

HBL

ASSET MANAGEMENT

AMC Rating – AM3+ by JCR-VIS

FUND MANAGER'S REPORT SEPTEMBER 2011

[HBL MoneyMarketFund](#)

[HBL IncomeFund](#)

[HBL StockFund](#)

[HBL MultiAssetFund](#)

[HBL IslamicStockFund](#)

[HBL IslamicMoneyMarketFund](#)

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HBL IncomeFund

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.

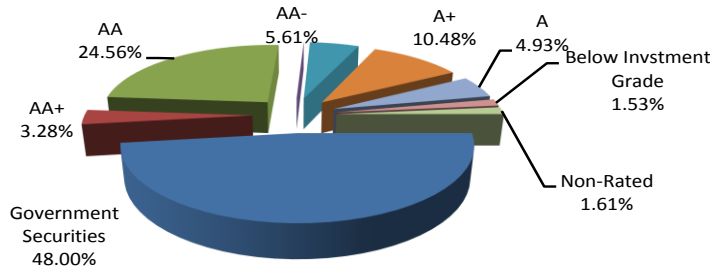
Fund Manager's Commentary:

The fund has yielded annualized compound return of around 10.2% for the month of September 2011 lower than the benchmark of 13.37%. This subdued performance was primarily due to provision of some debt securities. There is no significant change in asset allocation has been made during the month.

Fund Returns (%)	HBL IF	Benchmark*
Year to Date	12.08%	13.52%
Since Inception	9.98%	12.00%
Calendar Year 2011	13.61%	13.52%
Trailing 12-months	12.32%	13.38%

Asset Allocation (% of Total Assets)	Sep '11	Aug '11
Cash	0.65%	1.46%
TFCs	49.73%	50.12%
PIBs	1.51%	1.51%
T-Bills	46.49%	43.64%
Others including receivables	1.61%	3.27%

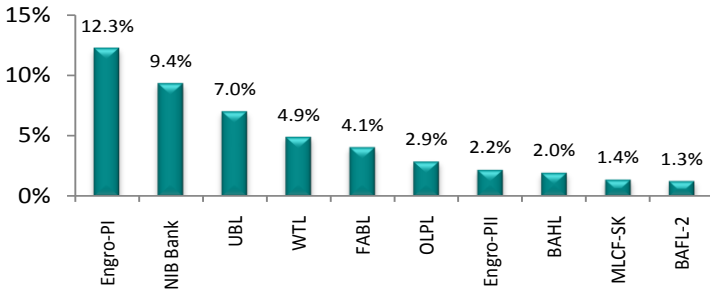
Asset Quality of Portfolio (% of Total Assets)



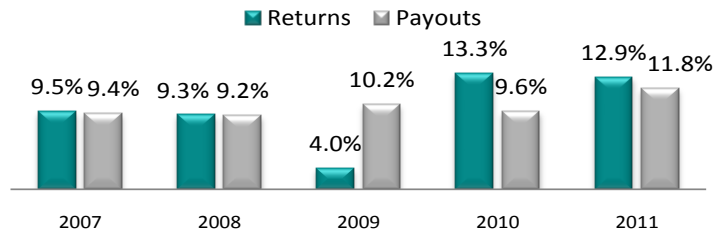
Fund Information

Fund Type:	Open-end
Category:	Income Scheme
Launch Date:	March 15, 2007
Net Assets:	PKR 1.554 Billion
NAV:	PKR 101.3823
Benchmark:	6 Month KIBOR
Dealing Days:	Monday-Friday
Cut-off Time:	9:00 AM-3:00 PM (Mon-Fri)
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:	KPMG Taseer Hadi & Co.
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:	2.5 years
Members of Investment Committee:	Shahid Ghaffar, Rehan N. Shaikh, Amir Khan, Umar Farooq and Noman Qurban

Top Ten TFC Holding (% of Total Assets)



Returns and Payout History %



Returns (%)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2011-12	11.32%	14.73%	10.19%	-	-	-	-	-	-	-	-	-	12.08%
2010-11	6.47%	13.78%	19.49%	0.00%	7.64%	22.23%	-5.81%	16.51%	46.45%	7.34%	12.09%	23.38%	12.90%

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	13.03*	21.92	1.41%	1.41%
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	6.97	4.76	2.11	0.14%	0.14%

*This represents unrealized diminution in price of MLCF amount to PKR 13.03 million

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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.

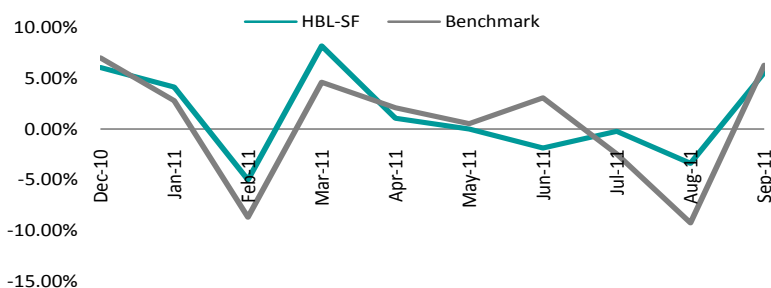
Fund Manager's Commentary:

After negative return in two consecutive months, the fund has earned around 5.5% m-o-m return during September 2011 against the benchmark index (KSE 100) of 6.3%. Moreover, the fund has earned return of 21.40%, 7.86% and 26.64% in since inception, CY 2011 and trailing 12-month respectively. Moreover, the fund size is increased by 5.5% from last month's net assets. The asset allocation of the fund is more or less same and looking forward investment would remain restricted to high yielding and stable companies.

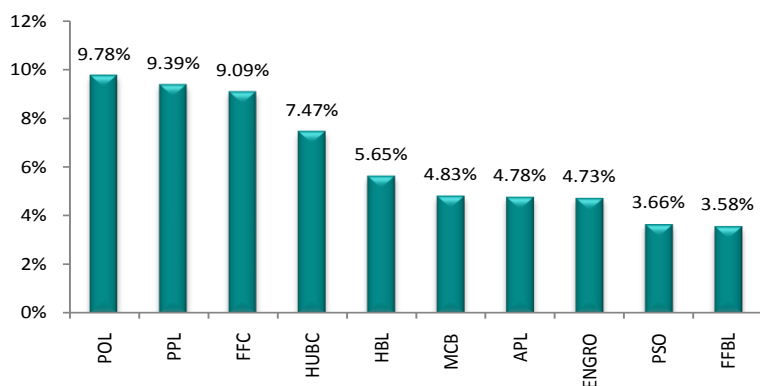
Fund Returns (%)	HBL SF	Benchmark*
Year to Date	1.39%	-5.87%
Since inception	21.05%	-3.7%
Calendar Year 2011	7.50%	-2.17%
Trailing 12 months	26.22%	-3.70%

*KSE-100 Index

HBL SF M-o-M Return Vs Benchmark (KSE 100 index)



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 2.0136 billion
 NAV: PKR 95.0541
 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: KPMG Taseer Hadi & Co.
 Asset Manager Rating: AM3 + (JCR VIS Credit Rating Co. Ltd.)
 Risk Profile: High
 Leverage: Nil
 Members of Investment Committee: Shahid Ghaffar, Rehan N. Shaikh, Amir Khan, Umar Farooq and Noman Qurban

Asset Allocation (% of Total Assets)	Sep '11	Aug '11
Cash	2.47%	1.40%
Stocks/Equities	82.97%	84.08%
T-Bills	12.87%	13.51%
Others including receivables	1.69%	1.00%

Sector Allocation (% of Total Assets)	Sep '11	Aug '11
Oil and Gas	30.50%	31.42%
Chemicals	17.84%	17.97%
Banks	15.53%	15.27%
Electricity	12.09%	11.49%
Personal Goods	3.21%	3.16%
Others	4.67%	4.77%

Returns (%)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2011-12	-0.22%	-3.37%	5.5%	-	-	-	-	-	-	-	-	-	1.39%
2010-11	7.56%	-5.22%	0.87%	4.64%	5.80%	6.05%	4.13%	-4.99%	8.18%	1.08%	0.01%	-1.87%	28.19%

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 million	25 million	-	0.00%	0.00%

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Investment Objective:

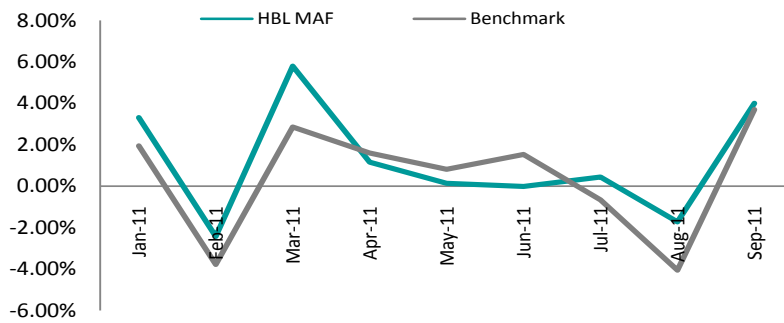
The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as equity, equity related instruments, fixed income securities, derivatives and money market instruments etc.

Fund Manager's Commentary:

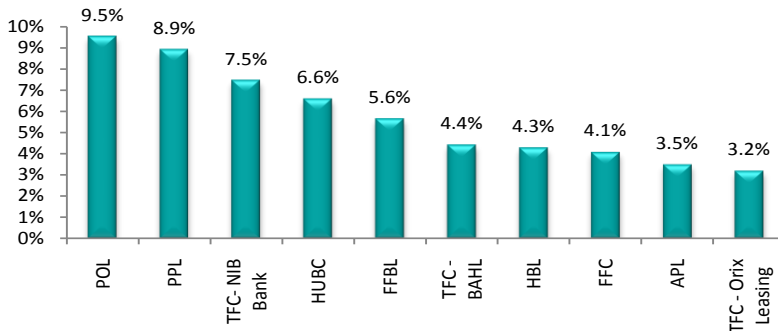
During the month of September 2011, the fund has outperformed benchmark by 8.1% and registered return of 4.01% against benchmark of 3.71%. Exposure in equities has been slightly increased to 60.1% of TA from 59.71% in order to gain advantage from improving stock prices of blue chip companies whereas exposure in government and debt securities have been reduced.

Fund Returns (%)	HBL MAF	Benchmark*
Year to Date	3.25%	-1.24%
Since Inception	18.80%	25.18%
Calendar year	7.43%	3.95%
Trailing 12 months	19.88%	15.33%
*50% KSE-100 Index & 50% 1-M KIBOR		

HBL MAF M-o-M Return Vs Benchmark



Top Ten Holdings % of Total Assets



Fund Information

Fund Type: Open-end
 Category: Balanced Scheme
 Launch Date: December 14, 2007
 Net Assets: PKR 344.180 Million
 NAV: PKR 86.8958
 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: KPMG Taseer Hadi & Co.
 Asset Manager Rating: AM3 + (JCR VIS Credit Rating Co. Ltd.)
 Risk Profile: Moderate/High
 Leverage: Nil
 Members of Investment Committee: Shahid Ghaffar, Rehan N. Shaikh, Mr. Amir Khan, Umar Farooq and Noman Qurban

Asset Allocation (% of Total Assets)	Sep'11	Aug '11
Cash	6.51%	5.53%
TFCs	16.82%	18.01%
Stocks/Equities	60.10%	59.71%
T-Bills	14.25%	14.65%
Others Including Receivables	2.32%	2.10%

Sector Allocation (% of Total Assets)	Sep '11	Aug '11
Oil and Gas	24.78%	25.27%
Chemicals	12.55%	12.93%
Electricity	10.44%	10.41%
Banks	10.20%	9.94%
Construction and Materials	1.09%	1.10%
Others	1.04%	0.82%

Returns (%)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2011-12	0.45%	-1.17	4.01%	-	-	-	-	-	-	-	-	-	3.25%
2010-11	5.53%	-3.20%	-0.47%	3.90%	3.80%	4.25%	3.33%	-2.42%	5.81%	1.17%	0.15%	0.00%	23.55%

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	19.28	13.14	6.14	1.78%	1.76%
Dewan Cement Limited	TFC	25.00	25.00	-	0.00%	0.00%

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Investment Objective:

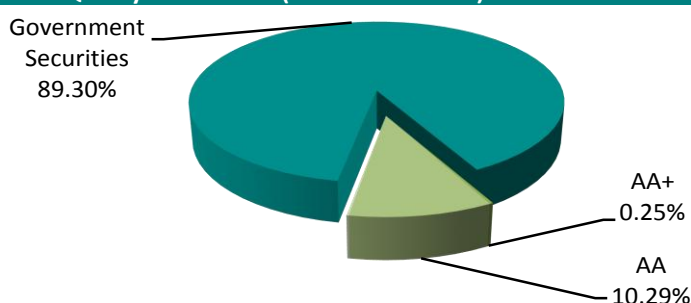
The objective of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.

Fund Manager's Commentary:

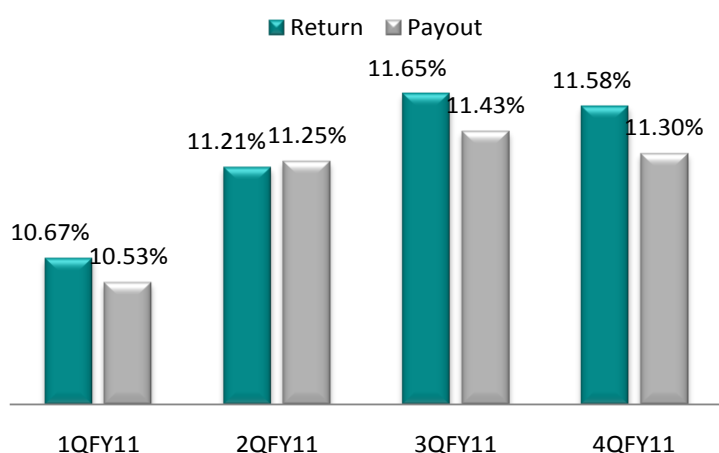
HBL MMF has yielded annualized return of 11.94% for the month of September 2011 against the benchmark of 11.52% hence showing an outperformance of 3.64%. The fund has divested from government securities from 99.82% of TA in Aug 2011 to 89.30% of TA and invested funds into high yielding term deposits.

Asset Allocation (% of Total Assets)	Sep '11	Aug '11
Cash	0.27%	0.14%
T-Bills	89.30%	99.82%
Term Deposit Receipts	10.28%	0.00%
Others Including Receivables	0.16%	0.02%

Asset Quality of Portfolio (% of Total Assets)



Annualized Return and Payout History (%)



Fund Information

Fund Type: Open-end
 Category: Money Market Scheme
 Launch Date: July 12, 2010
 Net Assets: PKR 5.040 Billion
 NAV: PKR 103.0806
 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: KPMG Taseer Hadi & Co.
 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: 83.86 Days
 Members of Investment Committee: Shahid Ghaffar, Rehan N. Shaikh, Amir Khan, Umar Farooq, and Noman Qurban

Fund Returns (%)	HBL MMF	Benchmark*
Year to Date	12.22%	11.43%
Since Inception	11.68%	11.01%
Calendar Year 2011	11.62%	11.56%
Trailing 12-months	11.64%	10.94%

Return %	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2011-12	11.97%	12.37%	11.94%	-	-	-	-	-	-	-	-	-	12.22%
2010-11	10.43%	10.33%	10.96%	11.11%	10.68%	11.77%	11.29%	11.95%	11.75%	12.15%	11.27%	11.63%	11.54%

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Investment Objective:

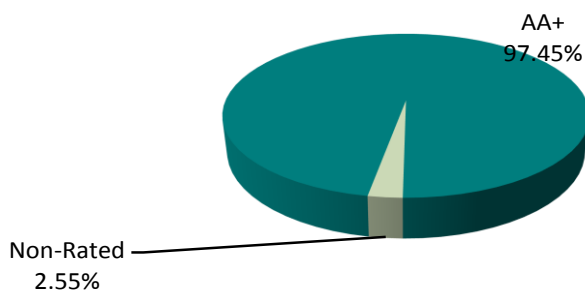
The objective of HBL Islamic Money Market Fund is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investment in low risk Shariah Compliant securities.

Fund Manager's Commentary:

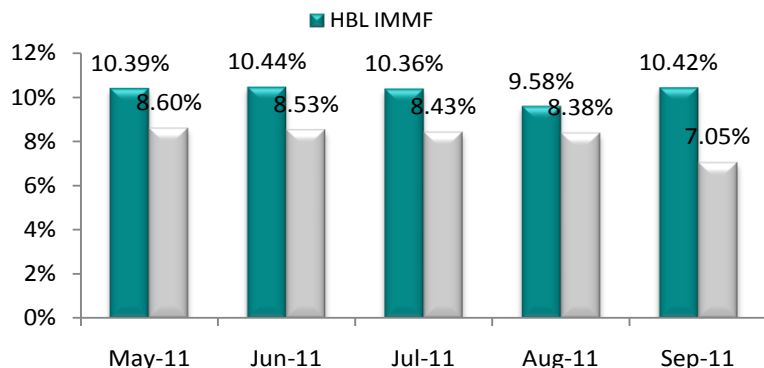
During the month of September 2011, the fund has earned 10.42% as compared to the benchmark of 7.05% hence showing increase of 3.37%. Moreover in comparison with previous month's return the fund earned an increased return of 84 bps. Due to limited investment alternatives in Islamic money market fund, the investment style remained same as earlier but because of better negotiation with banks on profit rates, the fund has placed its money at high yielding term deposit receipts.

Asset Allocation (% of Total Assets)	Aug '11	Jul '11
Cash	0.56%	0.23%
Term Deposit Receipts	96.90%	98.21%
Others Including Receivables	2.55%	1.56%

Asset Quality of Portfolio (% of Total Assets)



Annualized MoM Return Vs Benchmark



Fund Information

Fund Type: Open-end
Category: Islamic Money Market Scheme
Launch Date: May 10, 2011
Net Assets: PKR 410.617Million
NAV: PKR 102.5724
Benchmark: 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: KPMG Taseer Hadi & Co.
Asset Manager Rating: AM3 + (JCR VIS Credit Rating Co. Ltd.)
Risk Profile: Low
Leverage: Nil
Weighted Avg. time to maturity: 39.4 Days
Members of Investment Committee: Shahid Ghaffar, Rehan N. Shaikh, Amir Khan, Umar Farooq, and Noman Qurban

Fund Returns (%)	HBL IMMF	Benchmark*
Year to Date	10.20%	7.94%
Since Inception	10.29%	8.19%

Return %	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2011-12	10.36%	9.58%	10.42%	-	-	-	-	-	-	-	-	-	10.20%
2010-11	-	-	-	-	-	-	-	-	-	-	10.39%	10.44%	10.46%

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Investment Objective:

The objective of HBL Islamic Stock fund is to achieve long-term capital growth by investing mainly in Shariah Complaint Equity securities.

Fund Manager's Commentary:

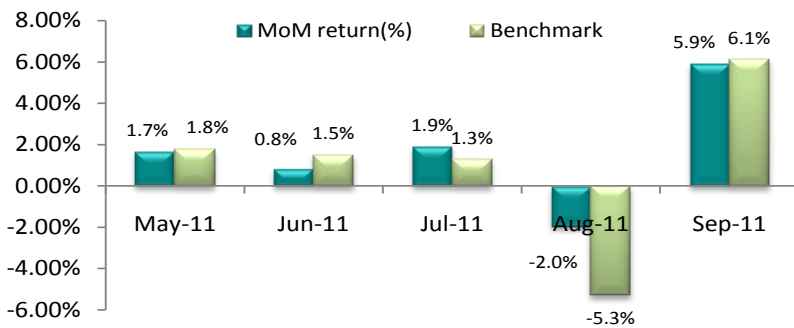
For the month of September 2011, HBL Islamic stock fund has managed to register m-o-m return of 5.89% against the benchmark index (KMI 30) of 6.12%. Positive vibes among investor sentiments remained behind improved performance of local burses. Moreover, the fund has outperformed benchmark index by 221% on year to date basis. Besides returns, the net assets under management of the fund have increased to PKR 284 million from last month's fund size of PKR 238 million hence showing an increment of 5.8%. The fund has slightly increased its exposure in construction and material segment whereas asset allocation in other sectors remained more or less same.

Fund Returns (%)	HBL ISF	Benchmark*
Year to Date	5.79%	1.80%
Since Inception	8.35%	5.17%
*KMI 30 Index		

Fund Information

Fund Type: Open-end
 Category: Equity Scheme
 Launch Date: May 10th 2011
 Net Assets: PKR 284.311 million
 NAV: PKR 106.799
 Benchmark: KMI 30 Index
 Dealing Days: Monday-Friday
 Cut-off Time: 9:00 AM – 3:00 PM
 Price Mechanism: Forward Pricing
 Management Fee: 2.00% per annum
 Front End/Back End Load: 2.0%/Nil
 Trustee: Central Depository Co. of Pakistan Ltd.
 Auditors: KPMG Taseer Hadi & Co.
 Asset Manager Rating: AM3 + (JCR VIS Credit Rating Co. Ltd.)
 Risk Profile: High
 Leverage: Nil
 Members of Investment Committee: Shahid Ghaffar, Rehan N. Shaikh, Amir Khan, Umar Farooq and Noman Qurban

MoM Return Vs Benchmark



Stock Allocation – Major Holdings % of Total Assets



Asset Allocation (% of Total Assets)	Sep '11	Aug '11
Cash	12.39%	14.53%
Stocks/Equities	78.59%	79.07%
Others	9.02%	6.40%

Sector Allocation (% of Total Assets)	Sep '11	Aug '11
Oil and Gas	36.57%	37.28%
Chemicals	24.84%	25.74%
Electricity	9.87%	9.84%
Construction and materials	7.32%	6.21%

Returns (%)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2011-12	1.91%	-1.96%	5.89%	-	-	-	-	-	-	-	-	-	5.79%
2010-11	-	-	-	-	-	-	-	-	-	-	1.66%	0.83%	2.50%

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ASSET MANAGEMENT

Invest as low as Rs.5,000 in our Conventional funds and Rs.1,000 in our Islamic funds!

* Easy Encashability

* No minimum holding period

*Competitive Returns

Three Simple Steps to Invest:

1. Make payment through cheque / demand draft in favor of “**CDC-Trustee HBL (Name of fund)**”
Eg: CDC Trustee HBL Money Market Fund
2. Attach the documents as specified in the Account Opening Form
3. Submit the required documents along with payment at our Head Office or Lahore Office Address

For details contact us at:

Head Office Address

**8B-8th Floor, Executive Tower, Dolmen City, Block 4, Clifton,
Karachi**

Tel: 021-35290171-86

Fax: 021-35290189

Lahore Office Address

102-103, Upper Mall, Lahore

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