

FUND SELECT

An Investment Guide to Mutual Funds

Highlights

Market Roundup

May 2008 proved out to be a fairly decent month for the major US and European indices, nevertheless, it turned out to be a lackluster month for the major Asian indices.

Spotlight on the Global Mutual Fund Industry

Since 2000, the cumulative asset size of the global mutual fund industry grew at CAR of 11.97%, which surged to US\$ 26.1 trillion from US\$11.8 trillion in CY2000.

Wakeup Call: Ideal Time for Investments in Mutual Funds

Many individuals are not aware that by investing in mutual funds, they can avail the benefit of tax credit. This means that on top of what earnings they get from investing in mutual funds, they get additional benefits in the form of tax credit.

Pakistan International Element Islamic Fund (PIIF)

During May CY08, PIIF yielded a return of -8.32% as compared to DJ JS Islamic Market Pakistan Index return of -13.47% whilst, the KSE 100 offered a return of -19.78%.

HBL Multi Assets Fund

During May 2008, the NAV of the Fund declined by 8.31% which made it the third best performing fund among its peers.

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Investment Bank

CONTENTS

Section	Page
Market Roundup	3
Spotlight on the Global Mutual Fund Industry.....	5
Wakeup Call: Ideal Time for Investments in Mutual Funds.....	10
Pakistan International Element Islamic Fund (PIIF).....	12
HBL Multi Assets Fund.....	15
Relative Ranking.....	18
Performance Profile	19
Dividend Display	20
Rating Guide.....	21
Sector Snapshot	22

*"In this issue we present two randomly selected funds namely **Pakistan International Element Islamic Fund (PIIF)** and **HBL Multi Asset Fund**. The idea behind this "product" is to enhance the reader's knowledge about different mutual funds. In our view, this is still a much untapped sector which provides a relatively better investment opportunity to investors. Your suggestions to add value to this product are more than welcome."*

Market Roundup

Global Bourses Highlights

May 2008 proved out to be a fairly decent month for the major US and European indices, nevertheless, it turned out to be a lackluster month for the major Asian indices. NASDAQ gained 4.55%MoM while CAC40 and DAX climbed 0.36%MoM and 2.13%MoM respectively. Nevertheless, most of the Asian bourses witnessed heavy losses. In our universe of major global bourses, KSE100 was the major loser as it shed 2,992 points during the month and declined by 19.78%MoM. Sensex30, Shanghai Composite and Hang Sang declined by 5.04%MoM, 7.03%MoM and 4.75%MoM respectively.

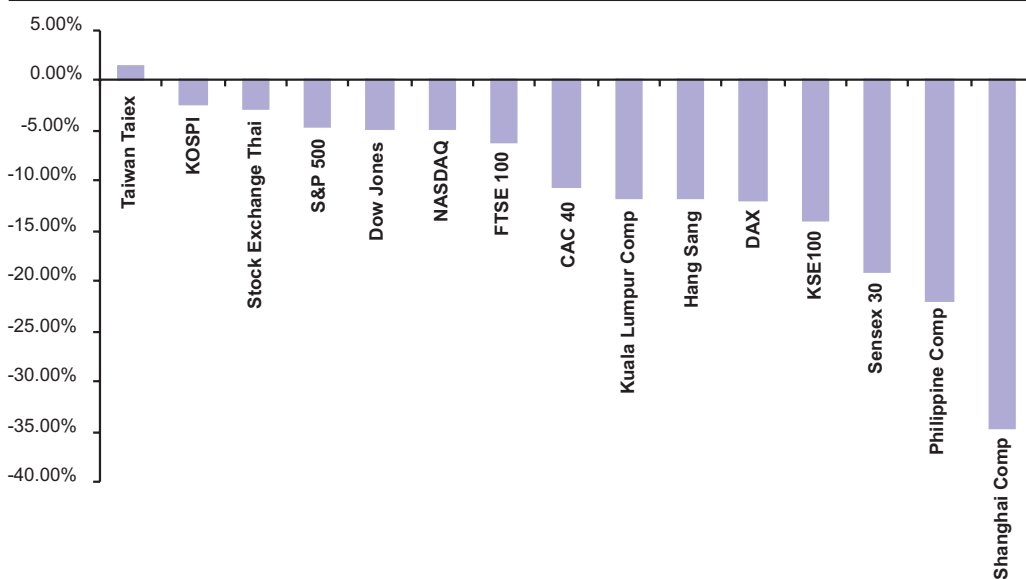
Global Bourses Highlights

	Index as at		%Chg MoM	Div Yield (%)	PER	Avg Volume (mn shares)
	May-31-2008	April-30-2008				
Dow Jones	12,638	12,820	-1.42%	2.55	15.91	216
NASDAQ	2,523	2,413	4.55%	0.84	38.57	799
S&P 500	1,400	1,386	1.07%	2.14	23.39	985
FTSE 100	6,054	6,087	-0.56%	4.21	11.65	1,114
CAC 40	5,014	4,997	0.36%	3.9	12.6	125
DAX	7,097	6,949	2.13%	3.76	13.32	129
Hang Sang	24,533	25,755	-4.75%	3.19	14.2	1,998
Shanghai Comp	3,433	3,693	-7.03%	1.44	27.65	7,400
Sensex 30	16,416	17,287	-5.04%	1.36	18.96	18
Philippine Comp	2,827	2,750	2.82%	4.56	12.5	215
Stock Exchange Thai	834	832	0.14%	3.82	14.71	3,740
Taiwan Taiex	8,619	8,920	-3.37%	3.54	14.76	3,572
KOSPI	1,852	1,825	1.45%	1.68	14.69	304
Kuala Lumpur Comp	1,276	1,280	-0.29%	4.01	13.19	202
KSE100	12,131	15,122	-19.78%	4.06	12.01	129

Source: Bloomberg

Considering YTD returns, except for Taiwan Taiex, all major bourses in our universe are hovering in the negative zone as can be seen in the following graph.

Performance Highlights: Major Global Bourses during Jan-May 2008



Source: Bloomberg

Domestic Market Snapshot

May 2008, proved to be a tumultuous month for both, domestic equity and money markets. SBP interim monetary policy was the major event which had a significant impact on the capital market of the country. Key highlights of the SBP policy and its possible outcome are discussed briefly in following paragraphs.

- **Discount Rate increased by 150bps to 12%:** Responding urgently to the rapidly deteriorating macro economic indicators, the State Bank of Pakistan raised the primary discount rate by 150bps to 12% along with a 100bps increase in the CRR (DTLs of less than 1yr) and SLR requirements to 9% and 19% respectively. In our view, this step would cumulatively drain Rs60bn from the inter-bank market. As a result of this, 6month KIBOR has increased sharply and is hovering around 13.0% - 13.5% which is likely to remain in the same band in the near future. Moreover, yields on upcoming T-bills across all three tenors increased by almost 125bps. Cut-off yields of PIBs in upcoming auctions are expected to increase by 100-150bps across all tenors.
- **Floor at 5% on PLS accounts rates:** In addition, the SBP stipulated that all Banks would be required to pay a minimum profit rate of 5% on Saving/PLS accounts against an estimated average return on all saving accounts of just 2.1%. Saving/PLS deposits account for almost 40% of the total banking sector deposits, which would adversely affect the profitability of banks particularly of Big Banks. With the increase in KIBOR, yields on advances, which are mostly linked with KIBOR, would also increase. In our view, this would mitigate the adverse impact of minimum profit rate of 5% on PLS accounts, nevertheless, it would not be sufficient to nullify the entire impact. Overall, we believe, the banking sector spreads would shed by 50-75bps in upcoming financial year. However, spreads are likely to remain well above 550bps, which is much higher as compared to that of India and other Asian Pacific countries.
- **L/C margins fixed at 35%:** Moreover, L/C margins on all imports except for oil and food was fixed at 35%, creating a disincentive for importers who will have to put down USD liquidity against their contract in advance. The SBP had earlier tightened regulations on advance payments against L/C's for imports to 50% from 100% in early May08. Advance payments against registered contracts have also been disallowed. Measures related to trade are expected to curtail misuse of facilities and moderate USD outflows to only some extent as the key reason behind the widening trade deficit is the mounting oil import bill on the back of all time high oil prices in the international markets.

Considering the headline inflation of 17.2%, with food inflation at a record 25.5% in April 2008, there has been mounting pressure on Pak Rupee against the Greenback. The widening saving-investment gap is mainly due to negative real interest rates and massive government borrowings from the Central Bank. In our view, the aforesaid steps taken by SBP were the need of the hour. Nevertheless, the question still remains, as to whether these actions of the Central bank would bring back the derailed economy on the right track?

The key reason behind the lackluster macro economy indicators is sky high oil prices. It is obvious that oil prices in the international markets would not be affected by the aforementioned State Bank's actions. We believe that with all these steps taken, the SBP will curtail inflation and the mounting import bill to only some extent. However, we believe that the Central Bank will have to continue with its tightening monetary policy in foreseeable future.

The aforesaid actions of the SBP had a significant impact on both the equity and money markets of Pakistan. Besides the SBP policy measure, inflated prices of the major stocks and rumors pertaining to the imposition of Capital Gain Tax led the benchmark Karachi Stock Exchange to lose Rs 888 billion in only 21 trading sessions. Volumes in both ready and future counters dropped significantly during the month under review.

KSE100 Index: A Performance Highlights

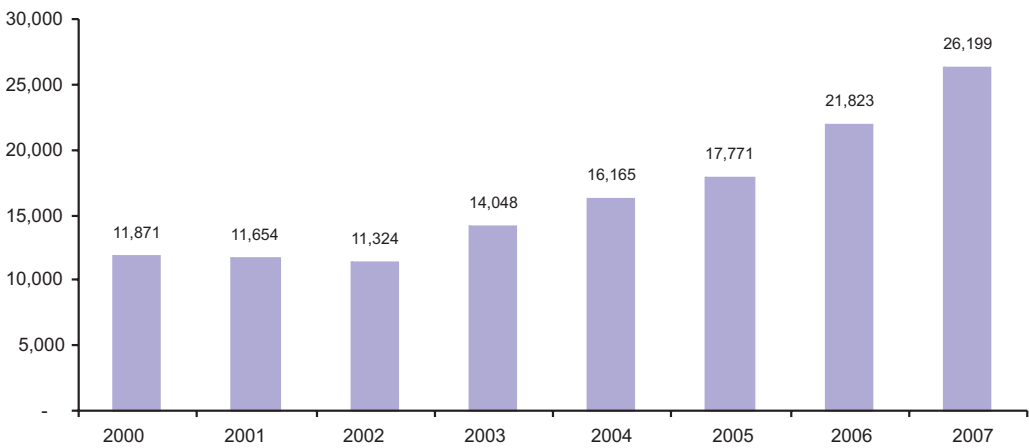
	KSE100 Index	KSE30 Index	CFS Amount (PRs bn)	CFS (Rate%)	Market Cap (PRsbn)	Avg. Turnover Ready (mn shares)	Avg. Turnover Futures (mn shares)
30-May-08	12,130.51	14,097.98	31.33	17.94	3746.20	185.31	53.84
30-Apr-08	15,122.47	18,159.41	54.44	11.74	4634.77	270.63	74.85
%Chg MoM	-19.78%	-22.37%	-42.45%	52.81%	-19.17%	-31.53%	-28.07%

Source: KSE

Spotlight on the Global Mutual Fund Industry

In this ongoing decade, the Global Mutual Fund Industry has witnessed phenomenal growth. Since 2000, cumulative asset size of the Global Mutual Fund Industry grew at CAR of 11.97%, which surged to US\$ 26.1 trillion from US\$11.8 trillion in CY2000. The growth story in the Mutual Fund Industry continued in CY07 and the cumulative size of assets under management rose by 20% (US\$ 4.37 trillion) in CY07 alone. United States of America, Luxembourg and France are the top three countries in terms of total assets under management.

Worldwide Mutual Funds Growth Trend during CY2000-07 (US\$ bn)

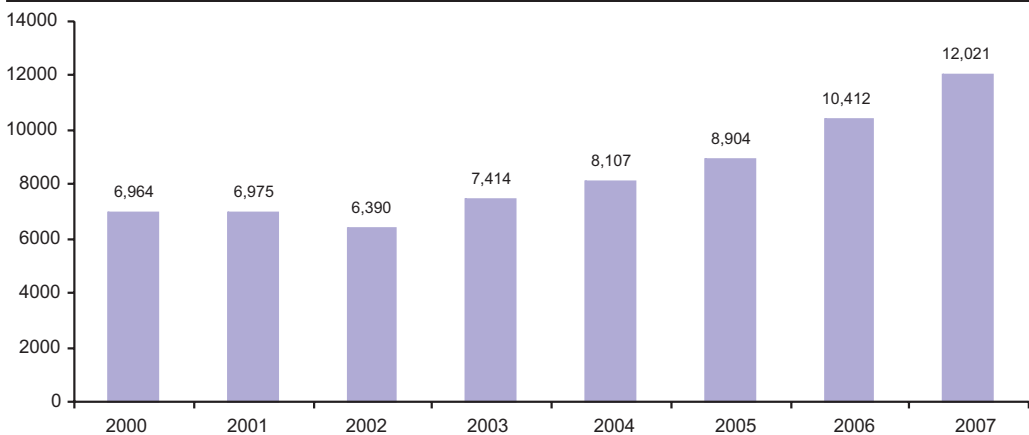


Source: ICI (Investment Company Institute)

US Mutual Fund Industry

United States of America (USA) continued with its dominance in the Global Mutual Fund Industry, holding a 45.88% share with cumulative assets of slightly over US\$ 12.0 trillion under management. Nevertheless, in CY2000, USA had 59% share. The key reason behind the decline in the US share is, relatively higher growth witnessed by rest of the world mainly due to the lower base effect. Despite its gigantic size, the mutual fund industry of the United States grew at CAR of 8.11%. In CY2000 alone, the cumulative assets under management grew by 15.4% (US\$ 1.6 trillion).

Mutual Funds Growth Trend in United States of America during CY2000-07 (US\$ bn)

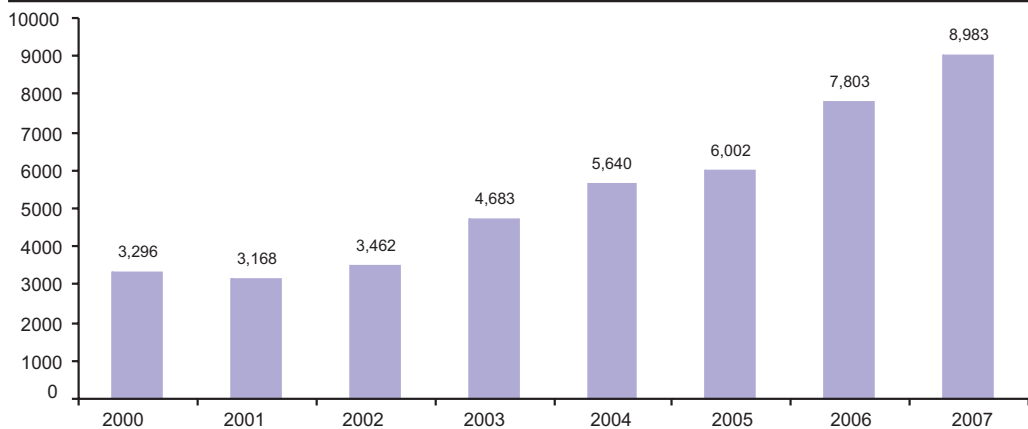


Source: ICI (Investment Company Institute)

European Mutual Fund Industry

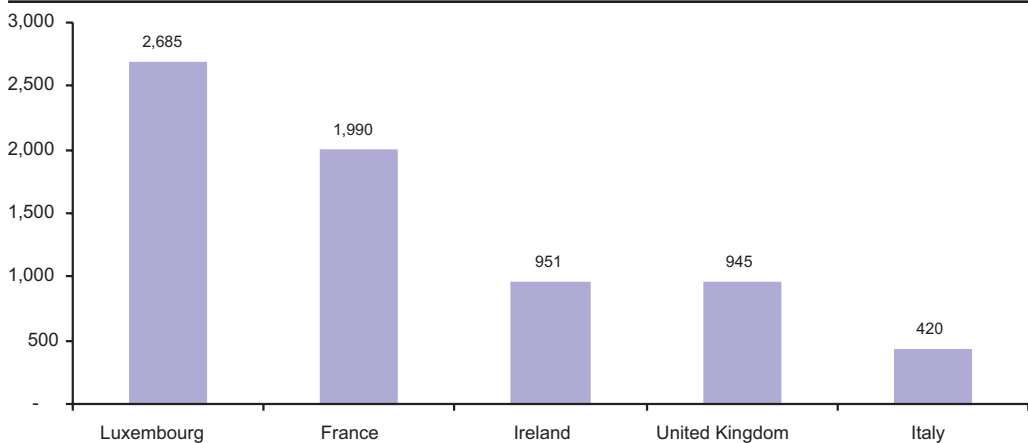
The European Mutual Fund Industry also witnessed robust growth during 2000-07 and grew at a CAR of 15.4%. The cumulative size of the assets under management jumped to US\$ 8.9 trillion from US\$ 3.3 trillion in CY2000. Luxembourg holds the largest share (29.8%) in the European Mutual Fund Industry followed by France (21.3%) and Ireland (10.8%).

Mutual Funds Growth Trend in Europe during CY2000-07 (US\$ bn)



Source: ICI (Investment Company Institute)

Top Five European Nations in terms of Assets Under Management (US\$ bn)

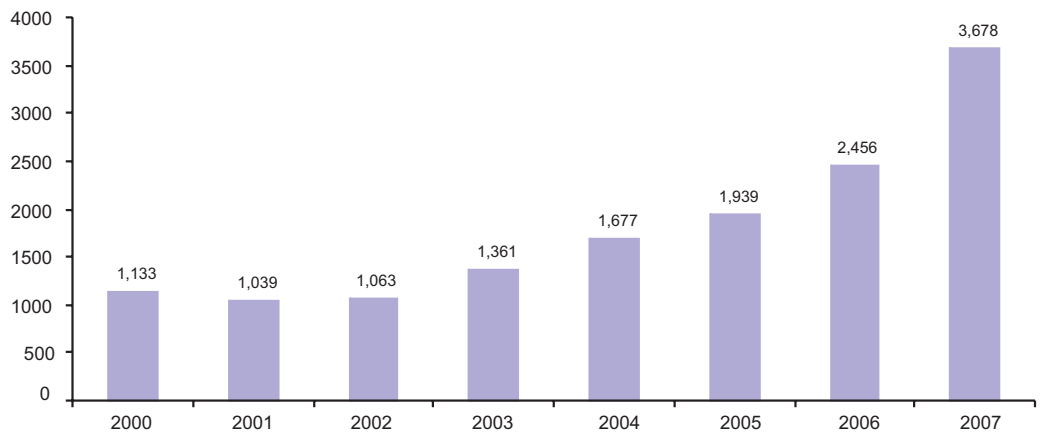


Source: ICI (Investment Company Institute)

Asia & Pacific Mutual Fund Industry

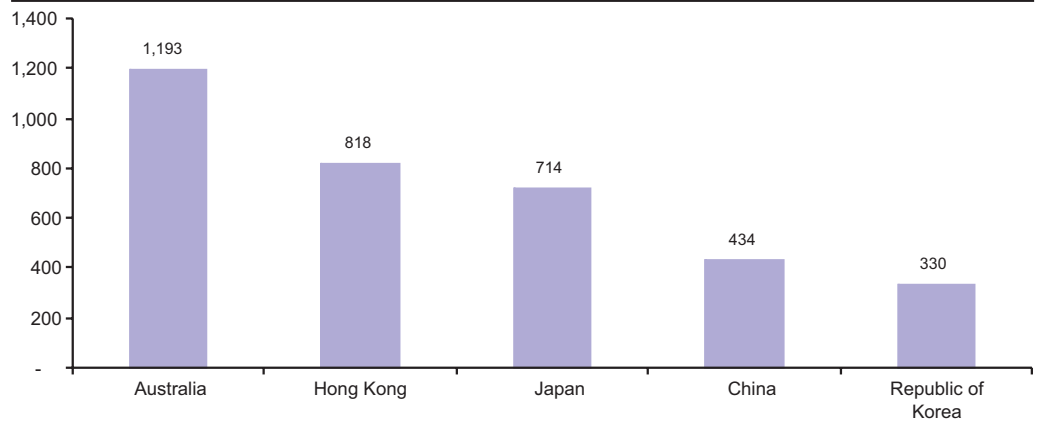
The mutual fund industry in Asia & Pacific grew at a relatively higher pace mainly due to the comparatively low base effect. During CY2000-07, total assets under management of Asia & Pacific Mutual Fund Industry grew at CAR of 18.32%. The cumulative asset size of Asia & Pacific mutual fund industry climbed to US\$ 3.68 trillion in 2007 from US\$ 1.13 trillion in CY2000. Australia holds the largest market share of 32% in the Asia & Pacific industry followed by Hong Kong (22.2%) and Japan (19.4%).

Mutual Funds Growth Trend in Asia & Pacific during CY2000-07 (US\$ bn)



Source: ICI (Investment Company Institute)

Top Five Asia & Pacific Nations in terms of Assets Under Management (US\$ bn)

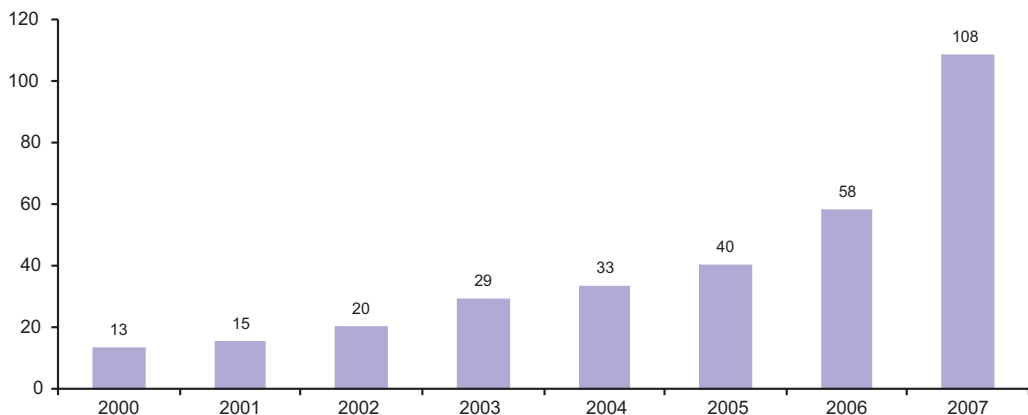


Source: ICI (Investment Company Institute)

Indian Mutual Fund Industry

The cumulative assets under management of the Indian Mutual Fund Industry recorded phenomenal growth in CY07. Total assets under management surged to US\$ 108 billion from US\$ 58 billion a year earlier, reporting a growth of 86%YoY. Moreover, from CY2000 onwards, cumulative asset under management of Indian Mutual Fund Industry grew at a 7year CAR of 35.32%.

Mutual Funds Growth Trend in India during CY2000-07 (US\$ bn)

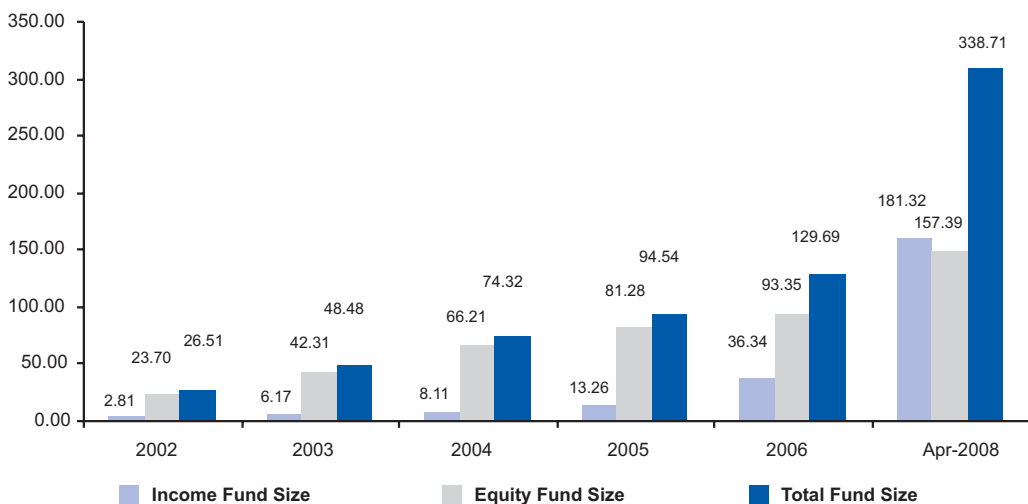


Source: ICI (Investment Company Institute)

Mutual Fund Industry of Pakistan

CY2007 proved out to be a glorious year for the Mutual Fund industry of Pakistan. The cumulative fund size of open end mutual funds surged to US\$4.82bn (PRs302.23bn) from US\$2.07bn (PRs 129.7 bn) a year earlier, this translates into a growth of 133%YoY. Moreover, since CY2002, the industry has witnessed exponential growth and has increased at a 5year CAR of 62%. Growth in income funds has been almost unprecedented which surpassed the cumulative size of Equity Funds. Since CY2002, the cumulative size of income funds increased at a 5year CAR of 124.43% whilst during the same period the total size of income funds increased at a 5year CAR 43%. As at April 30, 2008, the total size of assets under management of open end mutual fund grew to PRs 338 billion with an income cumulative size of income funds hovering around PRs 181 billion whilst that of equity funds rose to PRs 157.4 billion.

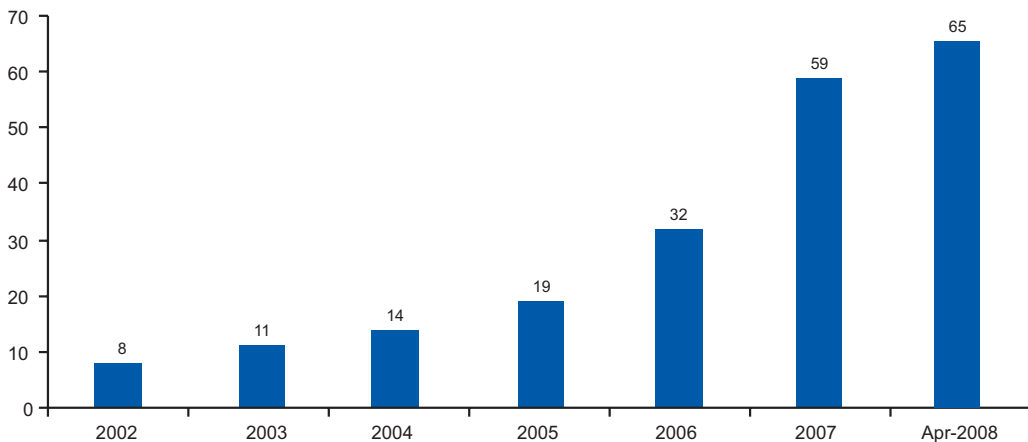
Chart 17: Growth in Open End Mutual Fund Sizes during 2002-07 (PRs bn)



Source: IGI Fund Select

Moreover, 27 open end funds were launched during the year, comprising of 11 open-end income funds, 6 pure equity funds, 4 Islamic funds, 3 hybrid funds, 2 balance funds and 1 asset allocation fund. In CY2002, the total number of open-end mutual funds in Pakistan was less than 10, which climbed to 59 in CY2007 and consequently to 65 in April, 2008.

Chart 18: Number of Open-end Mutual Funds



Source: MUFAP & IGI Fund Select

Despite the fact that the domestic mutual fund industry has increased at a phenomenal pace during the past couple of years, and keeping in view the massive growth in worldwide mutual fund industry and low base effect, we believe, that the growth in domestic mutual fund industry is likely to continue in the near future. In our view, there is a massive untapped segment. In order to keep the growth pace intact, there is a need to create awareness through creative marketing & selling strategies, developing innovative products that cater the need of the investors, through appropriate positioning of the upcoming funds and re-branding of existing funds.

Wakeup Call: Ideal Time for Investments in Mutual Funds

Tax Credit for Individual Investors

Many individuals are not aware that by investing in mutual funds, they can avail the benefit of tax credit. This means that on top of the earnings they get from investing in mutual funds, they get additional benefits in the form of tax credit. In our view, this is an ideal time to park savings/investments in Mutual Funds as fiscal year 2007-08 is coming to an end. Therefore, we feel that it was imperative for our investors/readers to be informed about this great advantage of investing in mutual funds.

Income Tax Ordinance 2001 - Section 62, Section 2(47) and Section 2(58)

The tax credit is allowed by virtue of Section 62 read with Section 2 sub-sections 47 and 58. Section 62 states that a person, other than a company, shall be entitled to a tax credit for a tax year in respect to the cost of acquiring in the year new shares offered to the public by a public company listed on a stock exchange in Pakistan where the person, other than a company, is the original allottee of the shares or the shares are acquired from the Privatisation Commission of Pakistan. It further states that the amount of a person's tax credit allowed for a tax year shall be computed according to a given formula.

It should be noted that the definition of 'public company' under Section 2(47) includes "a unit trust whose units are widely available to the public and any other trust as defined in the Trusts Act 1882".

Similarly, the definition of 'share' under Section 2(58) states "share" in relation to a company includes a modaraba certificate and the interest of a beneficiary in a trust (including units in a trust);" It is a well-known fact that mutual funds are setup as a trust.

How to determine the amount of tax credit?

Follow these simple steps:

1. Determine the amount on which tax credit is granted

The amount on which tax credit is allowed is the lesser of the following:

- a) The total cost of acquiring the mutual funds
- b) 10% of the person's taxable income for the year or
- c) Rs. 300,000

2. Determine the Average Rate of Tax

The average rate of tax is the amount of tax assessed to the person for the tax year (before allowance of any tax credit under this facility) divided by the person's taxable income for the tax year.

3. Amount of Tax Credit

The amount of tax credit would be the amount (on which tax credit is granted) multiplied by the average rate of tax.

4. Other noteworthy points

Individuals would be excited to know that the tax credit would be available in the tax year in which the investment is made. However, the particular investment would have to remain invested for at least 12 months. In case the investment is redeemed earlier than 12 months, the tax credit availed would be reversed in the year of disposal.

The procedure for claiming tax credit is that, at the time of filing of tax returns, you have to present the 'account statement' issued by the Asset Management Company which shows your investment details and serves as sufficient proof.

Example: Suppose your total annual taxable income is Rs. 1,800,000/- and your average rate of tax is 15%. If you invest Rs. 400,000/- in mutual funds, the computation would be as follows:

A. Amount on which tax credit would be allowed:

Lesser of

i) Investment amount Rs. 400,000/-

ii) 10% of Rs. 1,800,000/- (your taxable income) i.e. Rs. 180,000/- or

iii) Rs. 300,000/-

i.e. Rs. 180,000/-

B. Tax Credit = Rs. 180,000/- multiplied by Avg. rate of tax (15%) = Rs. 27,000/-

Tax Credit by Investments in Mutual Funds									(PRs)
Monthly taxable income	51,000	83,333	100,000	150,000	175,000	200,000	250,000	500,000	708,333
Total Annual Taxable Income	612,000	1,000,000	1,200,000	1,800,000	2,100,000	2,400,000	3,000,000	6,000,000	8,500,000
1. Limit	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
2. 10% of taxable income	61,200	100,000	120,000	180,000	210,000	240,000	300,000	600,000	850,000
3. Amount invested	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Lower of above	61,200	100,000	120,000	180,000	210,000	240,000	300,000	300,000	300,000
Avg rate of tax*	6%	10%	12.5%	15%	16%	16%	16%	19%	20%
Tax credit	3,672	10,000	15,000	27,000	33,600	38,400	48,000	57,000	60,000

Source: IGI Fund Select

The Bottomline: An Investment Perspective

In our view, after analyzing the aforesaid facts, this is an ideal time to make investments in mutual funds as investors will be able to avail tax credit while filing the return for the ongoing FY07-08.

PIIF: Fact Sheet

Fund Type	Open-end Islamic
Launch Date	2nd May 2006
Initial Public Offering	PRs 50
Registrar	Gangjees Registrar Services (Pvt) Ltd.
Trustee	Central Depository Company of Pakistan Ltd. (CDC)
Auditors	A. F Ferguson a member of PWC
Front-end Load	Type A: upto 4%, Types B, C & D: None (Tr. Cost upto 0.25%)
Back-end Load	Type A: None Types B, C & D: Yr1 3%, Yr2 2% and Yr3 1%
Management Fee	Types A&B: 3% Types C&D: 2%
Minimum Investment	PRs 5000

Source: PIIF FMR

Pakistan International Element Islamic Fund (PIIF)

Company Snapshot

Arif Habib Investment Management Limited is one of the five largest asset management and investment advisory companies operating in Pakistan. The company is managing seven open-end and three closed-end mutual funds with total assets under management of Rs. 19.208 bn. Arif Habib Investments Management Limited has plans to launch a number of conventional, as well as, unconventional funds in the upcoming fiscal year 2008-09 which will mostly cater to the needs of largely untapped segments.

Investment Objective & Policy

PIIF is an open-end fund, which is Shariah compliant, and is able to invest in both domestic and international capital markets. The Fund seeks to optimize total returns within the parameters of Shariah compliance, primarily from Pakistan's growing capital market whilst having the ability to avail the opportunities in international markets as well.

Investment Strategy

The Fund invests primarily in the domestic market, using a value investing approach. Where adequate opportunities do not exist in the domestic market, up to 30% of the fund can be invested in international markets either through international Shariah compliant mutual funds or directly in Shariah compliant securities identified through fund managers of standings in the respective markets.

Performance Highlights

During May CY08, PIIF yielded a return of -8.32% as compared to DJ JS Islamic Market Pakistan Index return of -13.47% while KSE 100 offered a return of -19.78%. PIIF was able to perform better than both these indices due to lower exposure in domestic equities. PIIF has emerged as the best performing equity fund, having recorded the lowest fall in NAV amongst its peers.

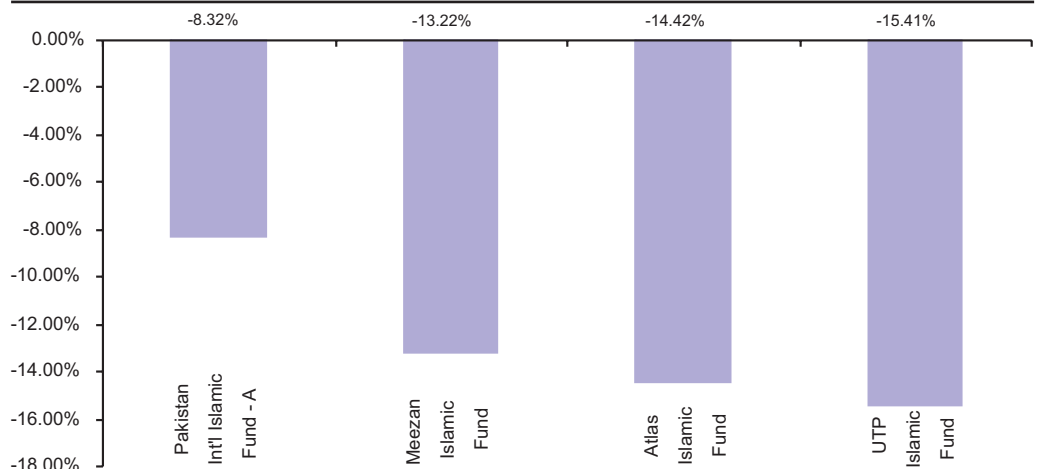
Return of Fund

(%)

	PIIF	KSE-100
Month on Month	-8.32	-19.78
Quarter on Quarter	-5.49	-18.77
July 07 to Date	4.39	-11.92
Since Inception (2nd May 2006)	22.95	6.95

Source: PIIF (Pakistan International Element Islamic Fund) FMR (Fund Manager Report)

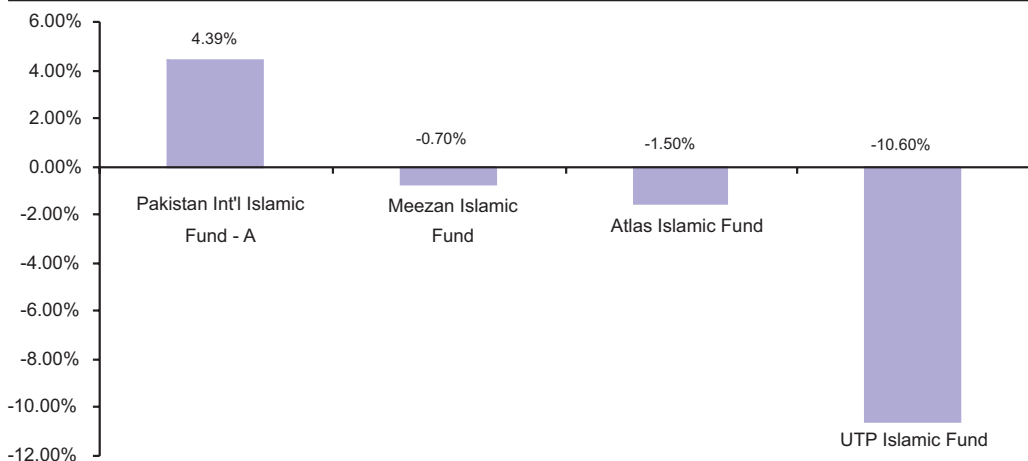
Islamic Equiy Funds: Perfomance Highlights May 2008



Source: IGI Fund Select

Considering the year-to-date returns, PIIF is the only Islamic Equity Fund witnessing an increase in NAV. Since July 2007, the Fund has offered a return of 4.39% against a decline in the range of 0.5%-11.00% registered by its peers. This makes PIIF, the number one Islamic Equity Fund of the ongoing fiscal year (July2007-May 2008).

Islamic Equiy Funds: YTD Perfomance Snapshot

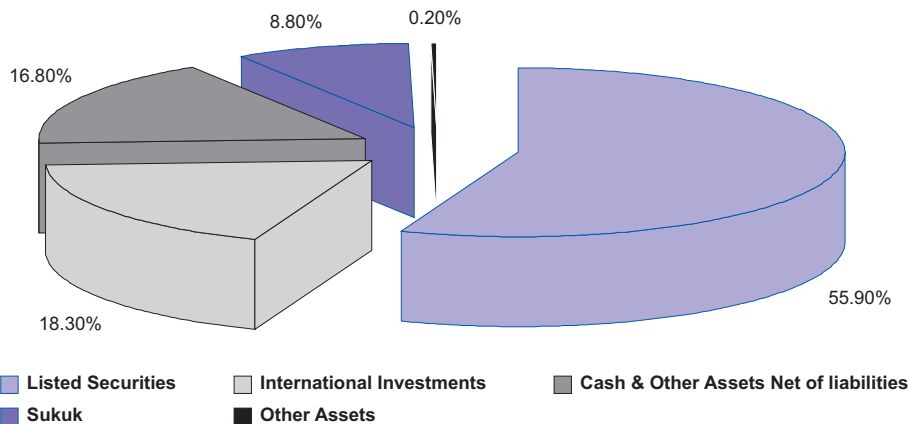


Source: IGI Fund Select

Asset Allocation

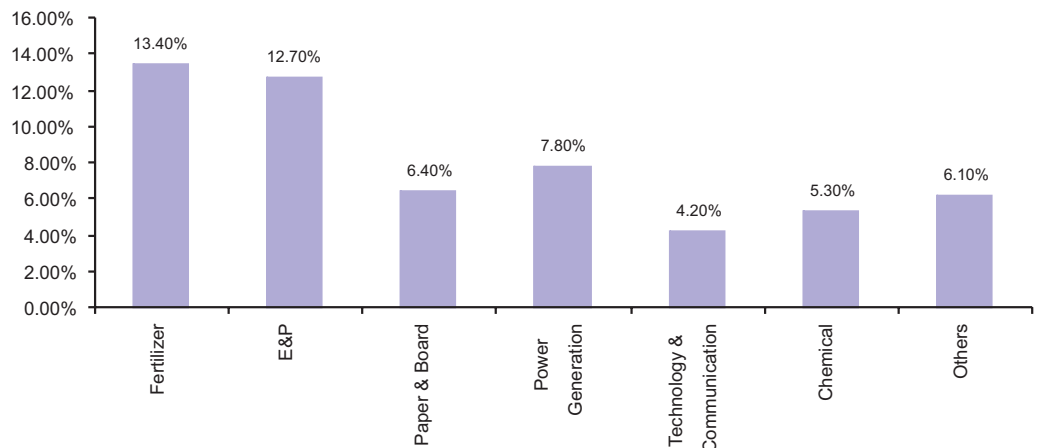
The Fund's overall exposure to domestic equities increased from 49.6% to 55.9% over the month with minor adjustments in the portfolio holdings. Allocations were slightly increased in the Chemical, Fertilizer and Telecom sector, while a minor reduction was made in the E&P sector. Packages, ICI and Engro were the major declining stocks in the domestic portfolio. The international portfolio of the Fund, which constituted 18% of the net assets as at May end, delivered a total return of 9.36% as the international markets were slightly positive while dollar further strengthened against Pak Rupee during the month. The Fund will increase its exposure to local equities once the uncertainties in the local economic and political front settles, whilst new avenues of international investments are also being actively pursued.

Asset Allocation as at May 31, 2008



Source: PIIF (Pakistan International Element Islamic Fund) FMR (Fund Manager Report)

Major Sector Allocation in Domestic Market as at May 31, 2008



Source: PIIF (Pakistan International Element Islamic Fund) FMR (Fund Manager Report)

Top Ten Holdings

Engro Chemical (Pak) Limited	Oil & Gas Development Co.Ltd
Fauji Fertilizer Company Limited	Packages Limited
Hub Power Company Limited	Pak Suzuki
I.C.I. Pakistan Ltd.	Pakistan Petroleum Ltd.
Nishat Mills Ltd.	Pakistan Telecommunication Co. Ltd.

Source: PIIF (Pakistan International Element Islamic Fund) FMR (Fund Manager Report)

Portfolio Evaluation

Briefly analyzing the portfolio status of May 31, 2008, in our view, massive exposure in sectors which are least vulnerable to the economic fluctuations and fundamentally robust (namely Oil & Gas Exploration and Fertilizer), would enable the Fund to yield even better returns going forward. Moreover, 18.3% exposure in international portfolio which is expected to increase further by June 30, 2008, would enable the Fund to offer relatively attractive returns to investors despite the worsening domestic macro economic indicators. Moreover any depreciation of Pak Rupee against the Greenback would be an icing on the cake for the Fund as this will boost the Funds' total returns. The Fund's low Beta vs KSE 100 index depicts a lower vulnerability to market volatility, while its optimally diversified asset allocation and careful selection of portfolio holdings provides a relatively better risk - return profile amongst the Shariah Compliant equity funds.

Portfolio Characteristics

(Domestic Only)

	PIIF	KSE-100
Price to Earning - 2007x **	15.31	16.74
Beta x *	0.62	1.00
Standard Deviation % *	16.22	22.93
Sharpe Ratio x *	-0.05	-0.33
Net Assets /Mkt. Cap. (Rs.bn)	0.93	3,746.20
NAV Rs. per unit/KSE-100 Index	52.34	12,130.51

* 3years or since inception

** On last reported earning

Source: PIIF (Pakistan International Element Islamic Fund) FMR (Fund Manager Report)

Target Market

In our view, the Fund offers an attractive investment opportunity to investors whose key objective is to take exposure in a Shariah Compliant Equity Fund and capital appreciation through diversified investments in local and international bourses.

Bottomline: An Investment Perspective

We view this Fund as a long term aggressive growth play having potential to offer returns over and above the investor's expectations in a truly Islamic way.

HBL Multi Asset Fund

Company Snapshot

HBL Asset Management Limited - A wholly owned subsidiary of Habib Bank Ltd. was incorporated on 17 February, 2006 as a public limited company. In a span of slightly more than two years, HBL Asset Management Company has 3 open-end Funds with total assets of more than Rs 8 billion under management.

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.

HBL Multi Asset Fund: Fact Sheet

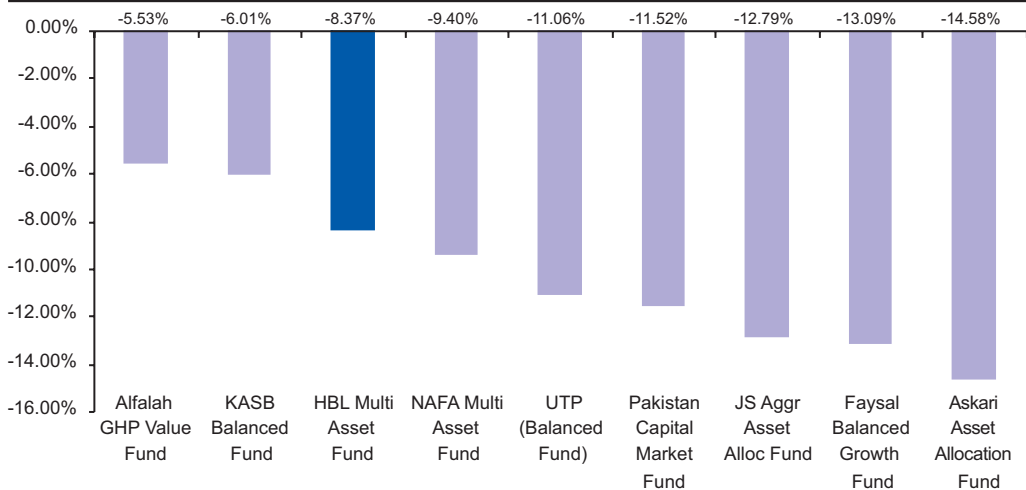
Fund Type	Open End Balance Fund
Seed / Core Investor	Habib Bank Limited
Trustee	Central Depository Company
Auditor	A. F. Ferguson and Company
NAV Calculation	Daily
Management Fee	2.00%
Sales Load	2.00%
Trustee Fee	Rs. 0.7 million or 0.2% p.a. of NAV up to Rs. 1 billion whichever is higher. Exceeding Rs. 1 billion; Rs. 2 million plus 0.10% of NAV exceeding Rs. 1,000 million
Other Costs	Brokerage fee, Legal Costs, Auditors fee, Company formation cost, Listing fee, Annual fee to SECP, Credit Rating fee etc.
Initial Offer Price / Par Value	Rs. 100
Minimum Investment Size	Rs. 5000
Subsequent investment	Rs. 1000
Types of Units	
Class A Units (Restricted)	Core Units to be issued to HBL (at Par Value) as core investors with a 2 year restriction for redemption
Class A Units	Issued to pre-IPO / IPO investors at par value
Class B Units	Issued to all types of investors after expiry of IPO
IPO Dates	14th, 15th & 17th Dec 2007.

Source: IGI Fund Select

Performance Highlights

During May 2008, the NAV of the Fund declined by 8.31% which made it the third best performing fund amongst its peers. Moreover, the Fund was able to beat the average industry returns by 189bps as the average return of Balanced & Asset Allocation Funds fell by 10.26%MoM.

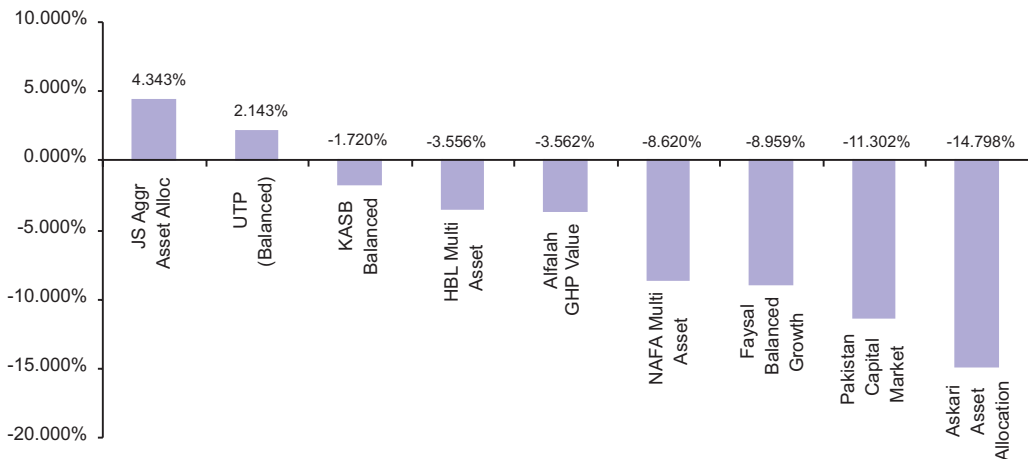
Performance Highlights of Balanced & Multi Asset Funds in May 2008



Source: IGI Fund Select

During the ongoing CY08, the Fund's NAV declined by 3.56% making HBL Multi Asset Fund the fourth best performing fund amongst its peers. Moreover, the Fund managed to beat the average industry returns by a hefty 156bps as the average return of Balanced & Asset Allocation Funds hovered around negative 5.11%.

Performance Highlights Balanced and Asset Allocation Funds during Jan-May CY08

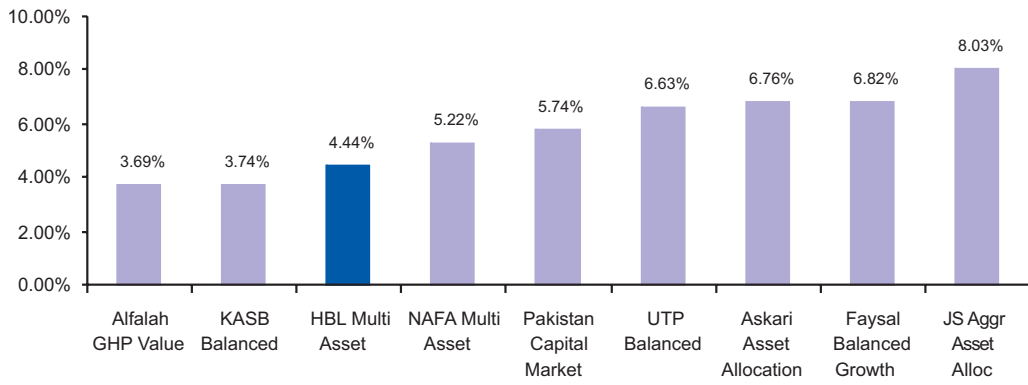


Source: IGI Fund Select

Considering the performance consistency, using the standard deviation of monthly returns since Jan 2008, HBL Multi Asset Fund once again emerged as the third best performing fund amongst its peer for the ongoing calendar year CY08.

Performance Snapshot of Balanced & Multi Asset Funds during Jan-May 2008

Criteria: Standard Deviation

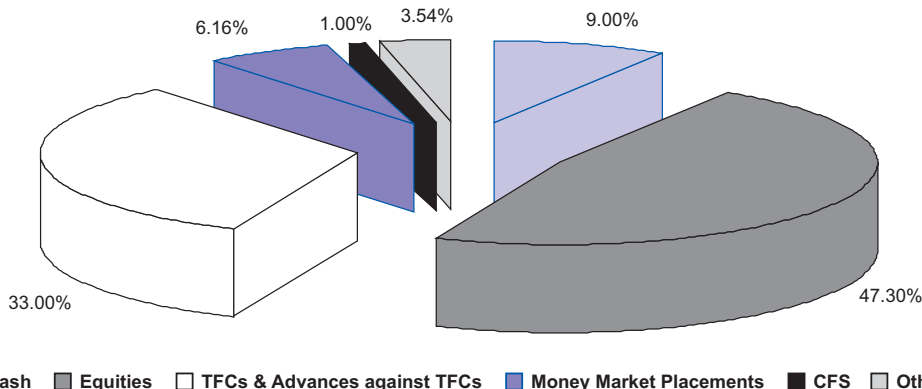


Source: IGI Fund Select

Asset Allocation

During May 2008, the Fund reduced its exposure in TFC & Advances against TFCs to 33% from 39% a month ago. Investments from TFC were mainly diverted towards equities. Exposure in TFC was increased to 47% from 41% a month earlier. Investments in other assets remained intact. Moreover, exposure in E&P and Fertilizer sectors increased to 17% and 9% respectively, nevertheless, investments in other sectors were almost held intact at previous levels.

Asset Allocation as at May 31, 2008

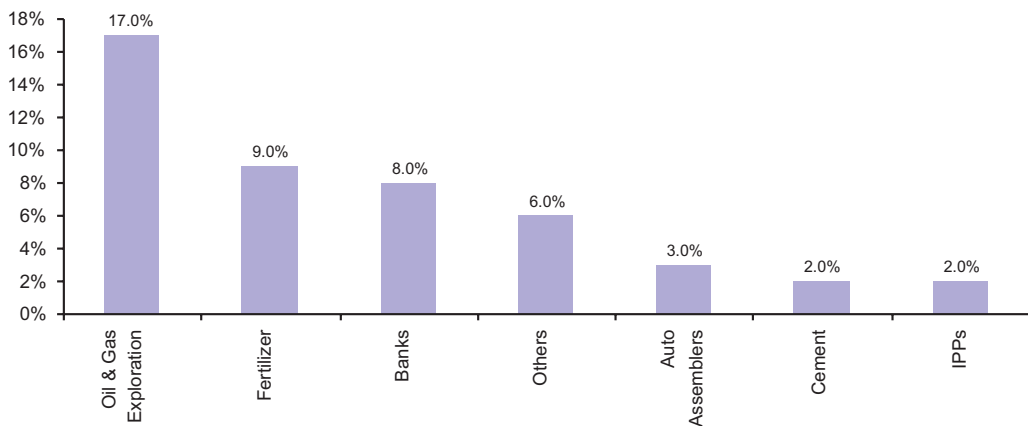


Source: IGI Fund Select

Portfolio Evaluation

Briefly analyzing the Asset and Sector Allocation status as at May 31, 2008, we believe that increased exposure towards equities was a prudent move, as the market rebound from 11700 points, and gained more than 1000 points from there onwards, allowing the Fund to improve its NAV in the near future. Moreover, exposure in sectors that are relatively less vulnerable to economic fluctuation, namely Oil & Gas Exploration and Fertilizers is also a good move.

Sector Allocation as at May 31, 2008



Source: IGI Fund Select

Target Market

In our view, the Fund offers an attractive investment opportunity to investors having an investment objective of consistent and moderate capital appreciation in the medium to long term.

The Bottomline: An investment perspective

We view this Fund as a relatively defensive long term growth play, having potential to offer returns over and above market expectations in the medium to long term.

Relative Ranking

Open End Income/Money Market Funds								
Income Funds		Returns	Income Funds		Std Deviation	Income Funds	Sharpe Ratio	
1	Dawood Money Market Fund	10.38%	1	IGI Income Fund	0.22%	1	KASB Liquid Fund	1.85
2	AMZ Plus Income Fund	10.28%	2	Alfalah GHP Income Multiplier Fund	0.28%	2	IGI Income Fund	1.59
3	KASB Liquid Fund	10.02%	3	NAFA Cash Fund	0.32%	3	NAFA Cash Fund	1.00
4	AKD Income Fund	9.92%	4	KASB Liquid Fund	0.34%	4	Dawood Money Market Fund	0.74
5	Faysal Saving Growth Fund	9.88%	5	Atlas Income Fund	0.36%	5	MCB Dynamic Cash Fund	0.64
6	IGI Income Fund	9.74%	6	United Money Market Fund	0.41%	6	Faysal Saving Growth Fund	0.57
7	MCB Dynamic Cash Fund	9.73%	7	JS Income Fund	0.50%	7	AMZ Plus Income Fund	0.57
8	NAFA Cash Fund	9.70%	8	MCB Dynamic Cash Fund	0.54%	8	Reliance Income Fund	0.28
9	POBOP Advantage Plus Fund	9.68%	9	NAFA Islamic Income Fund	0.54%	9	AKD Income Fund	0.22
10	Reliance Income Fund	9.54%	10	Reliance Income Fund	0.56%	10	POBOP Advantage Plus Fund	0.17
11	Alfalah GHP Income Multiplier Fund	9.37%	11	First Habib Income Funds	0.71%	11	Alfalah GHP Income Multiplier Fund	(0.06)
12	JS Income Fund	9.35%	12	BMA Chundrigar Road Saving Fund	0.73%	12	JS Income Fund	(0.07)
13	Askari Income Fund	9.30%	13	United Growth & Income Fund	0.74%	13	Askari Income Fund	(0.07)
14	BMA Chundrigar Road Saving Fund	9.30%	14	Pakistan Income Fund	0.75%	14	BMA Chundrigar Road Saving Fund	(0.12)
15	HBL Income Fund	9.27%	15	HBL Income Fund	0.80%	15	United Islamic Income Fund	(0.13)
16	Atlas Income Fund	9.24%	16	Meezan Islamic Income Fund	0.84%	16	HBL Income Fund	(0.14)
17	United Islamic Income Fund	9.17%	17	Faysal Saving Growth Fund	0.87%	17	United Growth & Income Fund	(0.31)
18	United Growth & Income Fund	9.16%	18	Askari Income Fund	1.14%	18	Meezan Islamic Income Fund	(0.32)
19	First Habib Income Funds	9.16%	19	Dawood Money Market Fund	1.35%	19	First Habib Income Funds	(0.32)
20	Meezan Islamic Income Fund	9.12%	20	AMZ Plus Income Fund	1.58%	20	Pakistan Income Fund	(0.37)
21	Pakistan Income Fund	9.11%	21	United Islamic Income Fund	1.65%	21	Atlas Income Fund	(0.40)
22	United Money Market Fund	9.05%	22	POBOP Advantage Plus Fund	1.75%	22	United Money Market Fund	(0.82)
23	NAFA Income Fund	8.19%	23	AKD Income Fund	2.47%	23	NAFA Islamic Income Fund	(2.60)
Asset Allocation and Balanced Funds		Returns	Asset Allocation and Balanced Funds		Std Deviation	Asset Allocation and Balanced Funds		Sharpe Ratio
1	UTP Capital Protected Fund-I	14.30%	1	UTP Capital Protected Fund-III	0.23%	1	UTP Capital Protected Fund-I	5.58
2	UTP Capital Protected Fund-II	10.30%	2	Faysal Income & Growth Fund	0.51%	2	UTP Capital Protected Fund-II	2.28
3	JS Fund of Funds	7.10%	3	UTP Capital Protected Fund-II	1.07%	3	JS Fund of Funds	(0.23)
4	UTP Capital Protected Fund-III	6.40%	4	UTP Capital Protected Fund-I	1.16%	4	NAFA Multi Asset Fund	(0.75)
5	NAFA Multi Asset Fund	5.10%	5	KASB Balanced Fund	1.65%	5	UTP (Balanced Fund)	(1.96)
6	Faysal Income & Growth Fund	2.20%	6	HBL Multi Asset Fund	1.98%	6	Alfalah GHP Value Fund	(2.25)
7	Alfalah GHP Value Fund	1.10%	7	Faysal Balanced Growth Fund	3.01%	7	Pakistan Capital Market Fund	(2.57)
8	UTP (Balanced Fund)	0.30%	8	NAFA Multi Asset Fund	3.21%	8	JS Aggr Asset Alloc Fund	(3.15)
9	KASB Balanced Fund	-0.60%	9	JS Fund of Funds	3.29%	9	Faysal Balanced Growth Fund	(3.38)
10	Faysal Balanced Growth Fund	-3.00%	10	UTP (Balanced Fund)	3.70%	10	KASB Balanced Fund	(4.27)
11	HBL Multi Asset Fund	-3.60%	11	Pakistan Capital Market Fund	3.86%	11	UTP Capital Protected Fund-III	(6.29)
12	Pakistan Capital Market Fund	-6.60%	12	Askari Asset Allocation fund	5.42%	12	HBL Multi Asset Fund	(9.78)
13	JS Aggr Asset Alloc Fund	-9.20%	13	JS Aggr Asset Alloc Fund	5.62%	13	Faysal Income & Growth Fund	(11.03)
14	Askari Asset Allocation fund	-14.50%	14	Alfalah GHP Value Fund	7.86%	14	Askari Asset Allocation fund	(13.59)
Islamic Equity & Hybrid Funds		Returns	Islamic Equity & Hybrid Funds		Std Deviation	Islamic Equity & Hybrid Funds		Sharpe Ratio
1	Dawood Islamic Fund	9.00%	1	Dawood Islamic Fund	0.99%	1	Dawood Islamic Fund	1.15
2	Alfalah GHP Islamic fund	4.70%	2	NAFA Islamic Multi Asset Fund	1.36%	2	Pakistan Int'l Islamic Fund - A	(0.63)
3	Pakistan Int'l Islamic Fund - A	4.40%	3	Alfalah GHP Islamic fund	2.90%	3	Alfalah GHP Islamic fund	(1.09)
4	United Composite Islamic Fund	0.80%	4	United Composite Islamic Fund	3.68%	4	Meezan Islamic Fund	(1.49)
5	Meezan Islamic Fund	-0.70%	5	Atlas Islamic Fund	4.30%	5	United Composite Islamic Fund	(1.92)
6	Atlas Islamic Fund	-1.50%	6	Pakistan Int'l Islamic Fund - A	5.46%	6	Atlas Islamic Fund	(2.18)
7	NAFA Islamic Multi Asset Fund	-5.20%	7	UTP Islamic Fund	5.63%	7	UTP Islamic Fund	(3.28)
8	UTP Islamic Fund	-10.60%	8	Meezan Islamic Fund	5.75%	8	NAFA Islamic Multi Asset Fund	(9.63)
Equity Funds		Returns	Equity Funds		Std Deviation	Equity Funds		Sharpe Ratio
1	Crosby Dragon Fund	27.30%	1	HBL Stock Fund	3.14%	1	Crosby Dragon Fund	1.98
2	AKD Opportunity Fund	1.10%	2	KASB Stock Fund	4.79%	2	AKD Opportunity Fund	(1.14)
3	HBL Stock Fund	-2.40%	3	United Stock Advantage Fund	4.96%	3	NAFA Stock Fund	(1.70)
4	NAFA Stock Fund	-2.90%	4	Atlas Stock Market Fund	5.10%	4	Pakistan Stock Market Fund	(1.89)
5	Pakistan Stock Market Fund	-3.60%	5	National Investment Trust	5.63%	5	United Stock Advantage Fund	(2.43)
6	United Stock Advantage Fund	-4.20%	6	AMZ Plus Stock Market Fund	5.80%	6	National Investment Trust	(2.52)
7	National Investment Trust	-6.30%	7	AKD Opportunity Fund	5.91%	7	Atlas Stock Market Fund	(3.05)
8	Atlas Stock Market Fund	-7.70%	8	MCB Dynamic Stock Fund	6.01%	8	MCB Dynamic Stock Fund	(3.14)
9	KASB Stock Fund	-10.90%	9	Pakistan Stock Market Fund	6.05%	9	HBL Stock Fund	(3.27)
10	MCB Dynamic Stock Fund	-11.00%	10	NAFA Stock Fund	6.33%	10	AMZ Plus Stock Market Fund	(3.51)
11	AMZ Plus Stock Market Fund	-12.50%	11	AKD Index Tracker Fund	6.37%	11	AKD Index Tracker Fund	(3.69)
12	AKD Index Tracker Fund	-15.64%	12	UTP A30+ Fund	6.61%	12	KASB Stock Fund	(3.92)
13	UTP A30+ Fund	-18.40%	13	Crosby Dragon Fund	9.83%	13	UTP A30+ Fund	(3.97)

Please Note: Funds launched after October 2007 are not included in the above table.

Standard Deviation and Sharpe Ratio are calculated on monthly returns during July 2007 - May 2008. 6 months T-Bill rates have been used as a risk free rate for calculating Sharpe Ratio.

Performance Profile

Annualized Month on Month Returns October 2007- May 2008

	October	November	December	January	February	March	April	May
Open End Income/Money Market Fund	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return	Ann. Return
AMZ Plus Income Fund	9.90%	8.42%	8.96%	8.92%	9.79%	9.18%	9.08%	8.64%
Askari Income Fund	9.72%	9.00%	8.87%	8.36%	8.04%	6.59%	9.33%	9.19%
Atlas Income Fund	9.28%	9.07%	8.98%	8.96%	8.38%	9.41%	9.16%	9.12%
Dawood Money Market Fund	8.49%	10.15%	9.13%	10.44%	12.59%	10.64%	12.12%	9.51%
KASB Liquid Fund	9.27%	9.15%	9.58%	9.39%	10.08%	9.13%	9.80%	11.50%
NAFA Cash Fund	9.56%	8.98%	9.13%	9.10%	9.45%	9.09%	9.82%	9.16%
Pakistan Income Fund	8.70%	7.99%	9.26%	7.84%	8.80%	9.50%	8.96%	8.14%
United Growth & Income Fund	8.90%	8.34%	8.69%	9.20%	7.89%	9.10%	9.90%	8.31%
United Money Market Fund	8.87%	8.31%	8.85%	9.52%	8.45%	8.41%	9.32%	8.01%
JS Income Fund	9.62%	8.53%	8.18%	9.68%	8.61%	8.98%	9.10%	9.20%
Reliance Income Fund	9.91%	8.98%	8.86%	9.33%	9.60%	9.35%	9.59%	10.20%
Meezan Islamic Income Fund	9.22%	8.51%	8.63%	8.80%	8.85%	9.56%	9.34%	9.57%
MCB Dynamic Cash Fund	8.90%	8.43%	9.08%	9.91%	9.98%	9.36%	9.97%	9.10%
HBL Income Fund	9.03%	8.50%	8.39%	9.46%	8.72%	10.87%	9.31%	8.03%
AKD Income Fund	9.93%	9.56%	10.45%	9.83%	9.26%	9.10%	9.59%	8.22%
IGI Income Fund	9.27%	9.22%	9.49%	9.76%	9.36%	9.44%	9.53%	9.41%
Faysal Saving Growth Fund	9.62%	9.28%	8.34%	9.41%	8.67%	8.94%	9.05%	10.76%
First Habib Income Funds	8.49%	7.89%	8.83%	8.54%	8.94%	9.53%	9.14%	8.19%
Alfalah GHP Income Multiplier Fund	9.32%	9.08%	9.91%	8.84%	9.27%	9.07%	9.14%	9.14%
BMA Chundrigar Road Saving Fund	9.10%	7.47%	8.92%	9.63%	9.00%	9.36%	9.57%	9.07%
NAFA Islamic Income Fund		6.87%	7.64%	7.90%	8.05%	7.82%	8.51%	8.54%
POBOP Advantage Plus Fund	5.62%	7.28%	8.87%	12.51%	9.07%	8.65%	9.80%	10.53%
United Islamic Income Fund		8.67%	8.47%	8.57%	8.11%	10.93%	9.91%	8.91%
NAFA Income Fund			8.94%				9.16%	7.62%
Asset Allocation and Balanced Funds								
Alfalah GHP Value Fund	4.40%	-1.50%	-1.92%	-0.60%	4.55%	1.36%	1.07%	-5.53%
Faysal Balanced Growth Fund	5.29%	-1.10%	0.83%	0.21%	1.89%	0.65%	4.25%	-13.09%
NAFA Multi Asset Fund	6.84%	0.50%	-0.71%	-1.23%	3.13%	1.11%	3.17%	-9.40%
UTP (Balanced Fund)	2.43%	-0.40%	0.75%	2.36%	5.36%	3.66%	2.73%	-11.06%
Pakistan Capital Market Fund	8.28%	-1.60%	-5.57%	-2.54%	3.95%	0.24%	-1.29%	-11.52%
JS Aggr Asset Alloc Fund	0.63%	-2.10%	0.88%	2.21%	7.41%	5.37%	3.43%	-12.79%
Askari Asset Allocation fund	0.05%	-1.50%	-0.96%	0.52%	2.72%	-1.21%	-2.22%	-14.58%
KASB Balanced Fund				1.16%	4.21%	0.82%	-0.47%	-6.01%
HBL Multi Asset Fund				0.68%	3.04%	0.88%	0.57%	-8.37%
MCB Dynamic Allocation fund							-0.33%	-11.37%
Sector Specific and Hybrid Funds								
JS Fund of Funds	2.58%	1.37%	0.34%	2.31%	4.14%	0.93%	1.84%	-6.93%
Faysal Income & Growth Fund	1.03%	0.84%	1.00%	0.65%	2.37%	0.74%	0.63%	-5.95%
UTP Capital Protected Fund-I	1.56%	0.94%	0.55%	1.81%	1.19%	2.23%	3.55%	0.41%
UTP Capital Protected Fund-II		0.26%	2.88%	2.60%	1.10%	1.09%	0.61%	0.45%
UTP Capital Protected Fund-III		0.94%	0.60%	1.00%	0.91%	0.82%	0.40%	1.21%
Islamic Funds								
Meezan Islamic Fund	8.38%	-1.80%	-3.62%	0.29%	5.66%	3.25%	-0.64%	-13.22%
Pakistan Int'l Islamic Fund - A	8.75%	-2.50%	-5.44%	-1.23%	4.41%	1.88%	1.19%	-8.32%
United Composite Islamic Fund	5.21%	-1.50%	-1.28%	-0.16%	4.29%	1.93%	0.24%	-7.89%
UTP Islamic Fund	5.60%	0.60%	-2.99%	2.13%	3.53%	4.46%	-1.15%	-15.41%
Atlas Islamic Fund	6.38%	-1.90%	-0.82%	1.63%	3.65%	2.57%	0.84%	-14.42%
NAFA Islamic Multi Asset Fund		-0.40%	-2.15%	0.75%	1.45%	1.40%	0.32%	-7.28%
Dawood Islamic Fund	1.77%	0.68%	0.37%	1.14%	2.42%	1.12%	1.09%	-1.45%
Alfalah GHP Islamic fund	4.40%	-1.89%	-3.82%	-1.58%	2.86%	2.84%	0.35%	-3.34%
Equity Funds								
AKD Opportunity Fund	7.87%	-1.00%	-2.35%	-0.17%	7.56%	2.73%	4.78%	-15.21%
AMZ Plus Stock Market Fund	7.47%	-1.00%	-1.98%	0.55%	7.04%	-0.22%	-0.31%	-20.26%
Atlas Stock Market Fund	7.06%	-1.20%	-2.61%	0.92%	6.72%	2.13%	0.58%	-17.42%
AKD Index Tracker Fund	6.37%	-3.10%	-1.27%	-8.00%	6.11%	1.35%	-0.07%	-20.08%
Crosby Dragon Fund	13.51%	10.50%	7.78%	-2.92%	11.54%	5.68%	17.95%	-20.79%
KASB Stock Fund	8.36%	-3.70%	-1.33%	-1.03%	8.43%	0.03%	-0.21%	-16.11%
MCB Dynamic Stock Fund	6.56%	-2.40%	-2.51%	-2.78%	8.61%	1.12%	-0.53%	-15.89%
National Investment Trust	7.59%	-0.50%	0.34%	0.00%	4.01%	1.12%	-1.11%	-15.42%
NAFA Stock Fund	11.38%	-0.50%	-1.69%	-0.74%	4.25%	1.72%	-0.40%	-18.43%
Pakistan Stock Market Fund	8.22%	-1.50%	-3.84%	-1.23%	6.49%	1.67%	-1.17%	-12.41%
United Stock Advantage Fund	7.14%	-0.80%	-2.76%	0.16%	6.81%	2.63%	1.12%	-15.60%
UTP A30+ Fund	6.32%	-3.10%	0.02%	-0.44%	9.91%	0.89%	-1.07%	-22.51%
HBL Stock Fund	4.96%	-2.20%	-2.43%	0.64%	5.64%	0.80%	0.87%	-11.70%

N/L = Not Launched

Source: IGI Fund Select

Dividend Display

S #	Mutual Fund	Inception Date	2002-03	2003-04	2004-05	2005-06	2006-07	Dividend Detail 2006-07 (PRs Per Unit)
Equity Funds								
1	Atlas Stock Market Fund	22-Nov-04	-	-	12.50%	25.00%	20.00%	100.00
2	Crosby Dragon Fund	24-Dec-03	-	2%	10.5%	15.00%	38.00%	38.00
3	National Investment Trust	12-Nov-62	17.50%	25.50%	33.00%	58.00%	62.00%	6.20
4	Pakistan Stock Market Fund	12-Mar-02	40.00%	60.00%	70.00%	60.00%	50.00%	25.00
5	AMZ Plus Stock Fund	24-Jul-06	-	-	-	-	19.00%	13.00 Cash + 6 bonus units per 100 units
6	AKD Opportunity Fund	1-Mar-06	-	-	-	0.00%	10.00%	5.00
7	KASB Stock Fund	22-Mar-07	-	-	-	-	9.74%	4.87
8	MCB Dynamic Stock Fund	1-Mar-07	-	-	-	-	25.00%	20.00 Cash + 5.00 Bonus = 25.00
9	United Stock Advantage Fund	4-Aug-06	-	-	-	-	22.30%	22.30
10	UTP-A30+ Fund	29-May-06	-	-	-	0.50%	25.00%	7.50 Interim + 5.00 Final = 12.50
11	NAFA Stock Fund	22-Jan-07	-	-	-	-	22.60%	2.26
Islamic Funds								
1	Meezan Islamic Fund	8-Aug-03	-	15.00%	35.00%	35.00%	31.20%	15.60
2	UTP Islamic Fund	27-Dec-02	8.00%	17.00%	10.00%	37.50%	29.73%	148.63
3	Pakistan Int'l Islamic Elmnt. Fund	2-May-06	-	-	-	-	17.50%	8.75
4	Atlas Islamic Fund	15-Jan-07	-	-	-	-	3.00%	15.00
5	United Composite Islamic Fund	24-Dec-06	-	-	-	-	10.35%	10.35
Hybrid Funds								
1	Faysal Income & Growth Fund	10-Oct-05	-	-	-	5.50%	12.75%	12.75
2	UTP-Capital Protected Fund	21-Feb-07	-	-	-	-	4.50%	4.50
3	UTP-Capital Protected Fund II	18-Jun-07	-	-	-	-	0.20%	0.20
Funds of Funds								
1	UTP - Fund of funds	31-Oct-05	-	-	-	8.00%	15.10%	7.55
Asset Allocation								
1	Pakistan Capital Market Fund	31-Jan-04	-	8.25%	30.00%	30.00%	30.00%	3.00
2	UTP Aggr Asset Alloc Fund	28-Jun-05	-	-	-	65.00%	26.72%	13.36
3	Alfalah GHP Value Fund	28-Oct-05	-	-	-	1.00%	10.44%	5.22 Interim
Balanced Funds								
1	Faysal Balanced Growth Fund	17-May-04	-	-	12.50%	26.00%	18.00%	18.00
2	UTP (Balanced Fund)	27-Oct-97	25.00%	30.00%	20.00%	40.00%	40.21%	2,010.70
3	NAFA Multi Asset Fund	22-Jan-07	-	-	-	-	16.40%	1.64
Money Market Funds								
1	Dawood Money Market Fund	11-May-03	1.10%	7.00%	9.70%	11.50%	10.91%	10.91 bonus units per 100 units
2	United Money Market Fund	7-Aug-02	10.00%	4.85%	4.08%	10.00%	10.10%	10.10
3	KASB Liquid Fund	9-May-06	-	-	-	1.40%	10.72%	10.72
4	NAFA Cash Fund	21-Apr-06	-	-	-	1.90%	10.50%	1.05
Income Funds								
1	Atlas Income Fund	22-Mar-04	-	-	9.75%	11.50%	10.00%	50.00
2	AMZ Plus Income Fund	25-Feb-06	-	-	-	4.14%	11.60%	11.6 bonus units per 100 units
3	Askari Income Fund	16-Mar-06	-	-	-	4.49%	11.06%	11.06
4	Pakistan Income Fund	12-Mar-02	12.00%	9.00%	9.60%	10.00%	10.50%	5.25
5	United Growth & Income Fund	3-Mar-06	-	-	-	9.25%	11.40%	11.40
6	UTP Income Fund	26-Aug-02	9.50%	6.20%	10.25%	12.10%	10.66%	53.30
7	Meezan Islamic Income Fund	15-Jan-07	-	-	-	-	4.40%	2.20
8	MCB Dynamic Cash Fund	1-Mar-07	-	-	-	-	3.38%	3.38
9	HBL Income Fund	19-Mar-07	-	-	-	-	2.65%	2.65
10	AKD Income Fund	1-Mar-07	-	-	-	-	3.19%	1.59
11	IGI Income Fund	16-Apr-07	-	-	-	-	1.95%	1.944 bonus units per 100 units
12	Faysal Saving Growth fund	14-May-07	-	-	-	-	1.25%	1.25
13	First Habib Income Fund	30-May-07	-	-	-	-	1.50%	1.5 bonus units per 100 units

Source: IGI Fund Select

Rating Guide

Open End Mutual Fund	Inception dates	Bench Mark	AMC Rating		Fund Rating
AKD Income Fund	Mar-07	6 M KIBOR	AM3+	JCR-VIS	A-(F) JCR-VIS
AMZ Plus Income Fund	25-Feb-06	1 M KIBOR	AM3+	JCR-VIS	5 Star PACRA
Askari Income Fund	16-Mar-06	3 M KIBOR	AM3	PACRA & JCR-VIS	A(F) JCR-VIS & 5 Star PACRA
Atlas Income Fund	22-Mar-04	3 M KIBOR	AM3+	PACRA	5 Star PACRA
Dawood Money Market Fund	18-Apr-03	1 M KIBOR	AM3	PACRA	5 Star PACRA
Faysal Income & Growth Fund	10-Oct-05	6 M KIBOR	AM3+	JCR-VIS	A+(f) JCR-VIS
HBL Income Fund	19-Mar-07	1 M KIBOR	AM3	JCR-VIS	Not rated as yet
KASB Liquid Fund	9-May-06	1 M KIBOR	AM3+	PACRA	5 Star PACRA
MCB Dynamic Cash Fund	1-Mar-07	1 M KIBOR	AM3	PACRA	Not rated as yet
Meezan Islamic Income Fund	15-Jan-07	-	AM2	PACRA	Not rated as yet
NAFA Cash Fund	22-Apr-06	3 M T BILLS	AM2	JCR-VIS	A(F) JCR-VIS
Pakistan Income Fund	11-Mar-02	6 M KIBOR	AM2	PACRA	5 Star PACRA
Reliance Income Fund	19-Oct-06	6 M KIBOR			Not rated as yet
United Growth & Income Fund	2-Mar-06	1 & 3 Yr. KIBOR	AM2-	JCR-VIS	A(f) JCR-VIS
United Money Market Fund	5-Nov-02	1 M KIBOR	AM2-	JCR-VIS	A+(f) JCR-VIS
JS Income Fund	26-Aug-02	1 M KIBOR	AM2+	PACRA	5 Star PACRA
IGI Income Fund	16-Apr-07	1 M KIBOR	AM3-	PACRA	Not rated as yet
Faysal Savings Growth Fund	14-May-07	1 M KIBOR	AM3+	JCR-VIS	A(f) JCR-VIS
First Habib Income Funds	30-May-07	1 M KIBOR	AM3-	PACRA	Not rated as yet
Alfalah GHP Income Multiplier Fund	15-Jun-07	1 M KIBOR	AM3	PACRA	Not rated as yet
BMA Chundrigar Road Saving Fund	23-Aug-07	1 M KIBOR	AM2-	JCR-VIS	Not rated as yet
NAFA Islamic Income Fund	29-Oct-07	Avg. 1 M Deposit Rate of 4 Islamic Bank	AM2	JCR-VIS	Not rated as yet
POBOP Advantage Plus Fund	25-Oct-07	3 M KIBOR	AM3+	JCR-VIS	A(f) JCR-VIS
United Islamic Income Fund	2-Oct-07	Avg. of 6 M Placement Rate of 3 Islamic Bank	AM2-	JCR-VIS	Not rated as yet
NAFA Income Fund	29-Mar-08	3 Months T-bills	AM2	JCR-VIS	Not rated as yet
JS Aggressive Income Fund	22-Jan-08	1 M KIBOR	AM2+	PACRA	Not rated as yet
Totals					
AMZ Plus Stock Fund	24-Jul-06	KSE 100	AM3+	JCR-VIS	3 Star PACRA
AKD Opportunity Fund	Mar-06	KSE 100	AM3+	JCR-VIS	3 Star JCR-VIS
AKD Index Tracker Fund	Oct-05	KSE 100	AM3+	JCR-VIS	Not rated as yet
Alfalah GHP Value Fund	28-Oct-05	KSE 100	AM3	PACRA	5 Star PACRA
Alfalah GHP Islamic Fund	3-Sep-07		AM3	PACRA	Not rated as yet
Atlas Islamic Fund	15-Jan-07	KSE 100	AM3+	PACRA	Not rated as yet
Atlas Stock Market Fund	23-Nov-04	KSE 100	AM3+	PACRA	5 Star PACRA
Askari Asset Allocation Fund	10-Sep-07	KSE 100	AM3	PACRA & JCR-VIS	Not rated as yet
Crosby Dragon Fund	Dec-03	KSE 100	AM4-	JCR-VIS	5 Star JCR-VIS
Dawood Islamic Fund	14-Jul-07	KSE 100	AM3	PACRA	Not rated as yet
Faysal Balanced Growth Fund	14-Apr-04	KSE 100	AM3+	JCR-VIS	4 Star JCR-VIS
HBL Stock Fund	1-Sep-07	KSE 100	AM3	JCR-VIS	Not rated as yet
HBL Multi Asset Fund	18-Dec-07	KSE 101	AM3	JCR-VIS	Not rated as yet
KASB Stock Fund	22-Mar-07	KSE 100	AM3+	PACRA	Not rated as yet
KASB Balanced Fund	31-Dec-07	65% 1 M KIBOR + 35% KSE 30 Index	AM3+	PACRA	Not rated as yet
MCB Dynamic Stock Fund	1-Mar-07	KSE 30	AM3	PACRA	Not rated as yet
MCB Dynamic Allocation Fund	17-Mar-08		AM3	PACRA	Not rated as yet
Meezan Islamic Fund	8-Aug-03	DJIMPK	AM2	PACRA	5 Star PACRA
NAFA Multi Asset Fund	22-Jan-07	50% KSE & 50% 1 M KIBOR	AM2	JCR-VIS	5 Star JCR-VIS
NAFA Stock Fund	22-Jan-07	KSE 30	AM2	JCR-VIS	5 Star JCR-VIS
NAFA Islamic Multi Asset Fund	29-Oct-07	50% Dow Jones Islamic Pakistan Index & 50% Avg. 1 M Deposit rate of 4 Islamic Bank	AM2	JCR-VIS	Not rated as yet
National Investment Trust	12-Nov-62	KSE 100	AM2-	PACRA	5 Star JCR-VIS
Pakistan Capital Market Fund	24-Jan-04	KSE 100	AM2	PACRA	5 Star PACRA
Pakistan Int'l Islamic Fund	2-May-06	KSE 100	AM2	PACRA	4 Star PACRA
Pakistan Stock Market Fund	11-Mar-02	KSE 100	AM2	PACRA	3 Star normal 5 star Long Term PACRA
United Composite Islamic Fund	24-Dec-06	KSE 100	AM2-	JCR-VIS	Not rated as yet
United Stock Adv. Fund	4-Aug-06	KSE 100	AM2-	JCR-VIS	4 Star JCR-VIS
UTP - A30+ Fund	29-May-06	A 30 index	AM2+	PACRA	Not rated as yet
UTP - Fund of Funds	31-Oct-05	Composite BM of Top 10 open end funds with equal weightage	AM2+	PACRA	Not rated as yet
UTP (Balanced Fund)	27-Oct-97	30% 6 M KIBOR % 70% KSE 30	AM2+	PACRA	5 Star PACRA
UTP Aggr Asset Alloc Fund	28-Jun-05	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	5 Star PACRA
UTP Islamic Fund	27-Dec-02	Dow Jones Islamic Market Index	AM2+	PACRA	5 Star PACRA
UTP-CPF I	21-Feb-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet
UTP-CPF II	18-Jun-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet
UTP-CPF III	28-Sep-07	Higher of KSE 30 or 6 M KIBOR	AM2+	PACRA	Not rated as yet

Source: IGI Fund Select

Sector Snapshot

Open End Mutual Fund	Fund Sizes as at 30 April, 08 (bn)	Fund Sizes as at 31 May, 08 (bn)	%Chg MoM	Front-end Load	Back-end Load	Mgt Fee
AKD Income Fund	6.52	4.77	-26.81%	1.00%	Nil	1.10%
AMZ Plus Income Fund	5.42	4.79	-11.64%	Nil	Nil	1.25%
Askari Income Fund	12.28	9.10	-25.88%	Nil	0.25%	1.50%
Atlas Income Fund	5.90	4.53	-23.22%	2.00%	Nil	1.00%
Dawood Money Market Fund	4.52	4.29	-5.05%	1.00%	Nil	1.00%
Faysal Income & Growth Fund	3.28	2.44	-25.65%	1.00%	2%2	1.25%
HBL Income Fund	7.00	6.33	-9.57%	Nil	Nil	1.50%
KASB Liquid Fund	9.90	10.36	4.60%	Nil	Nil3	1.30%
MCB Dynamic Cash Fund	15.11	12.19	-19.34%	Nil	Nil	1.50%
Meezan Islamic Income Fund	6.58	5.66	-13.89%	0.50%	1%4	1.00%
NAFA Cash Fund	25.37	23.21	-8.51%	Nil	Nil	1.50%
Pakistan Income Fund	10.59	7.06	-33.33%	1.35%	Nil	1.50%
Reliance Income Fund	1.44	1.30	-9.79%	1.50%	Nil	1.50%
United Growth & Income Fund	16.98	15.49	-8.76%	1.50%	Nil5	1.50%
United Money Market Fund	9.50	7.39	-22.18%	Nil	Nil	1.50%
JS Income Fund	12.49	12.09	-3.19%	1.50%	Nil	1.50%
IGI Income Fund	4.13	3.66	-11.22%	Nil	Nil	1.25%
Faysal Savings Growth Fund	3.43	3.07	-10.62%	Nil	Nil	1.50%
First Habib Income Funds	2.85	2.15	-24.56%	Nil	Nil6	1.50%
Alfalah GHP Income Multiplier Fund	3.76	3.10	-17.59%	Nil	Nil	1.25%
BMA Chundrigar Road Saving Fund	3.85	3.46	-10.08%	1.00%	Nil	1.50%
NAFA Islamic Income Fund	1.13	1.12	-1.15%	1.00%	Nil	1.50%
POBOP Advantage Plus Fund	2.59	2.55	-1.54%	1.00%	Nil	1.50%
United Islamic Income Fund	2.21	2.00	-9.54%	1%9	1%10	1.25%
NAFA Income Fund	3.14	2.56	-18.39%	1.00%	Nil	1.50%
JS Aggressive Income Fund	1.36	1.20	-11.63%	1.00%	Nil	1.50%
Total	181.32	155.87	-14.03%			
AMZ Plus Stock Fund	0.68	0.50	-26.95%	3.00%	Nil	3.00%
AKD Opportunity Fund	1.87	1.75	-6.52%	3.00%	Nil	3.00%
AKD Index Tracker Fund	0.41	0.35	-15.98%	1.00%	2%7	0.75%
Alfalah GHP Value Fund	0.96	0.87	-10.04%	2.50%	Nil	2.50%
Alfalah GHP Islamic Fund	0.44	0.43	-3.31%	2.50%	Nil	2.25%
Atlas Islamic Fund	0.68	0.55	-19.00%	1.00%	1.5%8	3.00%
Atlas Stock Market Fund	1.50	1.30	-13.33%	2.00%	Nil	3.00%
Askari Asset Allocation Fund	0.54	0.46	-13.91%	2.50%	Nil	3.00%
Crosby Dragon Fund	3.63	2.90	-20.22%	2.00%	Nil	2.50%
Dawood Islamic Fund	0.51	0.53	3.34%	1.00%	Nil	1.50%
Faysal Balanced Growth Fund	1.13	0.96	-15.08%	2.25%	Nil	2.25%
HBL Stock Fund	1.90	1.60	-15.79%	2.50%	Nil	3.00%
HBL Multi Asset Fund	0.83	0.70	-16.00%	2.00%	Nil	2.50%
KASB Stock Fund	0.48	0.42	-11.92%	2.50%	Nil	3.00%
KASB Balanced Fund	0.95	1.01	6.20%	2.00%	Nil	2.00%
MCB Dynamic Stock Fund	0.99	0.80	-18.97%	2.50%	Nil	3.00%
MCB Dynamic Allocation Fund	2.26	1.73	-23.35%	3.00%	Nil	3.00%
Meezan Islamic Fund	6.09	5.74	-5.71%	2.00%	Nil	3.00%
NAFA Multi Asset Fund	2.95	2.62	-11.34%	3.00%	Nil	2.50%
NAFA Stock Fund	2.98	2.46	-17.27%	3.00%	Nil	3.00%
NAFA Islamic Multi Asset Fund	1.13	0.71	-36.99%	3.00%	Nil	2.50%
National Investment Trust	101.11	83.88	-17.04%	2.50%	1.00%	1.00%
Pakistan Capital Market Fund	1.05	0.86	-18.10%	4.00%	Nil	3.00%
Pakistan Int'l Islamic Fund	1.12	0.93	-16.96%	*	**	***
Pakistan Stock Market Fund	3.55	3.12	-12.11%	4.00%	Nil	2.00%
United Composite Islamic Fund	1.31	1.10	-16.09%	2.50%	Nil	3.00%
United Stock Adv. Fund	2.81	2.30	-18.06%	2.50%	Nil	3.00%
UTP - A30+ Fund	0.28	0.22	-21.99%	2.00%	Nil	1.50%
UTP - Fund of Funds	1.27	1.22	-3.79%	3.00%	Nil	1.00%
UTP (Balanced Fund)	6.10	5.64	-7.53%	3.00%	Nil	2.00%
UTP Aggr Asset Alloc Fund	0.75	0.53	-29.14%	3.00%	Nil	3.00%
UTP Islamic Fund	0.92	0.78	-14.94%	3.00%	Nil	3.00%
UTP-CPF I	1.19	1.18	-0.76%	3.00%	5.00%	1.25%
UTP-CPF II	1.62	1.62	0.25%	2.00%	5.00%	1.50%
UTP-CPF III	1.42	1.41	-0.56%	2.00%	3.00%	1.50%
Total	157.39	133.17	-15.39%			
Grand Total	338.711	289.04	-14.66%			

Source: IGI Fund Select

Load

- 0.25% if redeemed within 2 month
- If redeem within a year and 1% if redeem in the 2nd year of investment and 1% if redeem in the 3rd year of investment and after that no load
- 0.5% if redeemed within 15 days
- If redeem within 6 month and after that .5% load
- Back end load charge on Growth fund: 1 yr 3%, yr 2 2% and yr 1%
- 0.5% if redeemed within 15 days
- Only for seed investors
- If redeem within a year and 1% if redeem in the 2nd year of investment and .5% if redeem in the 3rd year of investment and after that no load
- 1% Frond End load on Income Fund, No. load on Growth
- No Back End load on Income, and on Growth, if redeem < 6 month 1% if redeem = 1year 0.5 %, after that no load

*Type A 2.5% and Type B, C and D None

**Type A None and B, C, D: 1 yr 3%, yr 2 2% and yr 3 1%

***Type A & B: 3% and Type C&D: 2%

IGI

Investment Bank

I, **Tahir Hussein Ali**, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject, securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, relates to the specific recommendations or views expressed in this research report.

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