



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2012): Rs.6.5837

January 2012

Performance

Performance % *	January 2012	Jul. 2011- Jan. 2012	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	8.55%	1.14%	1.14%	14.47%
Benchmark	9.76%	(3.57%)	(6.97%)	-16.57%

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 1,012 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end – 3%, Back end - 0%
Management Fee:	2% per annum (Effective Jan 22,2012)
Risk Profile:	Moderate-to-High
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	M. Yousuf Adil Saleem & 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-'Positive Outlook' 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 9.76% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 8.55%, thus an under-performance of 1.21% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 14.47% while the benchmark has declined by 16.57%, thus to date out-performance is 31.04%. This out-performance is net of management fee and all other expenses. We have reduced the management fee of the Fund by 1% from 3% to 2% effective January 22, 2012.

The stock market depicted stellar performance during the month of January led by the healthy results announcements, relaxation in CGT, improvement in domestic political climate, and thaw in US-Pak diplomatic relations. During the previous two months, stock market depicted downward trend with a lot of volatility due to lack of any positive trigger, uncertain political situation and foreign selling. Expecting the continuation of this trend NSF was underweight in equities at the beginning of the month. During the second week of the month, we further reduced the allocation in equities on escalation of political tension that benefited the Fund initially. However, stock market rebounded very sharply during the second half of the month, which contributed to the under-performance of the Fund.

During the latter half of the month, we built positions in equities to around market weight. We enhanced the exposure in the Banking sector which out-performed the market and contributed to the performance of the Fund. Fund's key Cement sub-sector holding contributed to the under-performance of Fund due to its lagged performance. The Fund benefited from its underweight stance in the heavy-weight oil exploration stock due to its under-performance. The contribution in the Fund's performance also came from its over-weight stance in key fertilizer company, which performed better than the market. We reduced exposure in key stock of Electricity sector during the latter half of the month which benefited the Fund.

NSF is invested in stocks with sanguine valuations and strong growth prospects. The portfolio of NSF is priced at forward earnings multiple of 5.8x offering 8.2% dividend yield. We are closely monitoring the developments in the capital market and will rebalance the portfolio of the Fund.

Asset Allocation (% of NAV)

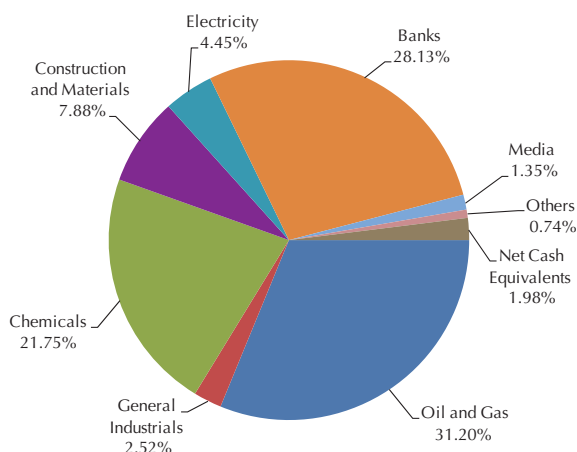
	31-Jan-12	30-Dec-11
Equities / Stock	98.02%	90.23%
Cash Equivalents	2.76%	7.80%
Other Net (Liabilities) / Assets	(0.78%)	1.97%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NSF	5.8	2.5	8.2%
KSE-30	7.1	4.2	8.4%

** Based on NAFA's estimates

Asset Allocation (as on 31st January 2012)



Top Ten Equity Holdings (as on 31st January 2012)

Name	% of NAV	Name	% of NAV
Fauji Fertilizer Co. Ltd.	11.76%	Oil & Gas Dev.Co. Ltd.	7.16%
MCB Bank Limited.	10.40%	National Bank of Pakistan.	5.72%
Engro Corporation Ltd.	9.94%	Lucky Cement Limited.	5.65%
Pakistan Oilfields Ltd.	9.25%	United Bank Ltd.	5.51%
Pak Petroleum Ltd.	8.48%	Hub Power Co. Ltd.	4.45%

Name of the Members of Investment Committee

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