

HBL Income Fund

Fund Manager's Report
June 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 102.57

Fund Manager

M. Amir Khan

Fund Size:

PKR 5.77 billion

Benchmark

1 Month Kibor

Fund Return:

June 2008	8.96 %
Last 3 Months Average	8.77 %
Year to Date	9.28 %

Fund Manager's Commentary

Money market remained tight due to frequent selling of T-bills through Open Market Operations by SBP. Further, SBP mopped up around Rs 81.6 billion through two T-bill auctions. Cutoff rates for 3 month, 6 month and 1 year T-bills were increased to 11.42%, 11.50% and 11.74% respectively in June 2008 as compared to 9.97%, 9.96% and 10.35% respectively in May 2008. All these actions by SBP are indicative of SBP's continued tight monetary stance.

Due to prevailing liquidity crunch in the market, sharp increase was witnessed in KIBOR. One month average KIBOR shot up to 12.78% in June 2008 as against 11.24% in May 2008.

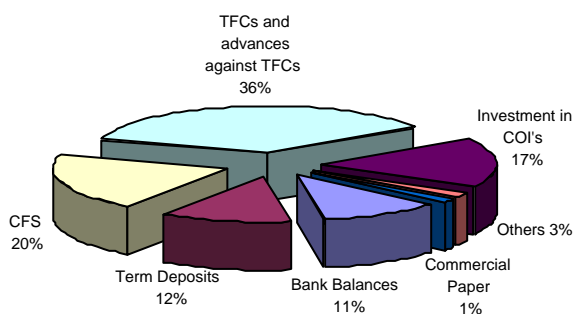
Average CFS rates also jumped up from 14.75% in May 2008 to 16.31% in June 2008. TFC's prices were down due to selling pressure. As a result, mark to market losses were witnessed in certain TFC's held in the Fund's portfolio.

The annualized return for the month of June 2008 increased to 8.96% as against 8.03% in May 2008. The Fund under management declined by Rs 0.56 billion or 8.85% to Rs 5.77 billion as on 30 June, 2008 due to redemptions.

During the month under review, the Fund's exposure in bank deposits, COI's and TFC's was increased while exposure in CFS was reduced.

With interest rates still firm and re-pricing of TFC's with revised KIBOR (from date of next coupon), the return of the fund is expected to increase gradually.

Asset Allocation as on June 30, 2008



TFC Ratings		Banks Ratings (TDR/Deposits)		Institutional Ratings (COI)	
Rating	% of Total	Rating	% of Total	Rating	% of Total
AA+	9%	AAA	45%	AA+	30%
AA	65%	AA+	2%	AA	50%
AA-	4%	AA	1%	AA-	10%
A+	4%	A+	40%	A	10%
A	14%	A	1%		
A-	4%	A-	11%		
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 ASSET MANAGEMENT

HBL Stock Fund

Fund Manager's Report
June 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 98.53

Fund Manager

M. Amir Khan

Fund Size:

PKR 1.775 billion

Fund Return:

June 2008 0.80%

Benchmark KSE-100 Index
Benchmark Return For the Month of June 2008 1.31%

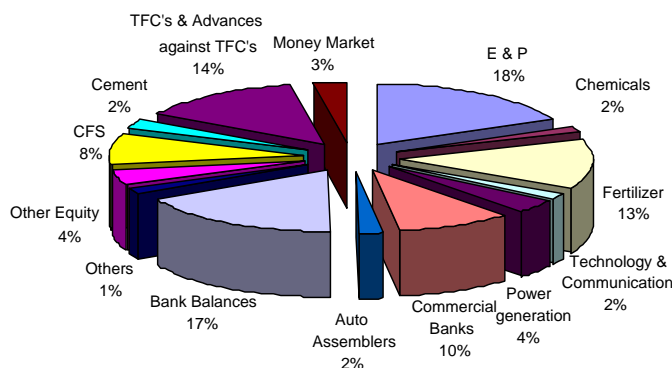
Fund Manager's Commentary

The overall market sentiment remained bearish in the month of June 2008. The market started on a bullish note on account of favorable news on exemption of Capital Gains Tax for two years and no change in the rate of Capital Value Tax. As a result, the KSE-100 index moved up from 12,131 points as on May 30, 2008 to 13,090 points on June 4, 2008, i.e. an increase of 8%. The bullish sentiment was however, short lived and the market was in the grip of bearishness in the next thirteen sessions as it lost 1,928 points or 15% to reach its lowest level of the year at 11,162 on June 23, 2008.

The market again moved sharply upward by 1,290 points or 12% in three sessions (24-26 June), mainly due to KSE / SECP's intervention in the market by changing the stock's upper circuit breakers from 5% to 10% and lower circuit breakers from 5% to 1% and a ban on short selling in the July Futures Contracts. The above measures however, failed to arrest the bearish tendency in the market as the index again started falling from June 27, 2008 to close at 12,289 points as on June 30, 2008.

The NAV of the Fund increased by 0.80% to Rs.98.53 as against an increase of 1.31% in KSE-100 Index. During the month, the fund underperformed compared to KSE-100 index mainly due to sudden rise in the market on June 24, 2008 as your fund was invested in equities to the extent of 57% only. The fund is reasonably liquid to avail any future opportunities in the market at lower levels.

Asset Allocation as on June 30, 2008



Top Ten Equity Holdings:

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

(Note: The holdings are listed in alphabetical order)

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HBL Multi-Asset Fund

Fund Manager's Report
June 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 97.27

Fund Manager M. Amir Khan

Fund Size: PKR 719 million

Fund Manager's Commentary

Money market remained tight due to frequent selling of T-bills through Open Market Operations by SBP. Further, SBP mopped up around Rs 81.6 billion through two T-bill auctions. Cutoff rates for 3 month, 6 month and 1 year T-bills were increased to 11.42%, 11.50% and 11.74% respectively in June 2008 as compared to 9.97%, 9.96% and 10.35% respectively in May 2008. All these actions by SBP are indicative of SBP's continued tight monetary stance.

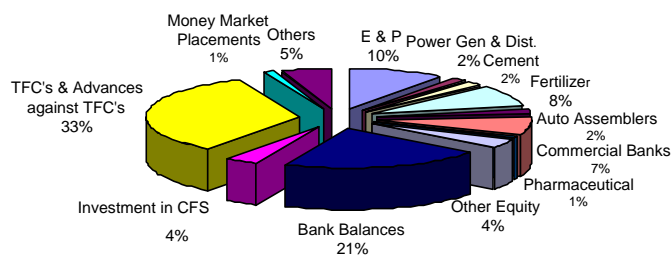
Due to prevailing liquidity crunch in the market, sharp increase was witnessed in KIBOR. One month average KIBOR shot up to 12.78% in June 2008 as against 11.24% in May 2008.

The overall market sentiment remained bearish in the month of June 2008. The market started on a bullish note on account of favorable news on exemption of Capital Gains Tax for two years and no change in the rate of Capital Value Tax. As a result, the KSE-100 index moved up from 12,131 points as on May 30, 2008 to 13,090 points on June 4, 2008, i.e. an increase of 8%. The bullish sentiment was however, short lived and the market was in the grip of bearishness in the next thirteen sessions as it lost 1,928 points or 15% to reach its lowest level of the year at 11,162 on June 23, 2008.

The market again moved sharply upward by 1,290 points or 12% in three sessions (24-26 June), mainly due to KSE / SECP's intervention in the market by changing the stock's upper circuit breakers from 5% to 10% and lower circuit breakers from 5% to 1% and a ban on short selling in the July Futures Contracts. The above measures however, failed to arrest the bearish tendency in the market as the index again started falling from June 27, 2008 to close at 12,289 points as on June 30, 2008.

The NAV of the fund increased slightly by 0.46% to Rs 97.27 in the month of June 2008 as against Rs 96.82 in the month of May 2008 while the fund size increased by 3% to Rs. 719 million in the month of June 2008 as against Rs 698 million in May 2008.

Asset Allocation as on June 30, 2008



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. United Bank Limited

(Note: The holdings are stated in alphabetical order)

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