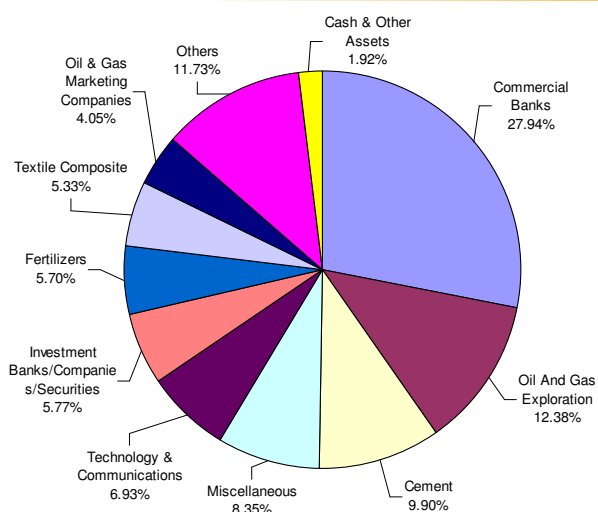


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	<b>Return (%) *</b>	<b>Jul. - Dec. 2007</b>	<b>Oct. - Dec. 2007</b>	<b>Jan. 2008</b>	<b>Feb. 2008</b>	<b>Since Launch Jan. 22, 07</b>
	<b>NAFA Stock Fund</b>	12.63%	9.00%	-0.74%	4.25%	<b>67.22%</b>
	<b>Benchmark</b>	-1.63%	3.30%	-0.13%	10.01%	<b>37.14%</b>
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007            Fund Size: Rs. 2,524 million            Type: Open-end – Equity Fund            Dealing: Daily            Settlement: 2-3 business days            Load: Front end-3%, Back end-0%            Management Fee: 3% per annum</p>	<p>During the month under review, KSE-30 Index increased by 10.01%, while NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 4.25%, thus an under-performance of 5.76% was recorded. The NAV of NSF has risen by 67.22% since launch on January 22, 2007 and the benchmark (KSE-30 Index) has risen by 37.14%, thus the total out-performance since inception stands at 30.08%.</p>
<p>Listing: Lahore Stock Exchange            Custodian &amp; Trustee: Central Depository Company            Auditors: A. F. Ferguson &amp; Co.            Chartered Accountants            Benchmark: KSE-30 Index            Fund Manager(s): Khurram Shehzad, CFA            Min. Subscription: Growth Unit: Rs. 10,000/-            Income Unit: Rs. 100,000/-</p>	

**ASSET ALLOCATION (On Feb. 29, 2008)**



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

NAFA Stock Fund follows a strategy whereby it takes positions in stocks, which possess significant upside potential over a twelve month period. The timing of price increase in such stocks is not perfectly correlated with the upside movement in the stock market.

During the pre and post election rallies the investor concentration was towards some stocks where valuations were not attractive. These shares rose primarily because of foreign buying in these shares. These stocks performed better than the market and achieved a greater portion of their annual upside potential in a single month. This peculiar market movement resulted in the under-performance of the Fund.

NAFA Stock Fund will continue with its focus on stock selection so that stocks which are likely to out-perform the stock market over the next twelve months are held in the portfolio. This strategy has helped us tremendously last year, and we are confident that it will help us out-perform the stock market in 2008 as well.

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Your investments & "NAFA" grow together



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