



FUND MANAGER'S REPORT (Islamic Funds)

January 2015

HBL | ASSET
MANAGEMENT

Jahan Khwab, Wahan HBL

Protect what matters the most...your future

IPO date:
30th Jan 2015 -
20th Mar 2015

HBL Mustahakum Sarmaya Fund 1

(021) 111-425-262 | www.hblasset.com

HBL Asset

Risk Disclaimer: All investment in mutual funds are subject to market risks, Investors are advised in their own interest to carefully read the contents of the Offering Document, in particular the Investment Policies mentioned in clause 2.1, Risk Factors mentioned in clause 2.4, Taxation Policies mentioned in clause 7 and Warnings in clause 9 before making any investment decision.

Disclaimer: Past results are not indicative of future performance. This report should not be considered an offer to buy or sell, or solicitation. The information contained herein has been compiled from sources believed to be reliable. This information is being circulated for information purposes only and may not be copied or distributed to any other person without the prior written permission of HBL Asset Management Co.

Fund Manager's Commentary

31-Jan-15

For the month of Jan 2015, HBL Islamic Money Market Fund generated an annualized return of 7.24% against the benchmark return of 7.14%. The Fund continued to maintain its top ranking among the category while continuing to maintain its major exposure in Cash equivalents.

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

Investment Features

- Easy encashability
- Optimum returns
- No front end and back end load

Fund Facts

Net Assets	Rs. 509.100 million (31-Jan-15)
NAV	PKR 104.6138*
Launch Date	10-May-11
Management Fee	1% p.a
Listing	Lahore Stock Exchange
Trustee	Central Depository Co. of Pakistan
Auditor	KPMG Taseer Hadi & Co.
Benchmark	3-Month Deposit Rate
Type	Open End
Category	Islamic Money Market Scheme
Front end Load	Nil
Back end Load	Nil
AMC Rating	AM2- (by JCRVIS)
Dealing Days	Monday-Friday
Cut off time	9:00 AM-3:00 PM (Mon-Fri)
Price Mechanism	Forward Pricing
Fund Stability Rating	N/A
Leverage	Nil
Investment Committee	

Rehan N. Shaikh, Amir Khan

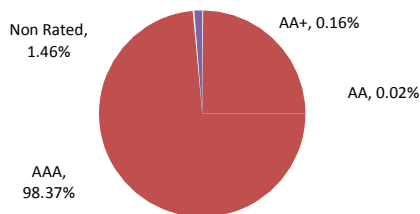
Naseer Ladhani, Fahad Aziz

Provision against WWF liability

* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 2.669 mn if the same were not made, the NAV per unit/return would be higher by Rs. 0.55/0.52%.

Weighted Average time to Maturity 1 Day

Asset Quality Portfolio (As at 31-Jan-15)

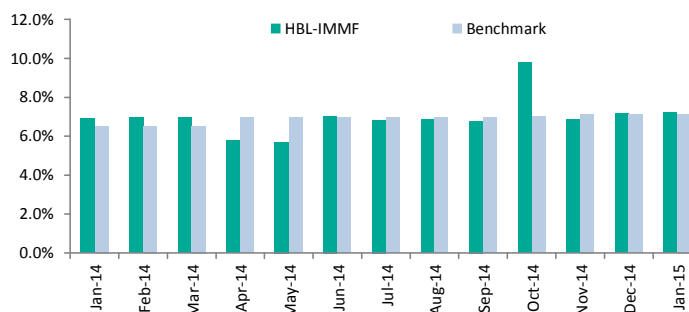


Fund Returns (%)

	HBL-IMMF*	Benchmark
Annualized Return Since Inception	9.50%	7.06%
Year to Date Annualized Return	7.50%	7.05%
Calendar Year to Date Annualized Return	7.24%	7.14%
1 Month Annualized Return	7.24%	7.14%
3 Month Annualized Return	7.13%	7.14%
6 Month Annualized Return	7.57%	7.07%
1 Year Annualized Return	7.23%	6.95%
Daily Average Return (Since Inception)	0.03%	0.02%
Standard Deviation (Since Inception)	0.03%	0.00%
Annualized Return FY-14	6.86%	6.62%
Annualized Return FY-13	8.45%	6.89%
Annualized Return FY-12	10.34%	7.41%
Annualized Return FY-11	n/a	n/a
Annualized Return FY-10	n/a	n/a

* Returns have been calculated as per MUFAP's formula

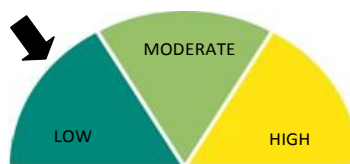
HBL Islamic Money Market Fund Vs benchmark (MoM Returns)



Asset Allocation (% of Total Assets)

	Jan'15	Dec'14
Cash	98.54%	99.28%
Govt Securities (Ijara Sukuk)	0.00%	0.00%
Others Including receivables	1.46%	0.72%
Term Deposit Receipts	0.00%	0.00%

Risk Level (Low)



MUFAP's Recommended Format

HBL IslamicStockFund

Fund Manager's Commentary

31-Jan-15

During the month under review, Fund return stood at 5.86% against the benchmark KMI-30 Index which increased by 6.24%, thus showing a minor under-performance of 0.38%. The equity exposure stood at 93.08% (of total assets) at month-end.

We increased the fund exposure in chemicals and construction & materials. Upcoming result season and low inflationary environment has the potential to act as a trigger for the market in the coming months.

Investment Objective

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

Investment Features

Easy encashability
Diversified Islamic Equity Portfolio
No exit load

Fund Facts

Net Assets Rs. 862.436 million (31-Jan-15)

NAV PKR 147.0664*

Launch Date 10-May-11

Management Fee 2% p.a

Listing Lahore Stock Exchange

Trustee Central Depository Co. of Pakistan

Auditor KPMG Taseer Hadi & Co.

Benchmark KMI 30 Index

Type Open End

Category Equity Scheme

Front end Load 2.0%

Back end Load Nil

AMC Rating AM2- (by JCRVIS)

Dealing Days Monday-Friday

Cut off time 9:00 AM-3:00 PM (Mon-Fri)

Price Mechanism Forward Pricing

Leverage Nil

Investment Committee

Rehan N. Shaikh, Amir Khan, Asif Mobin,

Naseer Ladhani,

Provision against WWF liability

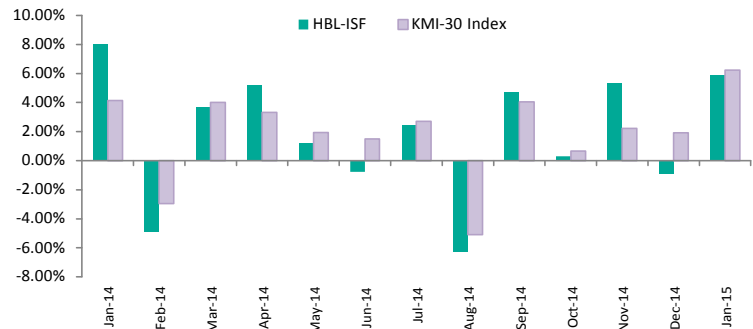
* The scheme has maintained provisions against Worker Welfare Fund's liability to the tune of PKR 7.470 mn if the same were not made, the NAV per unit/return would be higher by Rs. 1.25/0.88%.

Fund Returns (%)

	HBL-ISF*	Benchmark
Cumulative Return Since Inception	122.12%	165.98%
Year to Date Return (Cumulative)	11.49%	13.03%
Calendar Year to Date Return (Cumulative)	5.86%	6.24%
1 Month Cumulative Return	5.86%	6.24%
3 Month Cumulative Return	10.55%	10.68%
6 Month Cumulative Return	8.87%	10.04%
1 Year Cumulative Return	13.43%	21.99%
Daily Average Return (Since Inception)	0.10%	0.11%
Standard Deviation (Since Inception)	0.88%	0.91%
Since Inception (CAGR)	23.85%	29.97%
Return FY-14	30.17%	29.89%
Return FY-13	44.87%	54.41%
Return FY-12	16.52%	13.57%
Return FY-11	n/a	n/a
Return FY-10	n/a	n/a

* Returns have been calculated as per MUFAP's formula

HBL Islamic Stock Fund Vs KMI 30 Index (MoM Returns)



Asset Allocation (% of Total Assets)

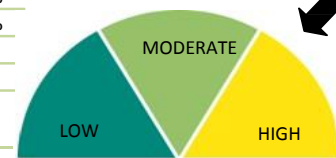
	Jan'15	Dec'14
Cash	6.43%	11.08%
Stock/Equities	93.08%	77.99%
Others	0.49%	10.93%

Sector Allocation (% of Total Assets)

	Jan'15	Dec'14
Oil & Gas	15.89%	18.01%
Personal Goods	2.96%	2.19%
Electricity	7.77%	7.71%
Others	8.41%	11.98%
Construction and materials	16.70%	11.48%
Food Producers	7.27%	7.65%
Chemicals	19.94%	7.85%
General Industrials	14.15%	11.12%

Top Ten Holding (31-Jan-15)

	%	Risk Level (High)
D G Khan Cement Company Ltd.	9.37%	
Engro Corporation Limited	8.08%	
Thal Limited	8.07%	
Hub Power Company Limited	7.77%	
ICI Pakistan Limited	7.75%	
Pak Petroleum Limited	7.63%	
Lucky Cement Limited	7.33%	
National Foods	7.27%	
Packages Limited	6.08%	
Pak Suzuki Motor Co. Ltd.	6.08%	



MUFAP's Recommended Format

Fund Manager's Commentary

31-Jan-15

DF: We increased the fund exposure in government securities by 4.90% to 81.59%. The Fund's return for the month stood at 10.53%.

MMF: In Islamic Money market Fund we increased the Fund exposure in government securities by 3.34% to 77.35%. Return of the fund for the month under review stood at 12.01%.

SF: During the month under review SF return stood at 6.56%. The Fund Manager remains positive on the market on the back of lower inflationary environment and result season.

Investment Objective

To provide a secure and Shariah compliant source of savings and regular income after retirement to the Participants

Investment Features

Hassle-free investment
Competitive returns
Flexible allocation schemes

Fund Facts

Launch Date	16-Dec-11	
Management Fee	1.5% p.a	
Trustee	Central Depository Co. of Pakistan	
Auditor	KPMG Taseer Hadi & Co.	
Type	Open End	
Category	Shariah Compliant scheme	
Front end Load	Max 3%	
Back end Load	Nil	
AMC Rating	AM2- (by JCRVIS)	
Dealing Days	Monday-Friday	
Cut off time	9:00 AM-3:00 PM (Mon-Fri)	
Price Mechanism	Forward Pricing	
Investment Committee		
Rehan N. Shaikh, Amir Khan, Asif Mobin, Naseer Ladhani,		
Fund Size (million) as at 31-Jan-2015		
Money Market	Debt	Equity
57.30	70.32	140.59
NAV (PKR)		
122.5333	124.0622	319.1064
Leverage	Nil	

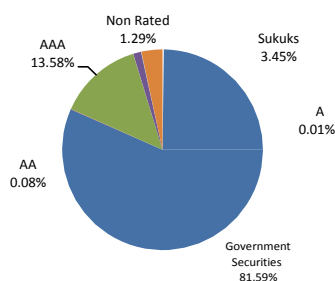
Fund Returns (%)

	Debt p.a	**Equity	MM p.a
Return Since Inception	7.58%	219.11%	7.10%
Year to Date Return	4.20%	22.60%	4.26%
Calendar Year to Date Return	10.53%	6.56%	12.01%
1 Month Return	10.53%	6.56%	12.01%
3 Month Return	5.15%	15.45%	5.16%
6 Month Return	4.87%	22.09%	4.75%
1 Year Return	5.54%	38.16%	4.95%
Daily Average Return (Since Inception)	0.03%	0.15%	0.03%
Standard Deviation (Since Inception)	0.12%	0.95%	0.07%
Return FY-14	7.04%	44.41%	6.08%
Return FY-13	8.67%	50.30%	7.70%
Return FY-12	n/a	n/a	n/a
Return FY-11	n/a	n/a	n/a
Return FY-10	n/a	n/a	n/a

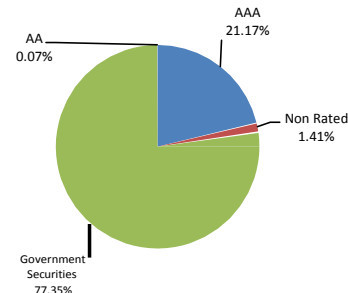
* Returns have been calculated as per MUFAP's formula

**Equity fund returns are cumulative

Credit Quality-Debt



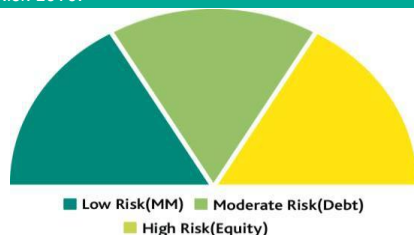
Credit Quality-MMF



Provision against WWF liability

PKR 0.987 mn, PKR 0.241 mn, and PKR 0.203 mn respectively. If the same were not made, the NAV per unit/return of ESF, DSF, and MSF would be higher by Rs. 2.24/0.69 %, Rs 0.43/0.34% and Rs 0.44/0.35% respectively.

Risk Level



Asset Allocation

	HBL Money Market		HBL Debt		HBL-Equity	
	31-Jan-15	31-Dec-14	31-Jan-15	31-Dec-14	31-Jan-15	31-Dec-14
Govt. Securities	77.35%	74.01%	81.59%	76.69%	95.00%	94.48%
Others	1.41%	0.64%	1.29%	0.52%	0.10%	0.09%
Cash	21.24%	25.35%	3.45%	3.74%	4.90%	5.42%
			13.68%	19.04%		

Returns (%)*	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
HBL-IPF MMF*	7.62%	4.45%	9.06%	1.74%	1.34%	3.00%	4.12%	5.67%	0.31%	2.96%	12.01%
HBL-IPF Debt*	9.49%	2.71%	11.59%	4.08%	0.26%	2.84%	4.81%	5.88%	1.29%	3.46%	10.53%
HBL-IPF Equity**	7.45%	4.44%	2.47%	3.91%	0.41%	-5.52%	4.65%	6.96%	6.81%	1.44%	6.56%

MUFAP's Recommended Format

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.

HOW TO INVEST?

Invest as low as Rs. 1,000/= in our Islamic funds
Rs. 500/= in our Islamic Pension funds

Three Simple Steps to Invest:

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

Karachi Head Office Address

24-C, Khayaban-e-Hafiz, Phase VI,
D.H.A, Karachi

Tel: (92-21) 111-425-262

Fax: (92-21) 35240634

Lahore Office Address

102-103, Upper Mall,
Lahore

Tel: (92-42) 36281610

Fax: (92-42) 36281686

Islamabad Office Address

HBL Corporate Center, HBL
Building, Jinnah Avenue, Islamabad

Tel: (92-51) 2821183

Fax: (92-51) 2822206