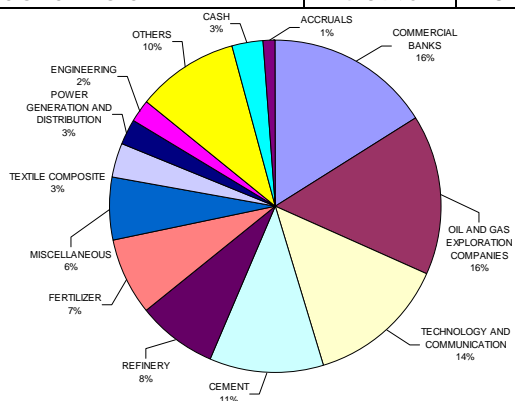


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Jan.22–Jun.30 2007	Jul. – Sep. 2007	Aug. 2007	Sept. 2007	Since Launch Jan. 22, 2007
	NAFA Stock Fund	43.47%	4.78%	-10.21%	9.88%	48.25%
	Benchmark	26.89%	-6.06%	-10.35%	8.62%	20.83%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007 Fund Size: Rs. 1,617 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>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>	<p>During the month under review, the KSE-30 Index increased by 8.62%, while NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 9.88%, thus an out-performance of 1.26% was recorded. The Cumulative out-performance of NSF versus its benchmark (KSE-30 Index) since inception is 27.42%.</p> <p>The beginning of Ramadan during the last month hinted towards a possibility of reduction in volumes and lack of investor interest. Moreover, the Supreme Court hearings in the "Dual Office" case also provided a pretext for a subdued performance by the market. However, the capital markets displayed maturity, and purely on the basis of medium-term positive outlook, cheaper valuations and liquidity in the system the market performed well during the month and rose by 8.62%.</p> <p>Your Fund (NSF) maintained an average weight of approximately 96% in equities based on the expected market recovery. The decision of moving from cash to equities proved correct as we were able to add on to our cumulative out-performance as well.</p>

ASSET ALLOCATION (On Sep. 30, 2007)

	Portfolio	Market
Price-to-Earnings Ratio	8.76x	11.29x
Price-to-Book Value	2.16x	3.10x
Dividend Yield	4.09%	3.87%



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

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