

## HBL Income Fund

Fund Manager's Report  
November 2007

### 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 103.82

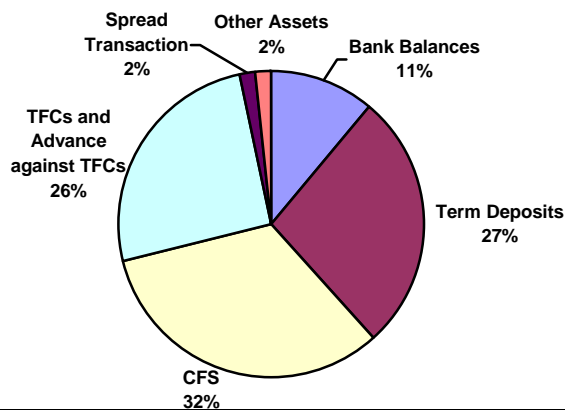
Fund Manager M. Amir Khan

Fund Size: PKR 7.24 billion

### Fund Return:

November 2007	8.50%
October 2007	9.09%

**Asset Allocation as on Nov 30, 2007**



### Fund Manager's Commentary

During the first 3 weeks of November banks used State Bank discount window frequently to fulfill their borrowing requirements. However, in the last week of the month market witnessed a significant increase in liquidity due to T-bill maturities and low participation in the T-bills and PIB auctions by primary dealers. Despite State Bank's efforts to mop up excess liquidity through several Open Market Operations (OMOs) as sterilization, the Inter-bank market could not curtail the increasing liquidity.

The average one month KIBOR declined to 9.64% in November 2007 as against 9.79% in October 2007.

The CFS rates for the month of November 2007 showed a slight decline and averaged around 10.96% as compared to 11.19% in October 2007. The TFC market experienced some selling pressure due to expected disbursement in new TFCs.

The Fund exposure in CFS declined from 35% to 32% whereas exposure in Ready/ Future Spread increased from 1% to 2%. The investment in TFCs was maintained at the previous level of 26%, whereas TDR/ Bank Balances increased from 33% to 38% as banks offered better returns to attract deposits in TDR's.

The Fund size increased from PKR 7.00 billion to PKR 7.24 billion during the month of November 2007.

**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  
November 2007**

### 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 104.95

Fund Manager M. Amir Khan

Fund Size: PKR 2.04 billion

### Fund Manager's Commentary

The stock market showed a mixed trend during the month. The market opened on November 1, 2007 with the KSE 100 index at 14,319 points and displayed a bearish trend till November 16, 2007, reaching its lowest at 13,082 points, a decline of 8.6%. Thereafter, the market was mostly bullish with KSE 100 index closing at 13,999 points, an increase of 7.0% from its lowest point of November 16, 2007. On a month to month basis, the market was down by 2.2%.

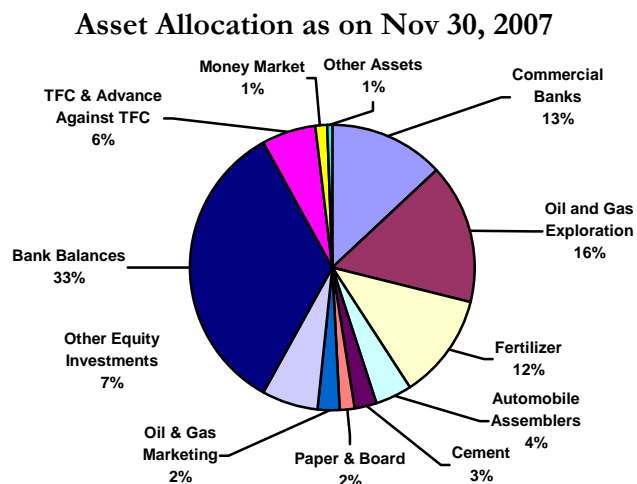
During the month the Fund size increased more than double from PKR 960 million to PKR 2.04 billion. A part of the inflow has been retained to take advantage of the various opportunities arising from time to time, during the prevailing market uncertainties. On November 31, 2007, the Fund was invested to the extent of 59% of total assets.

The Fund exposure was increased in Oil and Gas Exploration sector from 15% to 16%.

### Top Equity Holdings:

1. Engro Chemical Pakistan Limited
2. Fauji Fertilizer Company Limited
3. Habib Bank Limited
4. Indus Motor Company 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. Pakistan State Oil

(Note: The holdings are stated in alphabetical order)



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**HBL ASSET MANAGEMENT**