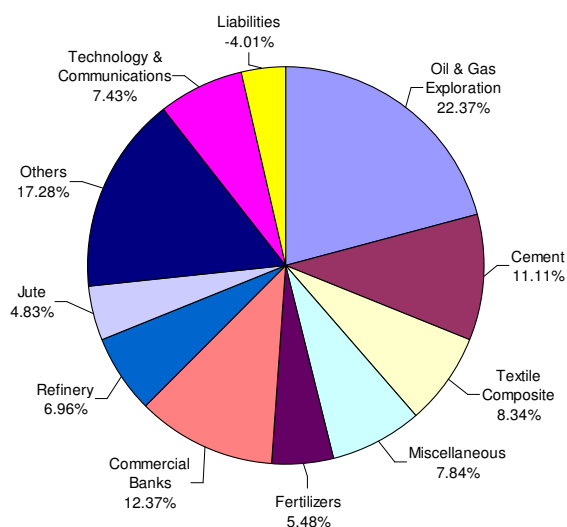


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Jul. – Dec. 2007	Oct. - Dec. 2007	Nov. 2007	Dec. 2007	Since Launch Jan. 22, 07
	NAFA Stock Fund	12.63%	9.00%	-0.45%	-1.69%	61.59%
	Benchmark	-1.63%	3.30%	-3.08%	-0.23%	24.82%
<i>* Returns are net of management fee & all other expenses</i>						

General Information		Fund Manager Commentary
Launch Date:	January 22, 2007	During the month under review, the KSE-30 Index decreased by 0.23%, while NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 1.69%, thus an under-performance of 1.46% was recorded. The Fund has risen by 61.59% since launch on January 22, 2007, whereas the stock market has risen by 24.82% during the same period.
Fund Size:	Rs. 1,840 million	
Type:	Open-end – Equity Fund	The stock market performed well during the month as it gained 5.5% over the last month and kept consolidating there. However, on the last working day of the month it fell by 4.9% in response to the assassination of Late Ms. Benazir Bhutto. Thus the month closed with a negative return of 0.23%.
Dealing:	Daily	
Settlement:	2-3 business days	
Load:	Front end-3%, Back end-0%	
Management Fee:	3% per annum	The reason for the Fund's under-performance is the skewed Index movement. MCB constitutes 20% of the Index and it rose by 7.42% during the month, while the Index lost 0.23%. We were not invested in MCB as we believed that the valuations did not justify such an investment decision. On November 30, 2007, MCB was trading at a Price to Book Value (PBV) ratio of 4.93 and during the month touched the PBV ratio of 5.74. As a result, NSF recorded its first month of under-performance, compared to KSE-30 Index, in its 11-months history.
Listing:	Lahore Stock Exchange	
Custodian & Trustee:	Central Depository Company	NSF mainly invests in fundamentally sound shares. The nature of such shares is that they perform around the time when corporate results are awaited. Therefore, we expect that the shares in the Fund will out-perform the stock market as the time of corporate announcements approaches.
Auditors:	A. F. Ferguson & Co. Chartered Accountants	
Benchmark:	KSE-30 Index	
Fund Manager(s):	Khurram Shehzad, CFA	We do not base our investment decisions on a month to month horizon, rather they are carefully charted with a horizon of at least 12 months. We are confident of our investment strategy as it has already yielded significant results in terms of almost 37% out-performance versus the stock market.
Min. Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

ASSET ALLOCATION (On Dec. 31, 2007)



Disclaimer: The price of units may go down as well as up. Please refer to respective offering document(s).

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