



National Fullerton  
Asset Management Limited

# NAFA Stock Fund (NSF)

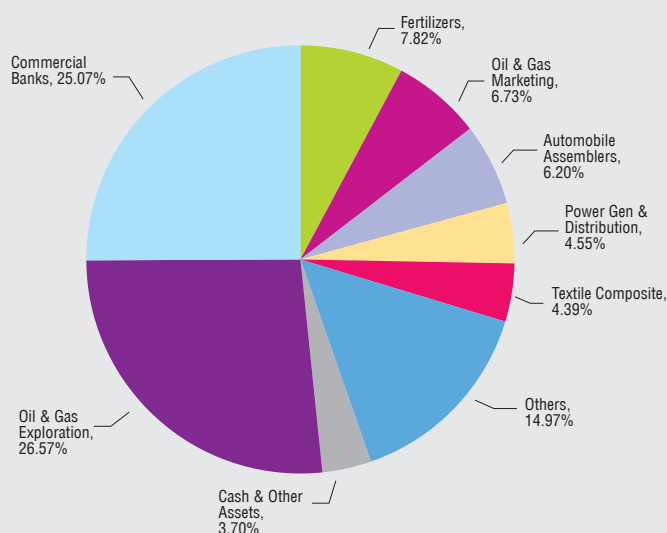
Unit Price (30/11/2009): Rs. 7.2158

November 2009

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>Performance (%)*</b>	<b>Jan - Dec 2007</b>	<b>Jan - Dec 2008</b>	<b>Jul - Oct 2008 - 09</b>	<b>Nov 2009</b>	<b>Since Launch January 22, 2007</b>
	<b>NAFA Stock Fund</b>	<b>61.59%</b>	<b>(60.21)%</b>	<b>(35.85)%</b>	<b>0.78%</b>	<b>(10.20)%</b>
	<b>Benchmark</b>	<b>24.82%</b>	<b>(67.19)%</b>	<b>(32.55)%</b>	<b>0.45%</b>	<b>(27.52)%</b>
*Returns are net of management fee & all other expenses						

General Information	Fund Manager's Commentary
<p>Launch Date: January 22, 2007</p> <p>Fund Size: Rs. 1,344 million</p> <p>Type: Open-end - Equity Fund</p> <p>Dealing: Daily - Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end - 3%, Back end - 0%</p> <p>Management Fee: 3% per annum</p>	<p>During the month under review, KSE-30 Index increased by 0.45%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 0.78%, thus an out-performance of 0.33% was recorded. Since inception on January 22, 2007 the NAV of NSF has declined by 10.20% and the benchmark has declined by 27.52%, thus to date out-performance is 17.32%.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian &amp; Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson &amp; Co. Chartered Accountants</p> <p>Benchmark: KSE-30 Index</p> <p>Fund Manager: Sajjad Anwar, CFA</p> <p>Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	
<p>The stock market remained lackluster and directionless during the month. Net foreign inflows during November considerably slowed to USD 12.9m compared to USD 38m in October. Overall investor sentiment was weak as exhibited by decline in the Market's Average Daily Traded Value to PKR 6.7 bn against PKR 10.8 bn during October. Investors remained concerned about the overall security situation in the country and uneasiness on the domestic political front, particularly over the National Reconciliation Ordinance (NRO) issue. On the economic front, during October, inflation (CPI) decreased to a single digit level at 8.9%. This was followed by easing in the monetary policy with SBP slashing the discount rate by 50bps to 12.5%.</p>	

Asset Allocation (as on 30th November 2009)



At the start of the month NSF was 88.64% invested in equities. The exposure of NSF in key stocks in the automobile, energy exploration and fertilizer sectors performed better than the market. During the month we gradually increased our weight to selected stocks in the energy exploration, OMC, textile and banking sectors where we felt valuations were attractive. The prospects for the energy exploration and OMC sectors remain strong on high international and local oil prices and impact of increase in domestic oil and gas production. On a selective basis, automobile and textile stocks are also expected to benefit from higher revenues and improved fundamentals. At the end of the month NSF was 96.30% invested in equities.

The market is expected to remain sensitive to developments on the political and law & order front. In this context the successful conclusion of the military campaign in the South Waziristan area is critical. On a fundamental basis the market remains attractive trading at around 7.3x forward earnings. The forthcoming release of the IMF installment and improvement in the domestic liquidity situation could be positive triggers for the market. NSF is invested in fundamentally attractive stocks that are expected to perform better than the market.

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