



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (29/02/2012): Rs.7.1371

February 2012

## Performance

Performance % *	February 2012	Jul. 2011- Feb. 2012	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	8.41%	9.64%	13.24%	24.09%
Benchmark	6.56%	2.76%	5.27%	-11.10%

\* 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. 1,075 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:	2% per annum (Effective Jan 22,2012)
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 increased by 6.56% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 8.41%, thus an out-performance of 1.85% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 24.09% while the benchmark has declined by 11.10%, thus to date out-performance is 35.19%. This out-performance is net of management fee and all other expenses. We have reduced the management fee of the Fund by 1% from 3% to 2% effective January 22, 2012.

Following the robust trend in January, the stock market continued its strong performance during the month of February. NSF remained almost fully invested in equities throughout the month. However, we rebalanced the portfolio in light of results announcements and changes in fundamentals of sectors/stocks.

Broadly speaking, NSF out-performed during the month as the Fund's several holdings performed better than the market. Moreover, NSF was under-weight in a number of stocks that lagged the market. The Fund has sizeable overweight positions in key banking stocks that performed better than the market that significantly contributed to the out-performance. NSF has significant overweight position in the key fertilizer stock that performed better than the market, which notably contributed to the Fund's out-performance. Moreover, NSF reduced its exposure in key fertilizer stocks that lagged, which benefited the Fund. We have increased the Fund's overweight position in various stocks of the Cement sub-sector. NSF's key holding in the Cement sub-sector out-performed the market, which benefited the Fund. We reduced exposure of the Fund in the Electricity sector and Refinery sub-sector.

NSF is invested in stocks with sanguine valuations and strong growth prospects. The portfolio of NSF is priced at forward earnings multiple of 6.0x offering 7.1% dividend yield. We are vigilant to the developments in the financial markets and will proactively alter the portfolio of the Fund.

## Asset Allocation (% of NAV) 29-Feb-12 31-Jan-12

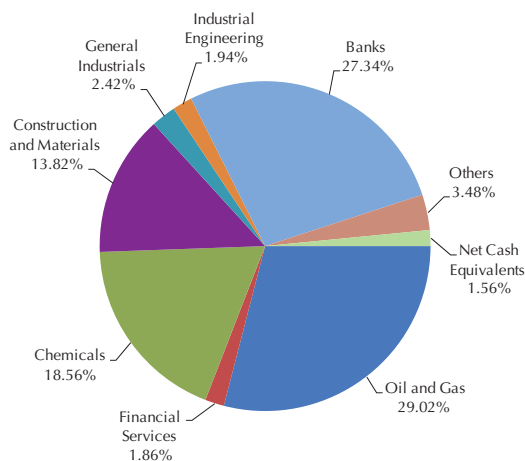
Asset Allocation (% of NAV)	29-Feb-12	31-Jan-12
Equities / Stock	98.44%	98.02%
Cash Equivalents	2.31%	2.76%
Other Net Liabilities	(0.75%)	(0.78%)
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Characteristics of Equity Portfolio\*\*

	PER	PBV	DY
NSF	5.8	1.9	7.1%
KSE-30	7.2	3.8	7.7%

\*\* Based on NAFA's estimates

## Asset Allocation (as on 29th February 2012)



## Top Ten Equity Holdings (as on 29th February 2012)

Name	% of NAV	Name	% of NAV
Engro Corporation Ltd.	10.71%	Lucky Cement Ltd.	6.39%
Oil & Gas Dev.Co. Ltd.	9.26%	Pak Petroleum Ltd.	6.23%
Pakistan Oilfields Ltd.	9.18%	National Bank of Pakistan	5.71%
United Bank Ltd.	7.72%	Pakistan State Oil Co. Ltd.	4.34%
MCB Bank Ltd.	6.46%	Allied Bank Ltd.	3.75%

## Name of the Members of Investment Committee

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

**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 dependant 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.