

HBL Income Fund

MUFAP's Recommended Format

 Fund Manager's Report
 January 2011

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.

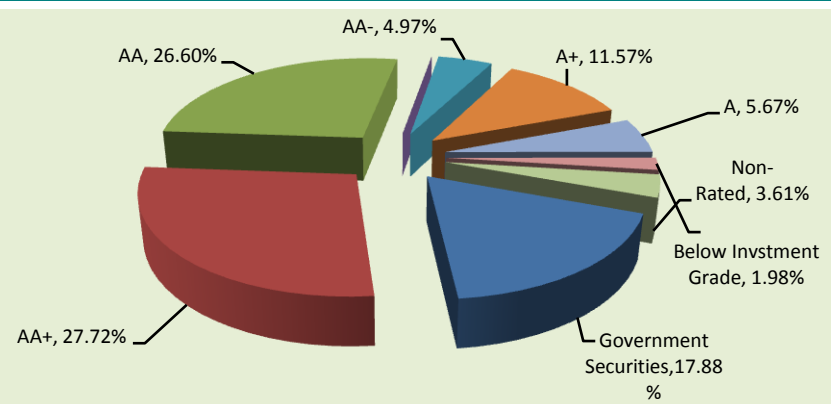
Fund Manager's Commentary:

Due to volatile debt securities' market and sharp decline in TFCs' prices, the fund earned negative return of 5.81% in January 2011 as compared to 22% in December 2010. Year-to-date return of the fund is 8.61%. We have slightly reduced fund's exposure in TFCs and increased its investment in government securities.

Fund Returns (%)	HBL IF	Benchmark*
Year to Date	8.61%	12.85%
*1 M KIBOR		

Asset Allocation (% of Total Assets)	Jan '11	Dec '10
Cash	23.15%	23.29%
TFCs	55.36%	56.5%
PIBs	1.46%	1.46%
T-Bills	16.42%	16.01%
Others including receivables	3.61%	2.74%

Asset Quality of Portfolio (% of Total Assets)



Fund Information

Fund Type:	Open-end
Category:	Income Scheme
Launch Date:	March 15, 2007
Net Assets:	PKR 1.516 Billion
NAV:	PKR 100.05
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 Co. of Pakistan Ltd.
Auditors:	A.F. Ferguson & Co. Chartered Accountants
Asset Manager Rating:	AM3+(JCR VIS Credit Rating Co Ltd.)
Fund Stability Rating:	A (f) (JCR VIS Credit Rating Co.Ltd.)
Risk Profile:	Moderate
Leverage:	Nil
Weighted Average time to maturity:	2.8 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

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

Engro Chemical Pakistan Ltd. PI	12.10%	Faysal Bank Ltd.	3.68%
United Bank Ltd.	10.60%	Engro Chemical Pakistan Ltd. PII	2.00%
NIB Bank Ltd.	10.31%	Maple Leaf Cement Factory - SK	1.43%
World Call Telecom Ltd.	5.67%	Bank Al Falah Ltd. - 2	1.29%
Orix Leasing Pakistan Ltd.	4.59%	Al Abbas Sugar Mills Ltd.	1.25%
Total Percentage of Top Ten TFCs			52.92%

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	1.45%	1.45%
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	5.60	4.39	0.29%	0.29%
Saudi Pak Leasing Company Ltd.	TFC	7.28	3.26**	4.02	0.26%	0.26%

*This includes unrealized diminution in price of MLCF amount to PKR 3.9 million

** This includes unrealized diminution in price of SPL amount to PKR 0.14 million

HBL Asset Management Limited

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HBL Multi Asset Fund

MUFAP's Recommended Format

Fund Manager's Report

January 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:

HBL Multi Asset Fund posted a MoM return of 3.33% and crossed the benchmark of 1.96% in January 2011. The fund decreased its exposure in equity shares by 3.02% as compared to last month and almost maintained its investment in T-bills. Investment in TDR's and TFC's has been slightly reduced by 0.31% and 1.44% respectively. The YTD return of the fund stood at 18.11% which is 2.42% above the benchmark.

Fund Returns (%)

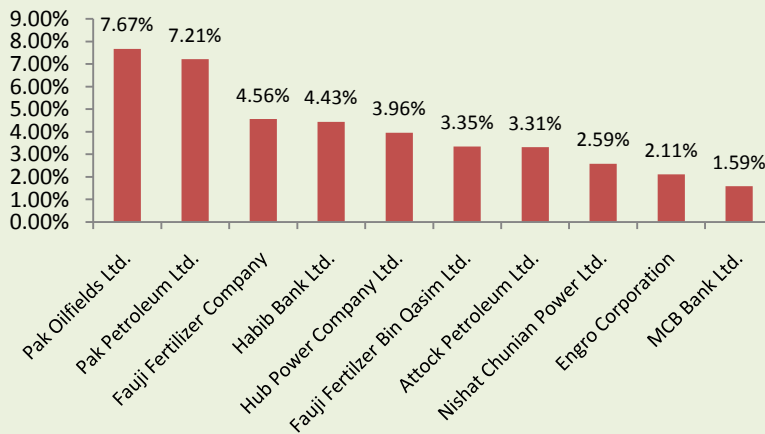
	HBL MAF	Benchmark*
Year to Date	18.11%	15.69%

*50% KSE-100 Index & 50% 1-M KIBOR

Asset Allocation (% of Total Assets)

	Jan '11	Dec '10
Cash	6.01%	0.92%
Placement with Banks and DFIs	12.76%	13.07%
TFCs	16.30%	17.74%
Stocks/Equities	48.00%	51.02%
T-Bills	15.24%	15.51%
Others Including Receivables	1.69%	1.74%

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 388.416 Million
NAV:	PKR 95.03
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)

	Jan'11	Dec '10
Oil and Gas	20.59%	21.98%
Chemicals	10.13%	11.83%
Electricity	7.86%	7.70%
Banks	7.86%	8.05%
Construction and Materials	0.75%	0.79%
Others	0.81%	0.67%

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	20.50	9.36*	11.14	2.87%	2.85%

*This includes unrealized diminution in price of SPLC amount to PKR 0.38 million

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HBL Stock Fund

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 Fund Manager's Report
January 2011

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.

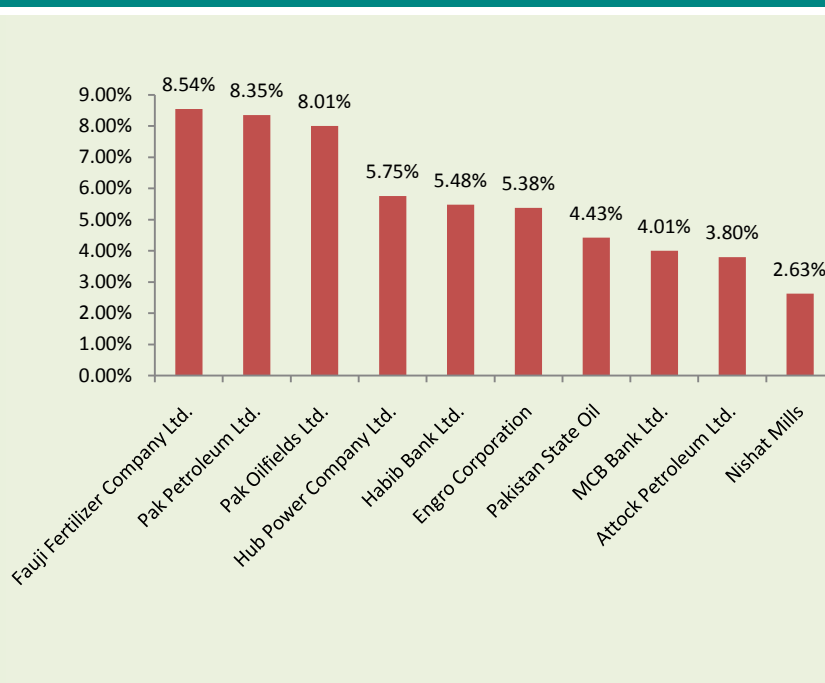
Fund Manager's Commentary:

During the month of January'11, HBL-SF posted a M-o-M return of 4.13% with KSE 100 index showing a return of 2.80%. The fund has outperformed the benchmark by 1.33%. Investment in equity shares has decreased by 2.72% as compared to Dec'10 due to a decrease in exposure in Oil and Gas, Chemicals and Banking scrips. Overall the YTD return for the fund is 25.72%.

Fund Returns (%)	HBL SF	Benchmark*
Year to Date	25.72%	27.13%
*KSE-100 Index		

Asset Allocation (% of Total Assets)	Jan'11	Dec '10
Cash	4.86%	1.60%
Stocks/Equities	76.18%	78.90%
T-Bills	18.24%	19.07%
Others including receivables	0.72%	0.43%

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 1.96 billion
NAV:	PKR 101.90
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)	Jan '11	Dec '10
Oil and Gas	28.39%	29.68%
Chemicals	16.64%	17.42%
Banks	13.63%	13.82%
Electricity	9.43%	9.43%
Personal Goods	2.63%	2.45%
Others	5.46%	6.10%

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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 monthly return of 11.29% against the benchmark of 10.78%. In Jan '11 the fund has increased its investment in government securities to 74.62% from 57.46% last month. Moreover, placement with Banks and DFIs has been reduced substantially from 41.52% last month to 24.48% in Jan '11. During the month, net asset of the fund has grown up by 70% from net asset of Dec '10.

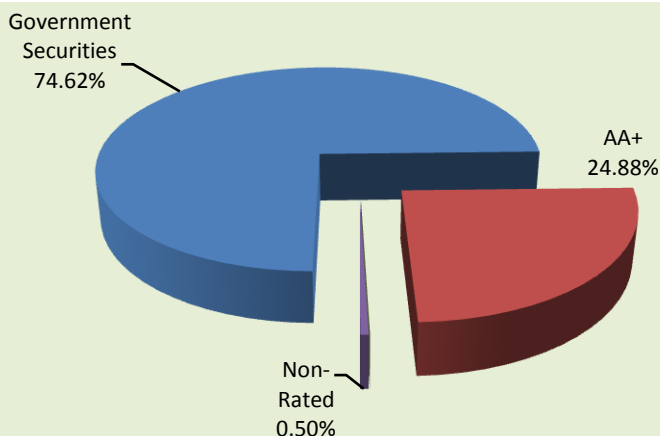
Fund Returns (%)

	HBL MMF	Benchmark*
Year to Date	11.18%	10.36%
*50% 3-M PKRV & 50% 3-M Deposit Rate		

Asset Allocation (% of Total Assets)

	Jan '11	Dec '10
Cash	0.41%	0.64%
Placement with Banks & DFIs	24.48%	41.52%
T-Bills	74.62%	57.46%
Others Including Receivables	0.49%	0.37%

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 2.444 Billion
NAV:	PKR 103.9080
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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