



NAFA Stock Fund (NSF)

**NBP Fullerton
Asset Management Limited**

(Formerly National Fullerton Asset Management Limited)

Unit Price (31/08/2010): Rs. 6.2787

August 2010

Performance

Performance % *	August 2010	CYTD Jan. - Aug. 2010	Since Launch January 22, 2007
NAFA Stock Fund	(5.62%)	0.05%	(10.25%)
Benchmark	(7.47%)	(1.52%)	(27.57%)

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

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 919 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
Dealing Time: (Ramadan)	9:00 A.M to 2:00 P.M 8:30 A.M to 12:30 P.M (Friday)
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 decreased by 7.47% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 5.62%, thus an out-performance of 1.85% was recorded. Since inception on January 22, 2007 the NAV of NSF has declined by 10.25% while that of the benchmark has declined by 27.57%, thus to date out-performance is 17.32%.

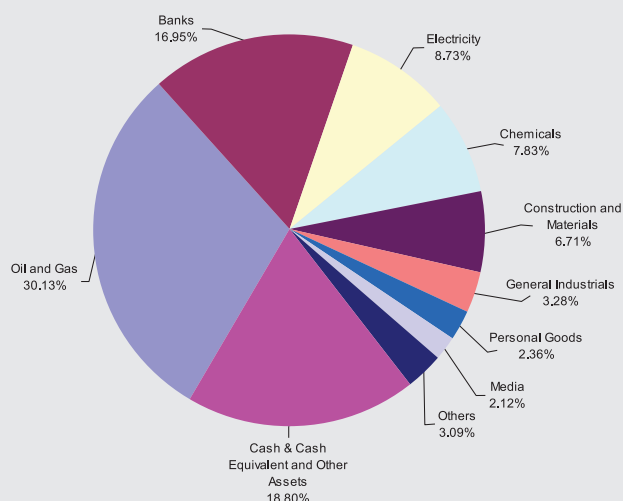
At the start of the month, NSF was 98.32% invested in equities. During the month, the stock market showed a declining trend on the back of concerns of economic consequences of the floods and lack of any positive triggers. In line with the market trend, we gradually reduced the weightage of NSF in equities. At the end of the month, NSF was around 81% invested in equities. Market volumes were particularly low with the onset of the Holy Month of Ramadan. Investor sentiment was subdued on weak foreign inflows, lack of progress on leverage product and no excitement from the results announcements.

During the month, we significantly reduced the weightage of NSF in the Banks and Oil & Gas sectors. The weight of the Fertilizer sub-sector was also reduced. More importantly, we made strategic shifts in the portfolio of NSF towards high dividend yielding and defensive stocks. In line with this, we increased the weightage of the Power sub-sector. The underweight stance of NSF in key stocks in the Banks and Oil & Gas sectors and overweight position in the Cement sub-sector contributed significantly to the out-performance of the Fund. NSF remains overweight in Cement sub-sector on prospects of higher demand resulting from reconstruction and rebuilding activities in the aftermath of the floods devastation.

Going forward, the stock market remains sensitive to the direction of interest rates and economic implications of the floods. We remain vigilant to the developments and will adjust the portfolio accordingly.

Asset Allocation %	31-Aug-10	31-Jul-10
Equities / Stock	81.20%	98.32%
Cash Equivalents	8.92%	4.34%
T-Bills	20.42%	0.00%
Other Net Assets / (Liabilities)	-10.54%	-2.66%
Leverage	Nil	Nil

Asset Allocation (as on 31st August 2010)



Top Ten Equity Holdings (% of Net Assets)

PPL	9.58%	FFC	6.03%
HUBC	8.73%	THALL	3.28%
MCB	7.90%	APL	3.13%
POL	7.09%	UBL	3.02%
OGDC	6.48%	NBP	2.98%

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.