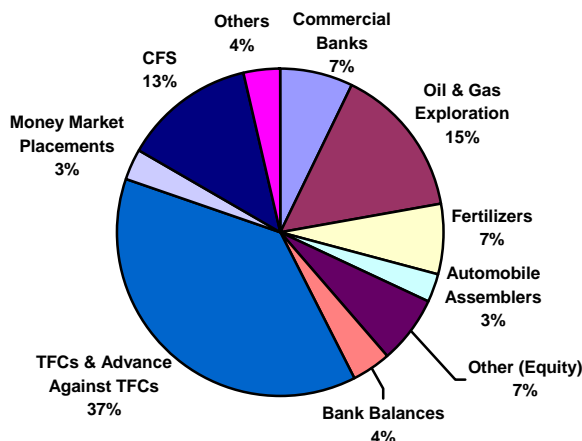
Fund Information :

| | |
|------------------------|---|
| 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 104.14 |

Fund Manager M. Amir Khan

Fund Size: PKR 616 million

Asset Allocation as on Feb 29, 2008



Fund Manager's Commentary

The KSE-100 Index made a low of 13,885 points as on February 11, 2008, after starting the month from 14,017 points. There after, a bullish trend was seen and the index made an all time high of 15,078 points as on February 28, 2008 (showing an increase of 8.59% or 1193 points). The KSE-100 Index closed at 14,934 points on February 29, 2008. A net gain of 6.54% or 917 points was recorded on MoM basis.

Money Market rates inched upward in the month under review as we saw KIBOR increasing. The average One-Month KIBOR was 9.89%, increasing from 9.83% in the previous month.

On a month to month basis, the CFS rate averaged to 11.03% per annum, as against 11.16% per annum in the previous month.

The Fund's exposure in equities increased to 39% compared to 13% in the previous month, mainly in Oil & Gas Exploration, Commercial Banks, Fertilizers and Automobile Assemblers.

The exposure in TFCs & Advance against TFCs was 37% of total assets, compared to 39% last month.

Top Equity Holdings:

11. Engro Chemical Pakistan Limited
12. Fauji Fertilizer Bin Qasim Limited
13. Fauji Fertilizer Company Limited
14. Indus Motor Company Limited
15. National Bank of Pakistan
16. Oil and Gas Development Company Limited
17. Pakistan Oilfields Limited
18. Pakistan Petroleum Limited
19. The Hub Power Company Limited
20. United Bank Limited

(Note: The holdings are stated in alphabetical order)

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HBL ASSET MANAGEMENT