

HBL Income Fund

Fund Manager's Report
January 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 96.13 |

Fund Manager

M. Amir Khan

Fund Size:

2.592 PKR billion

Benchmark

1 Month Kibor

Fund Return:

| | |
|-----------------------|--------|
| December 2008 | 12.33% |
| Last 3 Months Average | -5.51% |
| Year to Date | -2.25% |

Fund Manager's Commentary

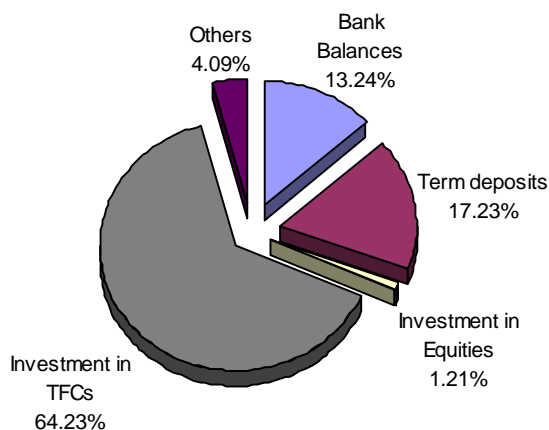
During the month under review the money market was relatively liquid. Average one month KIBOR was down by 90 basis points and stood at 13.42% by January end 2009 as compared to 14.32% for December 2008. SBP announced its Monetary Policy for the next quarter on January 31, 2009. As expected Discount rate at 15%, SLR and CRR at 19% and 5% respectively, were maintained.

SBP conducted the T-bill auction for 3 months, 6 months and 12 months tenure on January 28, 2009. The Cutoff rate for three months T-Bills declined to 13.7624% from 13.8549% and for 12 months T-Bills to 14.2072% as compared to 14.2857 in the last auction. However, Cut off rate for six month T-bills was maintained at 14.0108%.

The prices of TFCs showed some improvement on moderate trading. The CFS market was dull. The outstanding CFS reduced to Rs. 0.40 billion by January end 2009 as against Rs. 2.29 billion in December 2008.

The investment in Cash/TDRs increased from 26.76% in December 2008 to 30.47% in January 2009. Investment in TFCs was 64.23% by January end as against 62.94% in December.

Asset Allocation as on January 31st, 2009



| TFC Rating | | Bank Rating (TDR/Deposits) | |
|------------|------------|----------------------------|------------|
| Rating | % of Total | Rating | % of Total |
| AA+ | 11.48 | AAA | 41.53 |
| AA | 35.12 | AA+ | 57.39 |
| AA- | 33.66 | AA | 0.97 |
| A+ | 10.82 | A+ | 0.11 |
| A | 2.62 | | |
| A- | 2.86 | | |
| D | 3.44 | | |
| 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
January 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 60.58 |

Fund Manager

M. Amir Khan

Fund Size

PKR 1.126 billion

Benchmark

KSE-100 Index

Fund Manager's Commentary

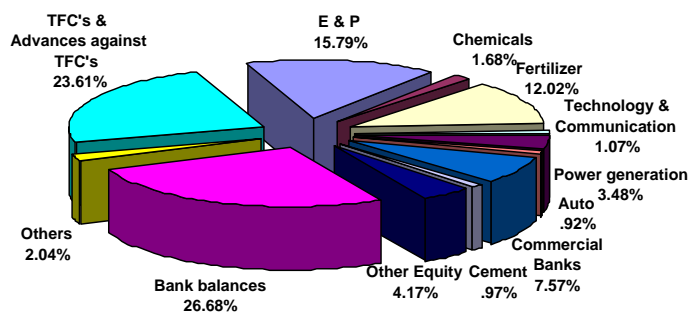
The Stock market started on a positive note with KSE-100 index moving upward from 5,753 as on 1st January 2009 to 6,144 on 9th January 2009. Thereafter the market was bearish as the KSE-100 index declined by 22% to close at 4,815 on 26th January 2009.

The Foreign Funds were net sellers. The selling pressure was compounded further on account of selling of pledge shares by Banks of such clients who were unable to meet their margin requirements. Major decline in the index was contributed by sectors such as investment banks and securities companies, banks, insurance, tobacco, food, automobile and cement. The market showed signs of recovery during the last four trading sessions when KSE-100 index increased by 12% to close at 5,377 as on 30th January 2009. The NAV of the Fund increased by 4.4% as against a decline in KSE-100 index by 8.3%.

The average daily turnover in the market was 142 million as against 40 million in December 2008. The average daily turnover at 142 million is quite healthy keeping in view that there is hardly any leverage position in the market.

Your Fund was invested to the extent of 47.67% in equities.

Asset Allocation As on January 31, 2009



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. Packages Limited
10. United Bank Limited

(Note: The holdings are listed in alphabetical order)

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HBL Multi-Asset Fund

Fund Manager's Report
 January 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.

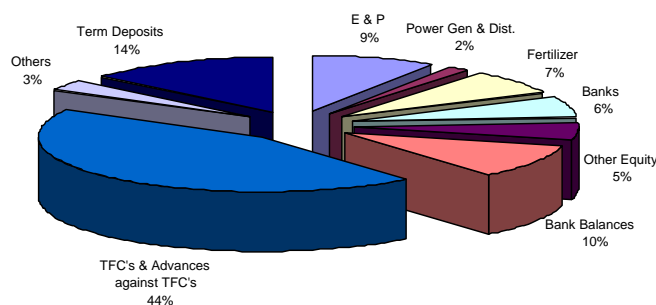
Fund Information :

| | |
|------------------------|---|
| 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 67.68 |

Fund Manager M. Amir Khan

Fund Size: PKR 494million

Asset Allocation As on January 31, 2009



Fund Manager's Commentary

During the month under review the money market was relatively liquid. Average one month KIBOR was down by 90 basis points and stood at 13.42% by January end 2009 as compared to 14.32% for December 2008. SBP announced its Monetary Policy for the next quarter on January 31, 2009. As expected Discount rate at 15%, SLR and CRR at 19% and 5% respectively, were maintained.

SBP conducted the T-bill auction for 3 months, 6 months and 12 months tenure on January 28, 2009. The Cutoff rate for three months T-Bills declined to 13.7624% from 13.8549% and for 12 months T-Bills to 14.2072% as compared to 14.2857 in the last auction. However, Cut off rate for six month T-bills was maintained at 14.0108%.

The Stock market started on a positive note with KSE-100 index moving upward from 5,753 as on 1st January 2009 to 6,144 on 9th January 2009. Thereafter the market was bearish as the KSE-100 index declined by 22% to close at 4,815 on 26th January 2009.

The Foreign Funds were net sellers. The selling pressure was compounded further on account of selling of pledge shares by Banks of such clients who were unable to meet their margin requirements. Major decline in the index was contributed by sectors such as investment banks and securities companies, banks, insurance, tobacco, food, automobile and cement. The market showed signs of recovery during the last four trading sessions when KSE-100 index increased by 12% to close at 5,377 as on 30th January 2009.

The NAV of your fund increased by 3.80% from Rs65.20 in December 2008 to Rs67.68 in January 2009. The size of your fund grew by 3.35% from Rs478 million in December 2008 to Rs494 in January 2009. Your fund was invested to the extent of 29% in equities, 44% in TFC's, 24% in cash and 3% in others.

Top Equity Holdings:

1. Engro Chemical Pakistan Limited
2. Fauji Fertilizer Company Limited
3. Fauji Fertilizer Bin Qasim 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. Packages Limited

(Note: The holdings are stated in alphabetical order)

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