

Investment Objective:

The objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities.

Fund Manager's Commentary:

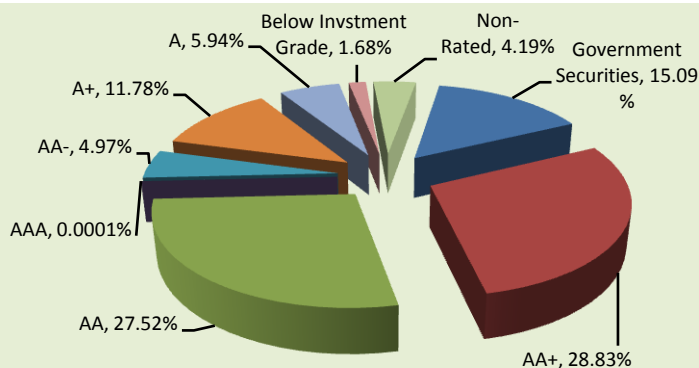
The month has witnessed slight recovery in the debt security market as compared to last month; hence the fund earned month-on-month return of 16.51% for Feb '11 as compared to -5.81% for Jan '11. However, the investment strategy for the month remained conservative and asset allocation is more or less same.

Fund Returns (%)

	HBL IF	Benchmark*
Year to Date	9.54%	12.90%
*1 M KIBOR		

Asset Allocation (% of Total Assets)

	Feb '11	Jan '11
Cash	24.13%	23.15%
TFCs	56.58%	55.36%
PIBs	1.50%	1.46%
T-Bills	13.59%	16.42%
Others including receivables	4.20%	3.61%

Asset Quality of Portfolio (% of Total Assets)

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

Engro Chemical Pakistan Ltd. PI	12.41%	Faysal Bank Ltd.	3.72%
United Bank Ltd.	10.99%	Engro Chemical Pakistan Ltd. PII	2.13%
NIB Bank Ltd.	10.53%	Maple Leaf Cement Factory - SK	1.47%
World Call Telecom Ltd.	5.94%	Bank Al Falah Ltd. - 2	1.25%
Orix Leasing Pakistan Ltd.	4.72%	Al Abbas Sugar Mills Ltd.	1.24%
Total Percentage of Top Ten TFCs			54.40%

Fund Information

Fund Type:	Open-end
Category:	Income Scheme
Launch Date:	March 15, 2007
Net Assets:	PKR 1.477 Billion
NAV:	PKR 98.23
Benchmark:	1 Month KIBOR
Dealing Days:	Monday-Saturday
Cut-off Time:	9:00 AM-3:00 PM (Mon-Fri) 9:00 AM-12:00 PM (Sat)
Price Mechanism:	Forward Pricing
Management Fee:	1.5% per annum
Front End/Back End Load:	Nil/Nil
Trustee:	Central Depository Company of Pakistan Ltd.
Auditors:	A.F. Ferguson & Company Chartered Accountants
Asset Manager Rating:	AM3+ (JCR VIS Credit Rating Company Ltd.)
Fund Stability Rating:	A (f) (JCR VIS Credit Rating Company Ltd.)
Risk Profile:	Moderate
Leverage:	Nil
Weighted Average time to maturity:	2.85 years
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

Name of Non-Compliant Investment (in Millions PKR)	Type	Value of Investment before Provision	Provision Held	Value of Investment after Provision	% of Net Assets	% of Gross Assets
Maple Leaf Cement Factory	Sukuk	34.97	13.04*	21.93	1.48%	1.48%
New Allied Electronics	TFC	19.33	19.33	-	-	-
New Allied Electronics	Sukuk	45.00	45.00	-	-	-
Eden Housing Ltd.	Sukuk	15.00	15.00	-	-	-
Agri Tech Ltd.	TFC	9.99	6.79	3.20	0.22%	0.22%
Saudi Pak Leasing Company Ltd.	TFC	7.24	7.24	-	-	-

*This includes unrealized diminution in price of MLCF amount to PKR 13.04 million

HBL Asset Management Limited

8B 8th Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi | Tel: 021-35290171-86 | Fax: 021-35290189 | www.hblasset.com

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HBL Multi Asset Fund

MUFAP's Recommended Format

Fund Manager's Report

February 2011

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 Manager's Commentary:

During the month of February 2011, HBL Multi Asset Fund posted a MoM return of -2.42% with M-o-M benchmark of -3.77%. The fund increased its exposure in equity shares by 5.28% as compared to last month and reduced its investment in T-bills by 5.17%. Investment in TDR's and TFC's has been slightly increased by 0.1% and 0.16% respectively. The YTD return of the fund stood at 15.25% which is 2.89% above the benchmark.

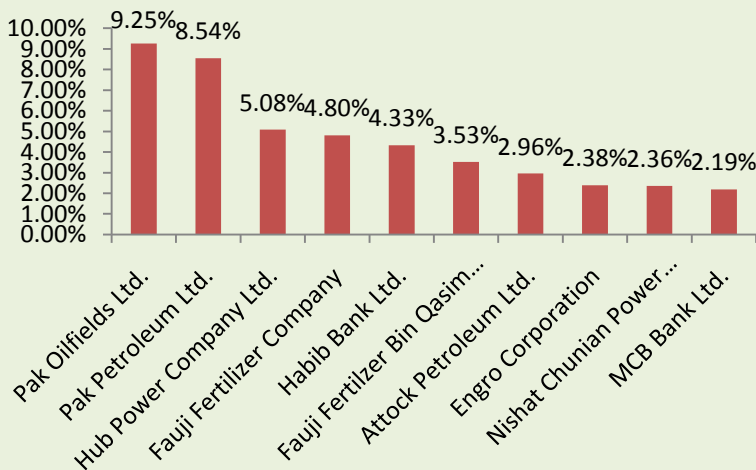
Fund Returns (%)

Fund Returns (%)	HBL MAF	Benchmark*
Year to Date	15.25%	12.36%
*50% KSE-100 Index & 50% 1-M KIBOR		

Asset Allocation (% of Total Assets)

Asset Allocation (% of Total Assets)	Feb '11	Jan '11
Cash	5.29%	6.01%
Placement with Banks and DFIs	12.86%	12.76%
TFCs	16.46%	16.30%
Stocks/Equities	53.28%	48.00%
T-Bills	10.07%	15.24%
Others Including Receivables	2.04%	1.69%

Stock Allocation – Top Ten Holdings % of Total Assets



Fund Information

Fund Type:	Open-end
Category:	Balanced Scheme
Launch Date:	December 14, 2007
Net Assets:	PKR 379.040 Million
NAV:	PKR 92.73
Benchmark:	50% KSE-100 Index & 50% 1-M KIBOR
Dealing Days:	Monday-Friday
Cut-off Time:	9:00 AM-3:00 PM
Price Mechanism:	Forward Pricing
Management Fee:	2.0% per annum
Front End/Back End Load:	2.0%/Nil
Trustee:	Central Depository Co. of Pakistan Ltd
Auditors:	A.F Ferguson & Company Chartered Accountants
Asset Manager Rating:	AM3 + (JCR VIS Credit Rating Co. Ltd.)
Risk Profile:	Moderate/High
Leverage:	Nil
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

Sector Allocation (% of Total Assets)	Feb'11	Jan'11
Oil and Gas	23.68%	20.59%
Chemicals	10.82%	10.13%
Electricity	8.88%	7.86%
Banks	8.48%	7.86%
Construction and Materials	0.63%	0.75%
Others	0.79%	0.81%

Details of non-compliant investments (securities below investments grade- Rs in Million)

Name of Non-Compliant Investment	Type	Value of Investment before Provision	Provision Held	Value of Investment after Provision	% of Net Assets	% of Gross Assets
Saudi Pak Leasing Company	TFC	20.37	9.36	11.01	2.91%	2.83%

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HBL Stock Fund

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.

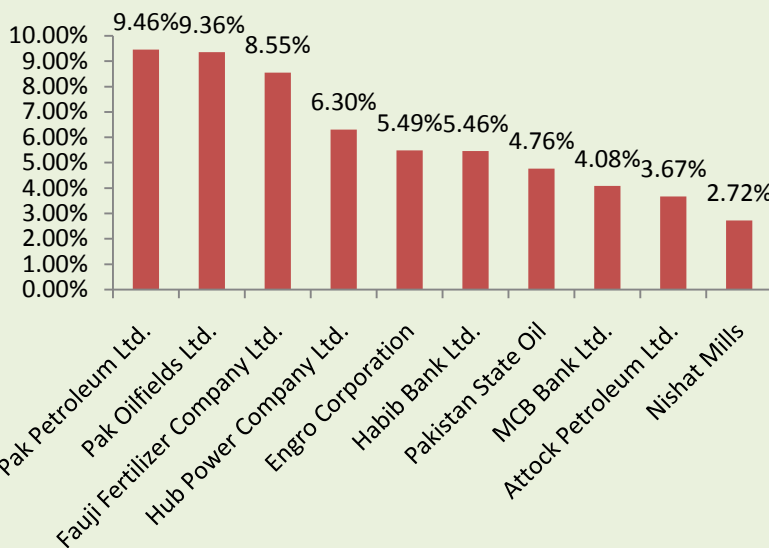
Fund Manager's Commentary:

During the month of February'11, KSE 100 index was down by 8.6% whereas HBL-SF posted a return -4.99% on M-o-M basis which was comparatively better than the market performance. Moreover on a year to date basis the fund outperformed by posting a return of 19.46% as compared to the benchmark return of 16.12%. Investment in equity shares increased by 4% whereas investment in T.Bills was reduced by 2.55%.

Fund Returns (%)	HBL SF	Benchmark*
Year to Date	19.46%	16.12%
*KSE-100 Index		

Asset Allocation (% of Total Assets)	Feb'11	Jan'11
Cash	2.26%	4.86%
Stocks/Equities	80.18%	76.18%
T-Bills	15.69%	18.24%
Others including receivables	1.87%	0.72%

Stock Allocation – Top Ten Holdings % of Total Assets



Fund Information

Fund Type:	Open-end
Category:	Equity Scheme
Launch Date:	August 27, 2007
Net Assets:	PKR 1.88 billion
NAV:	PKR 96.82
Benchmark:	KSE-100 Index
Dealing Days:	Monday-Friday
Cut-off Time:	9:00 AM – 3:00 PM
Price Mechanism:	Forward Pricing
Management Fee:	3.0% per annum
Front End/Back End Load:	2.5%/Nil
Trustee:	Central Depository Co. of Pakistan Ltd.
Auditors:	A.F Ferguson & Co. Chartered Accountants
Asset Manager Rating:	AM3 + (JCR VIS Credit Rating Co. Ltd.)
Risk Profile:	High
Leverage:	Nil
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

Sector Allocation (% of Total Assets)	Feb'11	Jan '11
Oil and Gas	30.69%	28.39%
Chemicals	17.27%	16.64%
Banks	14.00%	13.63%
Electricity	10.16%	9.43%
Personal Goods	2.72%	2.63%
Others	5.34%	5.46%

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HBL Money Market Fund

Investment Objective:

The objective of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

Fund Manager's Commentary:

During the month, the fund has earned annualized monthly return of 11.95% against the benchmark of 10.75%. Month-on-month comparison revealed around 0.66% increment in return of Feb '11 from the return of Jan '11 of 11.29%. The investment in T-bills was slightly increased to 76.77% from 74.62% last month and exposure in placement with Banks and DFIs was slightly reduced to 22.09% from 24.48% last month.

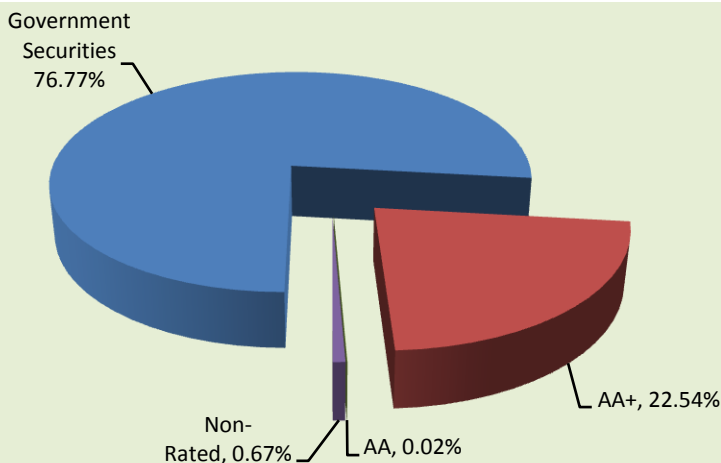
Fund Returns (%)

	HBL MMF	Benchmark*
Year to Date	11.33%	10.41%
*50% 3-M PKRV & 50% 3-M Deposit Rate		

Asset Allocation (% of Total Assets)

	Feb '11	Jan '11
Cash	0.47%	0.41%
Placement with Banks & DFIs	22.09%	24.48%
T-Bills	76.77%	74.62%
Others Including Receivables	0.67%	0.49%

Asset Quality of Portfolio (% of Total Assets)



Fund Information

Fund Type:	Open-end
Category:	Money Market Scheme
Launch Date:	July 12, 2010
Net Assets:	PKR 2.707 Billion
NAV:	PKR 101.9609
Benchmark:	50% 3-M PKRV & 50% 3-M Deposit Rate
Dealing Days:	Monday-Saturday
Cut-off Time:	Mon-Fri (9:00 AM-3:00 PM) Sat (9:00 AM-12:00 PM)
Price Mechanism:	Forward Pricing
Management Fee:	1.00% per annum
Front End/Back End Load:	Nil/Nil
Trustee:	Central Depository Co. of Pakistan Ltd.
Auditors:	A.F Ferguson & Co. Chartered Accountants
Asset Manager Rating:	AM3+ (JCR VIS Credit Rating Co. Ltd.)
Fund Stability Rating:	AA+ (f) (JCR VIS Credit Rating Co. Ltd.)
Risk Profile:	Low
Leverage:	Nil
Weighted Avg. time to maturity:	36.4 Days
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

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