

HBL Income Fund

Fund Manager's Report
September 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 102.83

Fund Manager

M. Amir Khan

Fund Size:

PKR 4.46 billion

Benchmark

1 Month Kibor

Fund Return:

September 2008	12.22 %
Last 3 Months Average	11.04 %
Year to Date	10.96 %

Fund Manager's Commentary

September 2008 was a difficult month for the money market and fixed income market. Massive discounting was seen on the SBP repo window as most of the banks were short of liquidity during the month. As a result 1-Month average KIBOR increased to 13.79% in September 2008 from 12.96% in August 2008. Due to increasing current account deficit, foreign currency reserves depletion and high inflation in the Country, it seems that SBP will continue to maintain a firm monetary policy.

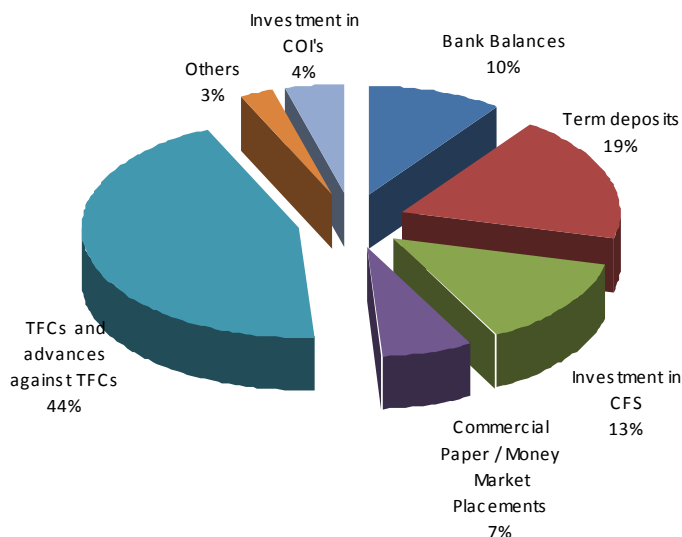
The step taken by SECP/KSE to freeze the KSE100 index at 9,144 points continued for the whole month of September 2008, resulting in record low volume in the equity market. The borrowers had to rollover their CFS positions because of no exit mechanism through the market while lenders were not willing to invest in CFS due to lack of liquidity and increased risk. As a result CFS rate was pushed up and average CFS rate increased to 20.24% in September 2008 as compared to 14.36% in August 2008. The overall CFS value reduced from Rs.17.53 billion at the end of August 2008 to Rs.15.1 billion at the end of September 2008. Corporate bond market/TFCs market was not very active during the month; therefore, TFCs prices remained unchanged or reduced marginally.

Cutoff rate for 3 months T-bill remained unchanged at 12.56% on September 25, 2008 while cutoff for 6 months T-bill increased to 12.68% from 11.49%. However, the 12 months bill remained unchanged at 11.50% as there were no bids in 12 months tenure from Commercial Banks.

The annualized return of your fund for the month of September 2008 increased to 12.22% as against 11% in August 2008. The Fund under management declined to Rs. 4.46 billion on September 30, 2008 from Rs.5.187 billion as on 31 August 2008 due to redemptions.

During the month under review your fund decreased its exposure in CFS due to increased risk in this asset class. Bank balances also reduced as money market instruments and short term TDRs were offering better returns. The percentage of TFCs investment in the portfolio increased due to overall reduction in fund size.

Asset Allocation as on September 30, 2008



TFC Rating		Bank Rating (TDR/Deposits)		Entity Rating (COIs/CPs/MM)	
Rating	% of Total	Rating	% of Total	Rating	% of Total
AA+	10	AAA	33	AA	100
AA	62	AA+	1		
AA-	7	A+	19		
A+	13	A	12		
A	4	A-	35		
A-	4				
Total	100		100		100

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
September 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.

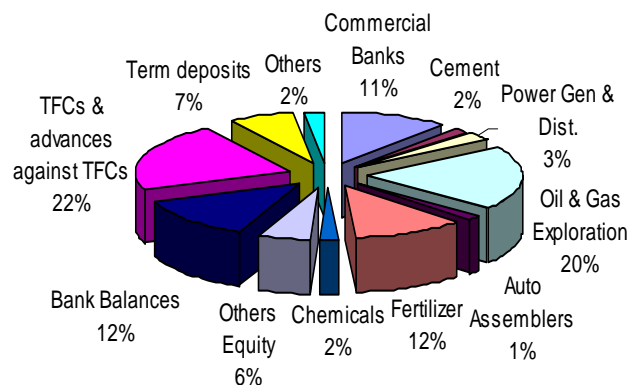
Fund Type	Open End Stock Fund
Currency	Pak Rupee (PKR)
Management Company	HBL Asset Management Limited
Registrar	HBL Asset Management Limited
Trustee	Central Depository Company of Pakistan Ltd.
Auditors	A. F. Ferguson & Co.
Sales Load	2.5 % (Front-end)
Min. Investment Amount	PKR 5,000
Management Fee	3.0% per annum
NAV per Unit	PKR 78.56

Fund Manager M. Amir Khan
Fund Size: PKR 1.475 billion

Fund Return:
September 2008 0.31%

Benchmark KSE-100 Index
Benchmark Return For the Month of September 08 -0.31%

Asset Allocation As of 30th September 2008



Fund Manager's Commentary

Financial crisis in the international markets caused major stock exchanges to decline globally. KSE 100 index, however, did not fall due to floor on stock prices by regulators and is expected to follow the global markets once the floor is removed. On the back of depleting forex reserves, Moody's Investors Service downgraded the outlook on Pakistan government's B2 bond ratings to negative from stable and lowered the outlook on B3 foreign currency bank deposit ceiling to negative indicating that the next few months would be critical for the economy.

The floor on the stock prices caused investors to remain sidelined. The step taken by SECP/KSE to freeze the KSE100 index at 9,144 points continued for the whole month of September 2008, resulting in record low volume in the equity market. The borrowers had to rollover their CFS positions because of no exit mechanism through the market while lenders were not willing to invest in CFS due to lack of liquidity and increased risk. As a result CFS rate was pushed up and average CFS rate increased to 20.24% in September 2008 as compared to 14.36% in August 2008. The overall CFS value reduced from Rs.17.53 billion at the end of August 2008 to Rs.15.1 billion at the end of September 2008.

KSE-100 index declined by 0.31% this month, the NAV of your fund increased by 0.31%. Your fund was invested to the extent of 57% in equities, 21% in TFC's, 13% in bank balances, 7% in term deposits and 2% in others.

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)

HBL ASSET MANAGEMENT

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HBL Multi-Asset Fund

Fund Manager's Report
 September 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 84.21

Fund Manager M. Amir Khan

Fund Size: PKR 628 million

Fund Manager's Commentary

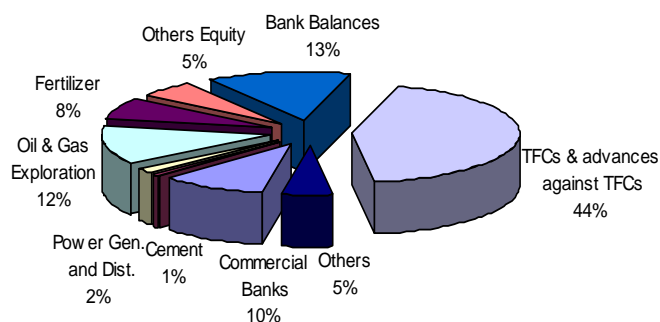
September 2008 was a difficult month for the money market and fixed income market. Massive discounting was seen on the SBP repo window as most of the banks were short of liquidity during the month. As a result 1-Month average KIBOR increased to 13.79% in September 2008 from 12.96% in August 2008. Due to increasing current account deficit, foreign currency reserves depletion and high inflation in the Country, it seems that SBP will continue to maintain a firm monetary policy.

Cutoff rate for 3 months T-bill remained unchanged at 12.56% on September 25, 2008 while cutoff for 6 months T-bill increased to 12.68% from 11.49%. However, the 12 months bill remained unchanged at 11.50% as there were no bids in 12 months tenure from Commercial Banks.

Financial crisis in the international markets caused major stock exchanges to decline globally. KSE 100 index, however, did not fall due to floor on stock prices by regulators and is expected to follow the global markets once the floor is removed. On the back of depleting forex reserves, Moody's Investors Service downgraded the outlook on Pakistan government's B2 bond ratings to negative from stable and lowered the outlook on B3 foreign currency bank deposit ceiling to negative indicating that the next few months would be critical for the economy.

The fund size decreased by 1.75% to Rs.628 million in September 2008 as against a decrease of 5.61% in August 2008. The NAV of the fund Increased by 0.52% in the month of September 2008 as against a decrease of 5.46% in August 2008. Your fund was invested to the extent of 38% in equities, 43% in TFC's, 14% in cash and 5% in others.

Asset Allocation As on 30th September, 08



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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