

HBL Income Fund

Fund Manager's Report April 2010

Investment Objective:

The objective of the 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
Category	Income Fund (not categorized as per SECP categorization)
Launch Date	March 15, 2007
Net Assets	PKR 1.978 billion
NAV	PKR 99.25
Benchmark	1 M KIBOR
Dealing Days	Monday - Friday
Cut-off Time	9:00 AM - 3:00 PM
Pricing Mechanism	Forward pricing
Management Fee	1.50 % per annum
Front End /Back End Load	NIL / NIL
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM3 + (JCRVIS & Co.)
Fund Stability Rating	A (f) (JCRVIS & Co.)
Risk Profile of the Fund	Moderate
Members of Investment Committee:	<ul style="list-style-type: none"> • Mr. Shahid Ghaffar • Mr. Rehan N. Shaikh • Mr. Amir Khan • Mr. Umar Farooq • Mr. Noman Qurban

Asset Allocation (% of Total Assets)

	Apr 10	Mar 10
Cash	2.34%	15.76%
T-bills	42.06%	28.79%
PIBs	1.22%	1.10%
Tern Finance Certificates	52.64%	52.24%
Others	1.74%	2.11%
Leverage	Nil	Nil

Top Ten TFC Holdings/Sukuk (% of Total Assets)

Engro Chemical Perpetual I	9.32%	Pakistan Mobile Comm. Ltd.	4.63%
UBL IV	8.06%	Faysal Bank Limited	3.12%
NIB Bank Limited	7.86%	Engro Chemical Perpetual II	1.62%
Orix Leasing Pakistan Limited	5.80%	Al-Abbas Sugar Mills Limited	1.38%
World Call Telecom Limited	5.66%	Maple Leaf Sukuk	1.30%

Weighted Average time to maturity 2.52 Years

Fund Returns

	HBL IF	BM*
Year to Date (YTD)	13.94%	12.48%
Trailing 12-Month (May 09 – Apr 10)	22.32%	12.37%

* 1 M KIBOR

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Fund Manager's Commentary

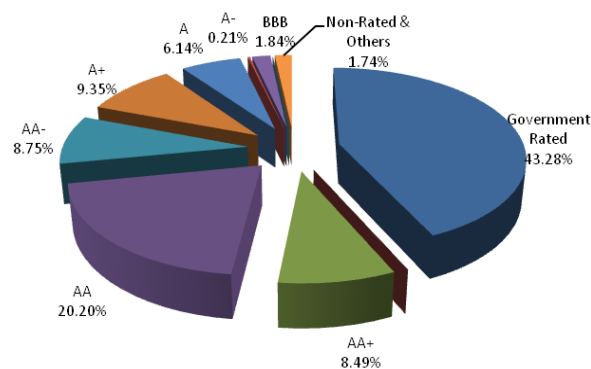
For the month of April 2010 better liquidity was available to the participants and there was no severe shortage. Especially towards the end of the month surplus liquidity was observed in the market.

There was a marginal decline in T-Bill Cut offs in the fortnightly auctions conducted by State Bank of Pakistan during the month of April 2010. SBP auctioned a total of PKR 155.44 billion worth of T-Bills against a total participation of PKR 384.15 billion. The combined auction target of PKR 145 billion was set for the two auctions. Highest participation was witnessed in the 12 month T-bills with a total participation of PKR 227.42 billion, whereas reasonable participation was witnessed in 3 months & 6 Month tenor with a participation of PKR 54.9 billion and PKR 101.75 billion respectively. Slight decrease in cut off rates was witnessed in T-Bills of all tenors with the rates declining by 4, 7 & 5 basis points for 3 month, 6 month & 12 Month T-bills respectively.

Declining trend was observed in KIBOR rates as 1-Month KIBOR for the month of Apr 2010 started off at 12.35% and closed at 12.13% with a maximum of 12.43% and a minimum of 12.13%. The average 1-Month KIBOR declined by 9 basis points to 12.37% as compared to 12.46% in Mar 2010.

In the TFC market the most of the trading activity mainly took place in the banking and fertilizer sectors. Fund's exposure in TFCs increased marginally from 52.24% to 52.64% of the Fund size.

Asset Quality of Portfolio (% of Total Assets)



HBL Asset Management

HBL Multi Asset Fund

Fund Manager's Report
April 2010

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, Derivatives and money market instruments etc.

Fund Information :

Fund Type	Open-end
Category	Balanced Fund (Not categorized as per SECP categorization)
Launch Date	December 14, 2007
Net Assets	PKR 380.33 million
NAV	PKR 101.26
Benchmark	50% KSE-100 Index and 50% 1 Month KIBOR
Dealing Days	Monday – Friday
Cut-off Time	9:00 AM - 3:00 PM
Pricing Mechanism	Forward pricing
Management Fee	2.0 % per annum
Front End / Back End load	2.0% / Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM3 + (JCR-VIS Credit Rating Limited)
Risk Profile of the Fund	Moderate / High
Members of Investment Committee:	<ul style="list-style-type: none"> • Mr. Shahid Ghaffar • Mr. Rehan N. Shaikh • Mr. Amir Khan • Mr. Umar Farooq • Mr. Noman Qurban • Mrs. Uzma Khan

Asset Allocation (% of Total Assets)

	Apr 10	Mar 10
Cash	10.40%	10.74%
T-Bills	12.82%	12.82%
Equity Shares	55.66%	52.34%
TFCs	19.48%	19.24%
Others	1.64%	4.86%

Leverage Nil Nil

Sector Allocation (% of Total Assets)

	Apr 10
Oil & Gas	22.41%
Chemicals	12.74%
Banks	10.39%
Electricity	5.75%
Pharma & Bio Tech	1.09%
Others	3.28%

Fund Returns

	MAF	BM*
Year to Date (YTD)	25.11%	29.04%
Trailing 12-Month	24.73%	27.00%

* 50% KSE-100 Index and 50% 1 Month KIBOR

Fund Manager's Commentary

For the month of April 2010 better liquidity was available to the participants and there was no severe shortage. Especially towards the end of the month surplus liquidity was observed in the market.

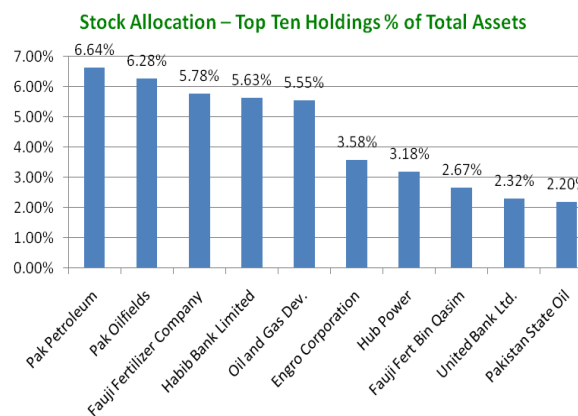
Declining trend was observed in KIBOR rates as 1-Month KIBOR for the month of Apr 2010 started off at 12.35% and closed at 12.13% with a maximum of 12.43% and a minimum of 12.13%. The average 1-Month KIBOR declined by 9 basis points to 12.37% as compared to 12.46% in Mar 2010.

In the TFC market the most of the trading activity mainly took place in the banking and fertilizer sectors.

KSE100 Index moved in a range of about 495 points in the month of April 2010 as compared to a movement of about 914 points in month of March 2010. On MoM basis the KSE100 gained 2.45% and touched a high of 10,731 points on April 20, 2010. However, the market closed at 10,428 points. Volumes increased by 23.37% to 194.31mn shares compared to 157.51mn shares of last month.

Foreign portfolio investment maintained its positive momentum with net buying position of worth of \$80.285mn. Although this is relatively lower compared to last month's inflow of 108.776 mn, however foreign investors continue to show more interest compared to local investors.

Your fund was invested to the extent of 55.66% in equities, 12.82% in T-bills, 19.48% in TFCs and 12.04% in cash and others.



HBL Asset Management

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HBL Stock Fund

Fund Manager's Report April 2010

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 investment.

Fund Information :

Fund Type	Open-end
Category	Stock Fund (Not categorized as per SECP categorization)
Launch Date	August 27, 2007
Net Assets	PKR 1.747 billion
NAV	PKR 99.77
Benchmark	KSE-100 Index
Dealing Days	Monday-Friday
Cut-off Time	9:00 AM - 3:00 PM
Pricing Mechanism	Forward pricing
Management Fee	3.0 % per annum
Front End / Back End load	2.5% / Nil
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditor	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating	AM3 + (JCR-VIS Credit Rating Limited)
Risk Profile of the Fund	High
Members of Investment Committee:	<ul style="list-style-type: none"> • Mr. Shahid Ghaffar • Mr. Rehan N. Shaikh • Mr. Amir Khan • Mr. Umar Farooq • Mr. Noman Qurban • Mrs. Uzma Khan

Asset Allocation (% of Total Assets)

	<u>Apr 10</u>	<u>Mar 10</u>
Cash	2.80%	0.14%
T-Bills	13.78%	14.70%
Equity Shares	82.68%	81.63%
TFCs	0.00%	0.00%
Others	0.74%	3.53%

Leverage	Nil	Nil
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Sector Allocation (% of Total Assets)

	<u>Apr 10</u>
Oil & Gas	32.15%
Chemicals	19.36%
Banks	15.06%
Electricity	7.91%
Fixed Line Telecommunication	2.04%
Others	6.16%

Fund Returns

	<u>HBL SF</u>	<u>BM*</u>
Year to Date (YTD)	30.97%	45.60%
Trailing 12-Month	31.82%	41.33%

* KSE 100- Index

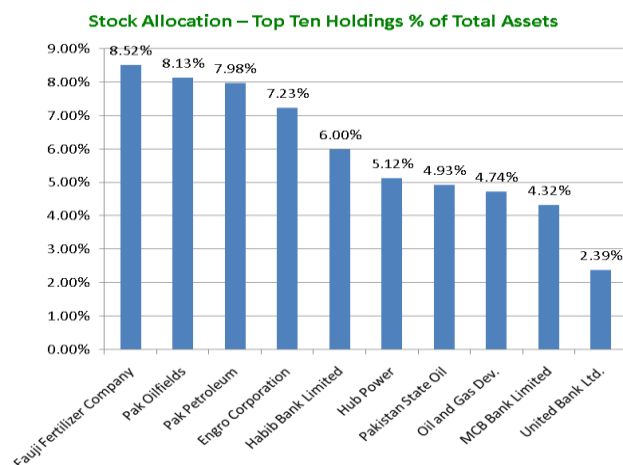
Fund Manager's Commentary

The month of April 2010 was less volatile as the KSE100 Index moved in a range of about 495 points compared to a movement of about 914 points in month of March 2010. On MoM basis the KSE100 gained 2.45% and touched a high of 10,731 points on April 20, 2010. However, the market closed at 10,428 points. Volumes increased by 23.37% to 194.31mn shares compared to 157.51mn shares of last month.

Foreign portfolio investment maintained its positive momentum with net buying position of worth of \$80.285mn. Although this is relatively lower compared to last month's inflow of 108.776 mn, however foreign investors continue to show more interest compared to local investors.

The consumer price index (CPI) rose 12.91% in March 2010 as against the same period last year due to continuous rise in prices of petroleum products, electricity and gas as per agreement with the IMF to eliminate subsidies. The growth in CPI was slightly lower than 13.04% recorded in February 2010. The cumulative inflation during the period July-March 2009-10 was recorded as 11.29%.

Your fund was invested to the extent of 82.68% in equities, 13.78% in T-bills, 3.54% in cash and others.



HBL Asset Management

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