

Performance

Performance % *	February 2011	FYTD Jul. 2010 - Feb. 2011	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	(5.72%)	21.03%	16.71%	6.70%
Benchmark	(8.90%)	14.48%	8.74%	(18.31%)

* Ex-Dividend Price

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

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 890 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

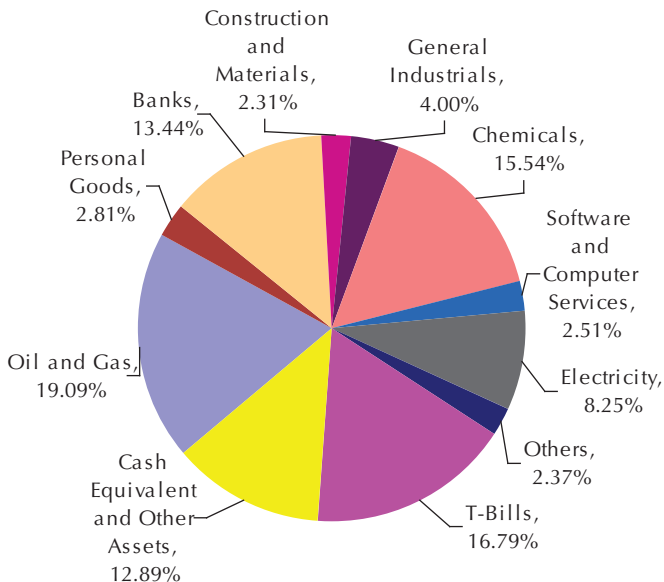
During the month under review, KSE-30 Index decreased by 8.90% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 5.72%, thus an out-performance of 3.18% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 6.70% while that of the benchmark has declined by 18.31%, thus to date out-performance is 25.01%. This out-performance is net of management fee and all other expenses.

At the start of the month NSF was 83.5% invested in equities. The market trend was predominantly bearish on shaky investor confidence and concerns of selling by foreign portfolio investors. We further decreased the weightage of NSF in equities. During the month, we mainly reduced the Fund's exposure in Banks, and Chemicals sectors as well as in the Cement, Refineries and Oil Marketing Companies sub-sectors. On the other hand, we maintained NSF's exposure in selected high dividend yielding and fundamentally attractive stocks in the Electricity sector and Oil & Gas Exploration sub-sector. NSF's weightage was slightly increased in the Textile sub-sector. At the end of the month NSF was around 70.3% invested in equities. The strategy of NSF to be underweight in most sectors contributed to the out-performance of the Fund during the month. At the end of February 2011, NSF was under-weight in the Oil & Gas, Banks, Chemicals and Fixed Line Communication sectors. The Fund had an over-weight exposure in the Electricity and General Industrials sectors and the Textile sub-sector.

Asset Allocation (% of NAV) 28-Feb-11 31-Jan-11

	28-Feb-11	31-Jan-11
Equities / Stock	70.32%	83.51%
Cash Equivalents	13.79%	9.53%
T-Bills	16.79%	4.58%
Other Net Assets / (Liabilities)	(0.90%)	2.38%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 28th February 2011)



We are vigilant to the events in the capital markets and will proactively alter the portfolio of NSF. The portfolio of NSF consists of stocks with attractive valuations and healthy growth prospects. The trend of foreign flows and developments on the economic and political front will determine the market's future direction.

Top Ten Equity Holdings (as on 28th February 2011)

Name	% of NAV	Name	% of NAV
Pakistan Oilfields Ltd.	9.09%	Thal Limited.	4.00%
Engro Corporation Ltd.	8.31%	United Bank Ltd.	3.09%
Hub Power Company Ltd.	6.26%	Meezan Bank Ltd.	3.03%
Pak Petroleum Ltd.	6.14%	Netsol Technologies	2.51%
Lotte Pakistan PTA Ltd.	4.75%	MCB Bank Limited	2.49%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM