

HBL Income Fund

Fund Manager's Report
January 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 105.40

Fund Manager M. Amir Khan

Fund Size: PKR 6.23 billion

Fund Return:

January 2008	9.46%
December 2007	8.39%

Fund Manager's Commentary

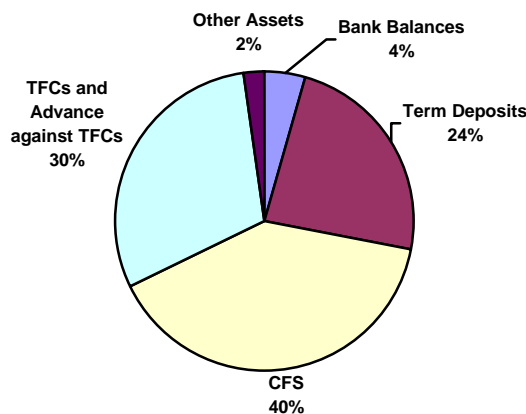
On January 31, 2008, the State Bank announced its Monetary Policy 2008. The central bank further tightened the monetary stance by announcing a 50bps hike in discount rate to 10.5%. Moreover, Cash Reserve Requirement (CRR) for all deposits under one-year maturity was raised by 100bps.

Inflation is still on the rise. The headline inflation (CPI) rose by 8.0%YoY in 1HFY08. The annualized M2 growth in the first six months of the financial year was 19.2%.

During the month of January, the average One Month Kibor slightly rose to 9.83%, increasing from 9.81% in the previous month. Whereas CFS rates averaged to 11.16%, as against 12.26% in the previous month.

Due to low rates on term deposits, the Fund increased its exposure in CFS to Rs 2.54 billion or 40% of the Fund as against 21% last month. The exposure in TFCs and Advance against TFCs was reduced to Rs. 1.91 billion or 30% as on January 31, 2008 as against Rs 2.25 billion or 34% as on December 31, 2007. The TDR/Bank Balances was reduced to Rs 1.78 billion or 28% as against 38% in December 2007.

Asset Allocation as on Jan 31, 2008



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 Stock Fund

**Fund Manager's Report
January 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 103.06

Fund Manager M. Amir Khan

Fund Size: PKR 1.91 billion

Fund Manager's Commentary

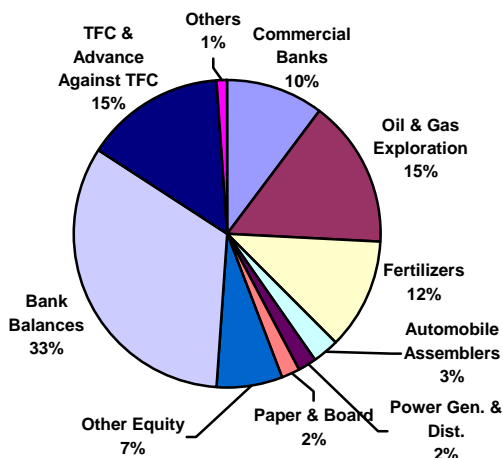
The new year started off with volatile movements in the stock market. On January 1, 2008 the KSE-100 Index opened at 14,076 points, falling by 722 points in the first two days and then rising by 906 points the next two days. The market was mostly bearish afterwards and was 13,674 points on January 17, 2008. Thereafter upward movement was observed in the market. The KSE 100 Index closed at 14,017 points on January 31, 2008. Volumes were low through-out the month, averaging to 238 million shares.

The NAV of the Fund increased from Rs. 102.40 as on December 31, 2007 to Rs. 103.06, thereby showing an increase of 0.64% as against a decline of 0.42% in KSE 100 Index.

The Fund remained invested mainly in Oil & Gas Exploration, Fertilizers, Commercial Banks and Automobile. In view of political uncertainties and keeping in view the macro economic indicators not keeping in line with the targets the fund remained liquid up to the extent of 33% in order to take advantage of any dip in the market.

The Fund increased its exposure in TFCs & Advance against TFCs from 5% to 15% of total assets.

Asset Allocation as on Jan 31, 2008



Top Equity Holdings:

1. Engro Chemical Pakistan Limited
2. Fauji Fertilizer Bin Qasim Limited
3. Fauji Fertilizer Company Limited
4. Habib Bank Limited
5. NIB Bank Limited
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)

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HBL ASSET MANAGEMENT

HBL Multi-Asset Fund

**Fund Manager's Report
January 2008**

Investment Objective:

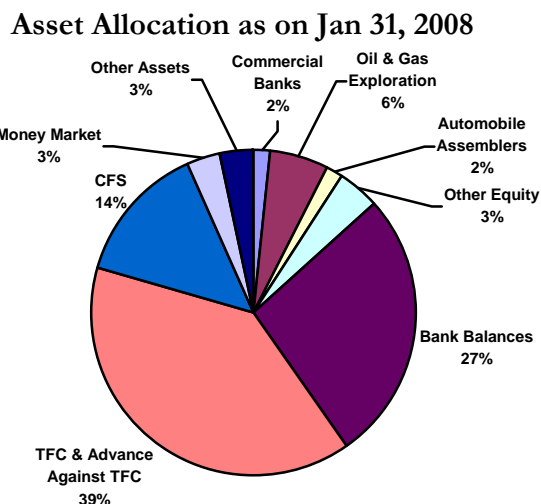
The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as Equity, Equity related instruments, Fixed Income Securities, Continuous Funding System, Derivatives and money market instruments etc.

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 101.07

Fund Manager M. Amir Khan

Fund Size: PKR 597 million



Fund Manager's Commentary

By the grace of Allah, we successfully launched our third fund, being our first Open End Balanced Fund. The fund was offered for Initial Public Offering (IPO) on December 14, 2007 to December 17, 2007.

The new year started off with volatile movements in the stock market. On January 1, 2008 the KSE-100 Index opened at 14,076 points, moving both ways through-out the month. The month low close was 13,353 points, on January 2, 2008, while the month high was 14,319, on January 8, 2008. The KSE-100 Index closed at 14,017 points on January 31, 2008. On month to month basis the market fell by 0.42% in January.

During the month of January, the average One Month Kibor slightly rose to 9.83%, increasing from 9.81% in the previous month. Whereas CFS rates averaged to 11.16%, decreasing from 12.26% in the previous month.

The Fund's exposure in TFCs and Advance against TFCs and CFS was 39% and 14% respectively as on January 31, 2008. The investment in equity stood at 13% as at January 31, 2008. A reasonable position was kept liquid to take advantage of market opportunities.

Going forward, we will continue to build a quality portfolio of equity and fixed income securities based on strong fundamentals to achieve the investment objective of HBL Multi-Asset Fund.

HBL ASSET MANAGEMENT

Disclaimer:

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