



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (30/12/2011): Rs.6.0657

December 2011

Performance

Performance % *	December 2011	Jul. - Dec. 2011	Jan. - Dec. 2011	Since Launch January 22, 2007
NAFA Stock Fund	(4.56%)	(6.82%)	(2.96%)	5.46%
Benchmark	(5.75%)	(12.15%)	(12.16%)	-24.00%

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 837 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end – 3%, Back end - 0%
Management Fee:	3% per annum
Risk Profile:	Moderate-to-High
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & Co. Chartered Accountants
Benchmark:	KSE-30 Index
Fund Manager:	Sajjad Anwar, CFA
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2-'Positive Outlook' by PACRA

Investment Objective

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.

Fund Manager Commentary

During the month under review, KSE-30 Index decreased by 5.75% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 4.56%, thus an out-performance of 1.19% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 5.46% while the benchmark has declined by 24.00%, thus to date out-performance is 29.46%. This out-performance is net of management fee and all other expenses.

The stock market continued to depict a weak trend ensuing from concerns on the macro and political front as well as structural issues. The out-performance of NSF resulted from its under-weight position in equities. Further, some of the Fund's holdings performed better than the market. NSF was under-weight in selected stocks in the Fertilizer sub-sector that under-performed, which significantly benefited the Fund. Similarly, NSF benefited from its under-weight position in a key Banking sector stock, which under-performed attributable to foreign selling. Further, some of the Fund's holdings in the Cement and Oil & Gas Exploration sub-sectors and Media sector performed better than the market.

At the start of the month, NSF was around 88% invested in equities. During the period we lowered the Fund's weightage as the market was devoid of any positive triggers. However, in the latter half of the month we enhanced the allocation of NSF in equities as the valuations of the market became cheaper and dividend yields became more lucrative. We increased the Fund's weightage in the Electricity and Banking sectors and Oil & Gas Exploration sub-sector. While we reduced the weightage in the Construction & Materials sector and OMCs and Refineries sub-sectors. At the end of the month NSF was around 90% invested in equities.

NSF is invested in stocks with strong fundamentals and growth prospects and attractive dividend yields. The portfolio of NSF is priced at forward earnings multiple of 5.7x offering 9.4% dividend yield. We are vigilant to the developments in the capital markets and will alter the portfolio of NSF accordingly.

Asset Allocation (% of NAV) 30-Dec-11 30-Nov-11

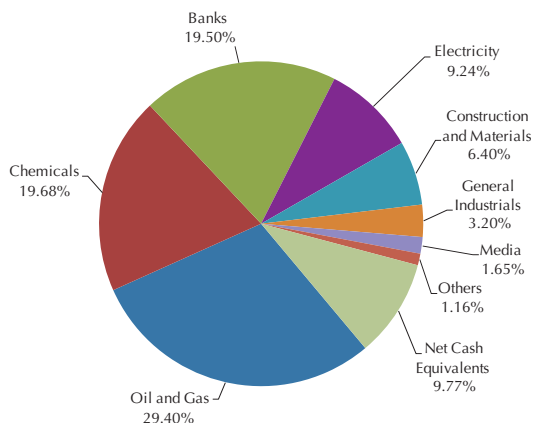
	30-Dec-11	30-Nov-11
Equities / Stock	90.23%	88.38%
Cash Equivalents	7.80%	9.31%
T-Bills	-	5.63%
Other Net Assets / (Liabilities)	1.97%	(3.32%)
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NSF	5.7	2.6	9.4%
KSE-30	6.6	3.8	8.9%

** Based on NAFA's estimates

Asset Allocation (as on 30th December 2011)



Top Ten Equity Holdings (as on 30th December 2011)

Name	% of NAV	Name	% of NAV
Oil & Gas Dev.Co	14.25%	Engro Corporation Ltd.	6.43%
Fauji Fertilizer Co. Ltd.	11.67%	Pak Petroleum Ltd.	5.76%
Pakistan Oilfields Ltd.	9.39%	United Bank Ltd.	3.62%
Hub Power Company Ltd.	9.24%	Thatta Cement	3.55%
MCB Bank Limited	7.13%	Meezan Bank Ltd.	3.38%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM