



**NBP Fullerton
Asset Management Limited**
(Formerly National Fullerton Asset Management Limited)

NAFA Stock Fund (NSF)

MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/12/2010): Rs.7.6029

December 2010

Performance

Performance % *	December 2010	FYTD Jul. - Dec. 2010	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	6.68%	23.26 %	21.15%	8.67%
Benchmark	6.92%	21.26%	17.65%	(13.47%)

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

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 992 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 6.92% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 6.68%, thus an under-performance of 0.24% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 8.67% while that of the benchmark has declined by 13.47%, thus to date out-performance is 22.14%. This out-performance is net of management fee and all other expenses. At the start of the month NSF was around 95% invested in equities. The stock market maintained its upward trend as investor sentiment remained positive.

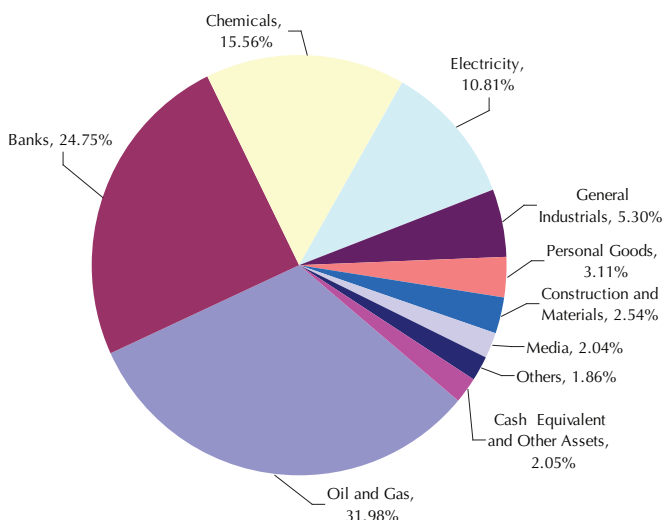
We remained almost fully invested in the market and the end of the month NSF was around 98% invested in equities. During the month, the holdings of NSF in the Oil & Gas sector and Jute sub-sector performed significantly better than the market. The Oil & Gas sector remained buoyant resulting from high crude oil prices and favorable earnings prospects. The Fund's underweight stance in the Banking sector contributed to the under-performance during the month. Further, some of the Fund's holdings in the Fertilizer and Cement sub-sectors underperformed the market. A year-end pre-results rally enabled the Banking sector to perform better than the market. During the month, we considerably increased the weightage of NSF in Banks around 19% to almost 25%. Similarly, the weightage in the Fertilizer sub-sector was increased on superlative earnings expectations in 4QCY10. The exposure of NSF in the Cement sub-sector was reduced due to expected slowdown in cement demand and higher energy costs. On the contrary, we slightly increased the weightage in the high dividend yielding Electricity sector.

As the market continues to reach higher levels, we are constantly adjusting the portfolio towards undervalued, high growth and dividend yielding stocks. Events on the political front and developments on the leverage product will shape the market's direction going forward.

Asset Allocation

	31-Dec-10	30-Nov-10
Equities / Stock	97.95%	94.68%
Cash Equivalents	3.07%	2.72%
Other Net Assets / (Liabilities)	-1.02%	2.60%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st December, 2010)



Top Ten Equity Holdings (as on 31st December 2010)

Name	% of NAV	Name	% of NAV
Pakistan Oilfields Ltd.	9.73%	United Bank Ltd.	5.75%
Pakistan Petroleum Ltd.	9.67%	Thall Ltd.	5.30%
MCB Bank Limited	9.34%	Engro Corporation	4.72%
Hub Power Co. Ltd.	7.50%	Fauji Fertilizer Ltd.	4.42%
Oil & Gas Development	5.92%	Fauji Bin Qasim Ltd.	4.32%

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 any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.