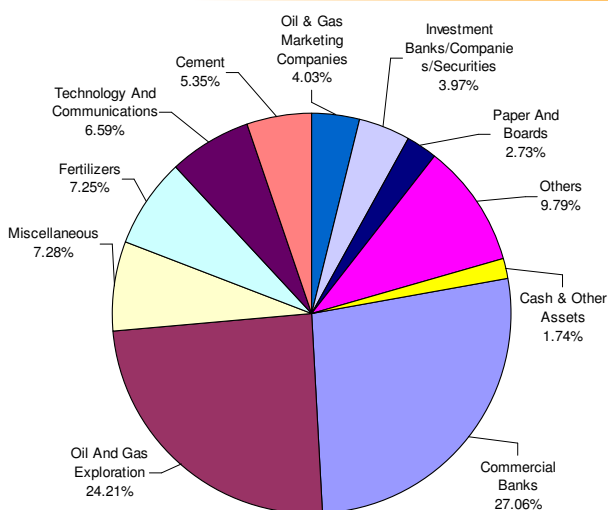


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Jan.22-Dec.31 2007	Oct. - Mar. 2007-08	Jan. - Mar. 2008	Mar. 2008	Since Launch Jan. 22, 07
	NAFA Stock Fund	61.59%	14.73%	5.26%	1.72%	70.09%
	Benchmark	24.82%	13.93%	10.30%	0.39%	37.67%
* Returns are net of management fee & all other expenses						

General Information		Fund Manager Commentary
Launch Date: January 22, 2007 Fund Size: Rs. 2,875 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	Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company Auditors: A. F. Ferguson & 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>During the month under review, KSE-30 Index increased by 0.39%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 1.72%, thus an out-performance of 1.33% was recorded. Since inception on Jan. 22, 2007 the NAV of NSF has risen by 70.09% and the benchmark has risen by 37.67% thus to date out-performance is 32.42%.</p> <p>During the last month foreigners pulled out of domestic equities to the tune of USD 111 million. The out-flow continued throughout the month except for the last two days when this trend reversed. The entire month was marked by successful local absorption of foreign selling as the market did not slide down during the month.</p> <p>NSF has relatively shifted its focus from the banking sector to the Oil & Gas Exploration (E&P) sector, as we believe that the upsurge in international oil prices has not been fully incorporated into the prices of E&P stocks. The banking sector is likely to witness an over all reduction in profit growth. Some banking stocks are expected to perform better as they are niche players.</p> <p>Our focus is now more towards commodities driven sectors, as we believe that the full impact of global commodity cycle will result in further price appreciation in these stocks.</p> <p>NSF remained invested around 97% throughout the month, as we did not expect any significant downwards adjustment. We believe that the downside is fairly limited in the market against a significant upside potential.</p> <p>We continue with our strategy to invest in high value stocks, which offer significant price appreciation potential based on expected turnaround in their earnings' profile.</p>

ASSET ALLOCATION (On Mar. 31, 2008)



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

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