

HBL Income Fund

Fund Manager's Report
November 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 94.13 |

Fund Manager

M. Amir Khan

Fund Size:

PKR 2.767 billion

Benchmark

1 Month Kibor

Fund Return:

| | |
|-----------------------|---------|
| November 2008 | -42.03% |
| Last 3 Months Average | -4.88% |
| Year to Date | -7.66% |

Fund Manager's Commentary

Fixed Income Market remained liquid during the month of November 2008. The SBP increased the discount rate by 200 basis points which now stand at 15%. Despite the increase in discount rate, average 1 Month KIBOR merely increased from 14.26% in October 2008 to 14.28% in November 2008.

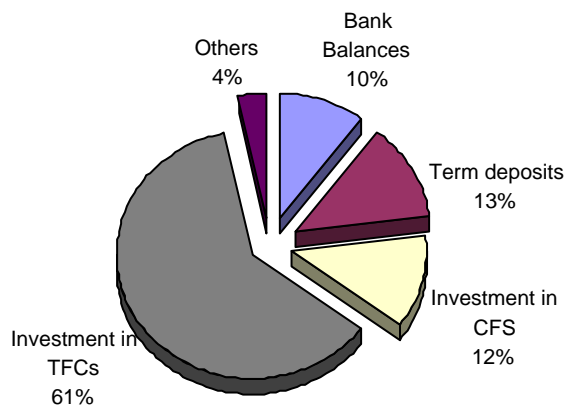
The decision by SECP/KSE to keep the floor of KSE100 index at 9,145 points continued for the whole month of November 2008. Average CFS rate again increased to 59.55% in November 2008 as compared to 50.87% in October 2008. The CFS maturities which were previously extended from 22 days contract to 44 days contract were further extended till the third day after the removal of floor from KSE. The overall CFS value reduced from Rs.11.52 billion at the end of October 2008 to Rs.11.03 billion at the end of November 2008.

Cut off rates for the 3-Month T-Bill was increased to 13.85% from 12.56%, 6 Month from 12.66% to 14.01%, whereas the 12 Months T-Bill Cut off rates remained unchanged at 12.78% due to the rejection of both the auctions that took place during the month of November 2008.

On November 05, 2008 SECP directed the mutual funds vide circular no. 26/2008 to mark down the prices of all debt securities including TFCs & Sukuk etc. ranging from 5% to 30% discount as per their respective ratings. As a result NAV of your fund declined from Rs.101.48 to Rs.93.36, a decline of around 8%. Due to the discount in TFCs prices the year to date return of your fund declined to -7.66% and the fund size also declined to Rs.2.767 billion from Rs.3.06 billion.

No major activity was witnessed in Corporate Bond/TFCs market. The percentage of TFCs investment in the portfolio increased due to overall reduction in fund size.

Asset Allocation as on November 30th, 2008



| TFC Rating | | Bank Rating (TDR/Deposits) | |
|--------------|------------|----------------------------|------------|
| Rating | % of Total | Rating | % of Total |
| AA+ | 10 | AAA | 45 |
| AA | 39 | AA+ | 55 |
| AA- | 31 | | |
| A+ | 13 | | |
| A | 2 | | |
| A- | 1 | | |
| BBB+ | 2 | | |
| BBB- | 2 | | |
| 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
November 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 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 78.59 (As on October 06, 2008) |

Fund Manager

M. Amir Khan

Fund Size:

PKR 1.440 billion

Fund Return:

Benchmark

KSE-100 Index

Fund Manager's Commentary

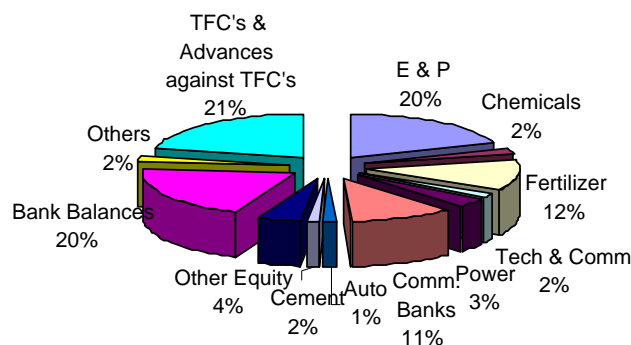
The Stock market floor continued at 9,145 points for the 3rd month in a row with lowest ever volumes traded in the KSE-100. A total of almost 122,000 shares were traded during the entire month of November 2008.

Out of 21 trading sessions during the month, the market remained unchanged in 7 trading sessions at a level of 9,183.14 points, and in 6 trading sessions at a level of 9,184.09 points and then again in last 7 trading sessions it remained at a level of 9187.1 points. The floor on the stock prices caused investors to remain sidelined.

So far there is no timeline available for the removal of floor, however, meetings are continued to be held at the Government as well as KSE level to address the issue related to removing the floor at KSE.

Your fund remained invested to the extent of 57% in equities, 21% in TFC's, 20% in bank balances and 2% in other investments.

Asset Allocation as on November 30th, 2008



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. Pakistan Telecommunication Limited
10. United Bank Limited

(Note: The holdings are listed in alphabetical order)

Disclaimer:

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HBL Multi-Asset Fund

Fund Manager's Report
November 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 84.76 (As of 6 th October, 08) |

Fund Manager

M. Amir Khan

Fund Size:

PKR 594million

Fund Manager's Commentary

Fixed Income Market remained liquid during the month of November 2008. The SBP increased the discount rate by 200 basis points which now stand at 15%. Despite the increase in discount rate, average 1 Month KIBOR merely increased from 14.26% in October 2008 to 14.28% in November 2008.

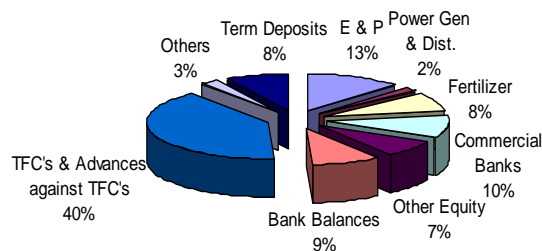
The Stock market floor continued at 9,145 points for the 3rd month in a row with lowest ever volumes traded in the KSE-100. A total of almost 122,000 shares were traded during the entire month of November 2008.

Out of 21 trading sessions during the month, the market remained unchanged in 7 trading sessions at a level of 9,183.14 points, and in 6 trading sessions at a level of 9,184.09 points and then again in last 7 trading sessions it remained at a level of 9187.1 points. The floor on the stock prices caused investors to remain sidelined.

So far there is no timeline available for the removal of floor, however, meetings are continued to be held at the Government as well as KSE level to address the issue related to removing the floor at KSE.

The fund size was Rs.594 million as on November 30th, 2008. Your fund was invested to the extent of 40% in equities, 40% in TFC's, 9% in cash and 3% in others.

Asset Allocation As On November 30th, 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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