



NAFA

NAFA Stock Fund (NSF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/10/2010): Rs. 6.6328

October 2010

Performance

Performance % *	October 2010	FYTD Jul. - Oct. 2010	Since Launch January 22, 2007
NAFA Stock Fund	5.27%	7.53%	(5.19%)
Benchmark	4.97%	6.26%	(24.18%)

* Cumulative returns are net of management fee & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 892 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 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:	A. F. Ferguson & 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- 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 4.97% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 5.27%, thus an out-performance of 0.30% was recorded. Since inception on January 22, 2007 the NAV of NSF has declined by 5.19% while that of the benchmark has declined by 24.18%, thus to date, out-performance is 18.99%.

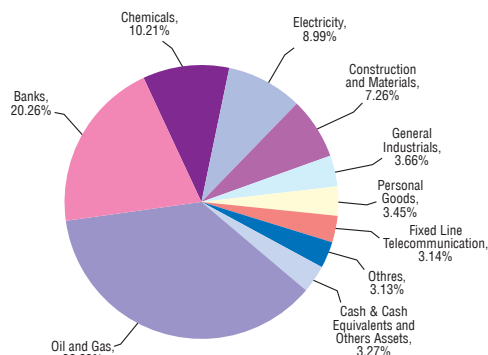
At the start of the month NSF was around 90% invested in equities. The market remained bullish during October on the back of strong corporate earnings announcements and improved Foreign Portfolio Investment flows. Accordingly, we enhanced the weightage of NSF in equities. At the end of October 2010, NSF was around 97% invested in equities. During the month, we increased NSF's exposure in the Refineries, Fertilizer and Cement sub-sectors and the Banking sector. The Oil & Gas sector performed better than the market on healthy growth in profits and attractive payouts. This contributed to the outperformance of NSF during the month. Earnings of key companies in the Refineries sub-sector and Banking sector were better than expected. While going forward the performance of Fertilizer and Cement sub-sectors are likely to improve, mainly driven by demand prospects.

NSF is invested in stocks with healthy growth and dividend prospects as well as sanguine valuations. Key triggers for the market are progress on the leverage product and developments on the economic and political front. We will proactively alter the portfolio of NSF based on the developments in the capital market.

Asset Allocation %

	31-Oct-10	30-Sep-10
Equities / Stock	96.73%	90.25%
Cash Equivalents	0.53%	8.81%
T-Bills	-	2.65%
Other Net Assets / (Liabilities)	2.74%	-1.71%
Leverage	Nil	Nil

Asset Allocation (as on 31st October 2010)



Top Ten Equity Holdings (% of Net Assets)

POL	9.83%	APL	4.48%
PPL	9.50%	UBL	4.21%
MCB	8.91%	THALL	3.66%
HUBC	7.49%	LUCK	3.05%
OGDC	7.41%	NRL	3.04%

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 the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.