

HBL

ASSET MANAGEMENT

AMC Rating – AM3+ by JCR-VIS



FUND MANAGER'S REPORT APRIL 2011



HBL Asset Management Limited

now introduces

HBL IslamicMoneyMarketFund

HBL IslamicStockFund

IPO Dates 9th and 10th May 2011



For facebook visit: [facebook.com/HBLFunds](https://www.facebook.com/HBLFunds)



For twitter visit: twitter.com/HBLFunds

www.hblasasset.com | Subscribe to Daily NAV SMS Service

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

HBL Income Fund

MUFAP's Recommended Format

Fund Manager's Report
April 2011

Investment Objective:

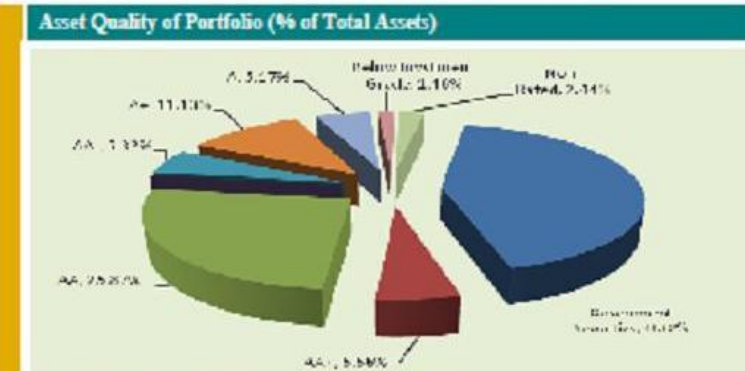
The objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities.

Fund Manager's Commentary:

The fund has earned 7.34% in the month of April '11. However, average 6 month KIBOR for the month stood at 13.74%. Due to volatile debt security market, the fund has divested from TFC market and increased its exposure in government securities from 38.61% of total assets in March '11 to 43.02% of total assets in April '11. Moreover, during the month, the management has announced 3rd Interim dividend of Rs. 3 per unit.

Fund Returns (%)	HBL IF	Benchmark*
Year to Date	12.28%	13.33%
*6 M KIBOR		

Asset Allocation (% of Total Assets)	Apr '11	Mar '11
Cash	1.05%	0.55%
TFCs	53.48%	58.47%
PIBs	3.00%	1.52%
T-Bills	40.02%	37.09%
Others including receivables	2.45%	2.37%



Fund Information

Fund Type:	Open-end
Category:	Income Scheme
Launch Date:	March 15, 2007
Net Assets:	PKR 1.479 Billion
NAV:	PKR 99.0574
Benchmark:	6 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:	AME3+ (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:	2.64 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	12.72%	Frysal Bank Ltd.	4.03%
NIB Bank Ltd.	9.81%	Engro Chemical Pakistan Ltd. PI	2.30%
United Bank Ltd.	8.91%	Maple Leaf Cement Factory - SK	1.46%
World Call Telecom Ltd.	5.17%	Al Abbas Sugar Mills Ltd.	1.32%
Orix Leasing Pakistan Ltd.	4.54%	Bank Alfalah Ltd. - 2	1.30%
Total Percentage of Top Ten TFCs			51.56%

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	34.96	13.04*	21.92	1.48%	1.48%
New Allied Electronics	TFC	19.33	19.33	-	-	-
New Allied Electronics	Sukuk	45.00	45.00	-	-	-
Eden Housing Ltd.	Sukuk	13.26	13.26	-	-	-
Agri Tech Ltd.	TFC	9.99	9.99	-	-	-
Saudi Pak Leasing Company Ltd.	TFC	7.15	7.15	-	-	-

*This represents 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

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

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.

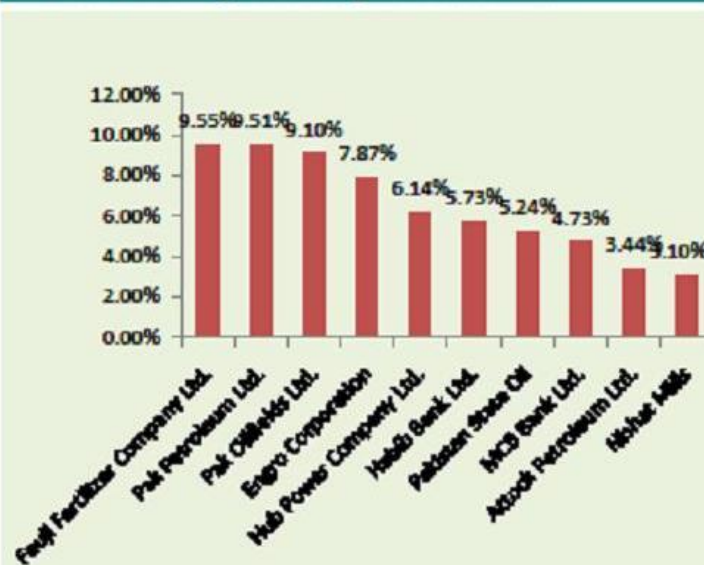
Fund Manager's Commentary:

During the month of April'11, KSE 100 index was up by 2.10% whereas HBL-SF posted a return 1.08% on M-o-M basis. On a year to date basis the fund outperformed by posting a return of 30.62% as compared to the benchmark return of 24.02%. Investment in equity shares increased by 5.02% whereas investment in T.Bills was reduced by 3.73%. The fund increased its exposure in Chemicals sector by 1.88% and in Oil and Gas by 1.23%.

Fund Returns (%)	HBL SF	Benchmark*
Year to Date	30.62%	24.02%
*KSE-100 Index		

Asset Allocation (% of Total Assets)	April'11	March'11
Cash	0.14%	1.13%
Stocks/Equities	84.68%	79.66%
T-Bills	13.58%	17.31%
Others including receivables	1.60%	1.90%

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 2.02 billion
NAV:	PKR 105.8714
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 + (ICR 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)	April'11	March'11
Oil and Gas	30.35%	29.12%
Chemicals	20.58%	18.70%
Banks	15.55%	14.30%
Electricity	10.09%	9.67%
Personal Goods	3.10%	2.79%
Others	5.01%	5.08%

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
Dewan Cement Limited	TFC	25.00	25.00	-	0.00%	0.00%

HBL Asset Management Limited

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

HBL Multi Asset Fund

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.

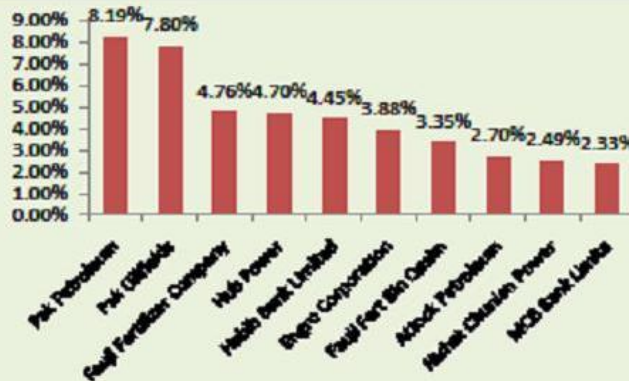
Fund Manager's Commentary:

During the month of April 2011, HBL Multi Asset Fund posted a MoM return of 1.17%. Exposure in equity shares remained almost the same as compared to last month whereas investment in T-bills slightly increased by 0.94%. Investment in TFC's has increased by 2.61%. The YTD return of the fund stood at 23.37% which is 5.94% above the benchmark.

Fund Returns (%)	HBL MAF	Benchmark*
Year to Date	23.37%	17.43%
*50% KSE-100 Index & 50% 1-M KIBOR		

Asset Allocation (% of Total Assets)	April '11	March '11
Cash	1.83%	5.37%
TFCs	18.53%	15.92%
Stocks/Equities	53.35%	53.34%
T-Bills	23.90%	22.96%
Others Including Receivables	2.39%	2.41%

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 405.873 Million
NAV:	PKR 99.2624
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:	AMB+ (ICR 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)	April '11	March '11
Oil and Gas	21.77%	21.85%
Chemicals	11.99%	12.36%
Banks	9.73%	9.28%
Electricity	8.60%	8.53%
Construction and Materials	0.50%	0.49%
Others	0.76%	0.83%

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

Name of Non-Compliant Investment (in PKR Million)	Type	Value of Investment before Provision	Provision Held	Value of Investment after Provision	% of Net Assets	% of Gross Assets
Saudi Pak Leasing Company	TFC	20.11	9.29	10.82	2.67%	2.64%
Dewan Cement Limited	TFC	25.00	25.00	-	0.00%	0.00%

HBL Asset Management Limited

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

HBL Money Market Fund

 MUFAP's Recommended Format Fund Manager's Report
 April 2011

Investment Objective:

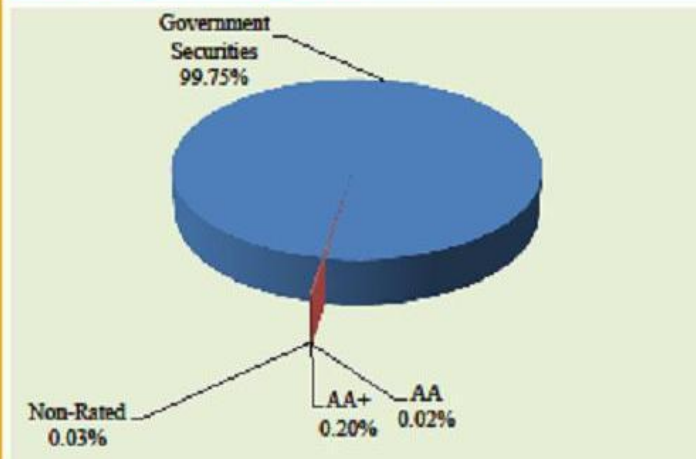
The objective of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

Fund Manager's Commentary:

The fund has earned 12.15% return in the month of April 2011 against the benchmark of 12.11%. Investment strategy for the month under discussion remained prudent as major chunk of money is being held in government securities. As a result of cautious stance, asset allocation remained more or less same with the previous month. The fund size has also been increased to Rs. 3.63 billion in April '11 from Rs. 2.97 billion in March '11. Moreover, during the month, the management has announced 3rd Interim dividend of Rs.2.9 per unit.

Fund Returns (%)	HBL MMF	Benchmark*
Year to Date	11.53%	10.75%
*50% 3-M PKRV & 50% 3-M Deposit Rate		

Asset Allocation (% of Total Assets)	Apr '11	Mar '11
Cash	0.22%	0.65%
T-Bills	99.75	99.31%
Others Including Receivables	0.03%	0.04%

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 3.6285 Billion
NAV: PKR 101.1066
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: 79 Days
Members of Investment Committee:

- Mr. Shahid Ghaffar
- Mr. Rehan N. Shaikh
- Mr. Amir Khan
- Mr. Umar Farooq
- Mr. Noman Qurban

HBL Asset Management Limited

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

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.

AVAIL TAX CREDIT BY INVESTING IN HBL FUNDS

Invest before
June 30, 2011

TAX SAVING OPPORTUNITY

Under section 62 of the Income Tax Ordinance 2001, your investment in an open end mutual fund before the close of the financial year i.e. from July 1, 2010 to June 30, 2011 is allowed for tax credit.

If, an investment* is made before **June 30, 2011**, the tax liability may be reduced up to a maximum of **Rs.60,000** for salaried individuals and **Rs.75,000** for self-employed individuals (depending on their annual taxable Income). However, this investment is required to be held for a period of one year from the date of investment.

For your better understanding below are tables for Tax credit with different salary slabs and their corresponding tax brackets.

For Salaried Individuals

Monthly Taxable Income (Rs.)	30,000	37,500	45,000	62,500	75,000	87,500	100,000	141,666	187,500	295,833	416,666
Total Annual taxable Income (Rs.)	360,000	450,000	540,000	750,000	900,000	1,050,000	1,200,000	17,00,000	2,250,000	3,550,000	5,000,000
1. Limit	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
2. 10% of taxable Income	36,000	45,000	54,000	75,000	90,000	105,000	120,000	170,000	225,000	355,000	500,000
Whichever is lower	36,000	45,000	54,000	75,000	90,000	105,000	120,000	170,000	225,000	300,000	300,000
Average rate of Tax	1.5%	2.5%	3.5%	6.00%	7.5%	9.00%	10.00%	12.5%	15.00%	17.5%	20%
Tax Credit (Rs.)	540	1,125	1,890	4,500	6,750	9,450	12,000	21,250	33,750	52,500	60,000

For Self-Employed Individuals

Monthly Taxable Income (Rs.)	41,666	62,500	83,333	125,000	166,666	208,333	250,000
Total Annual taxable Income (Rs.)	500,000	750,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000
1. Limit	300,000	300,000	300,000	300,000	300,000	300,000	300,000
2. 10% of taxable Income	50,000	75,000	100,000	150,000	200,000	250,000	300,000
Whichever is lower	50,000	75,000	100,000	150,000	200,000	250,000	300,000
Average rate of Tax	7.5%	10.00%	15.00%	20.00%	25.00%	25.00%	25.00%
Tax Credit (Rs.)	3,750	7,500	15,000	30,000	50,000	62,500	75,000

By investing in HBL Income Fund, HBL Stock Fund, HBL Multi Asset Fund and HBL Money Market Fund before June 30, 2011 you will be entitled to claim tax credit and reduce your tax liability for the year.

*The amount of a person's tax credit allowed under Section 62 of the Income Tax Ordinance shall be computed as lower of the total cost of acquiring the units of mutual funds; ten percent of the person's taxable income for the year; or three hundred thousand rupees.

Disclaimer: Investors are expected to seek independent advice so as to determine the taxability arising from their investment in the Units of the Funds.