



National Fullerton  
Asset Management Limited

# NAFA Stock Fund (NSF)

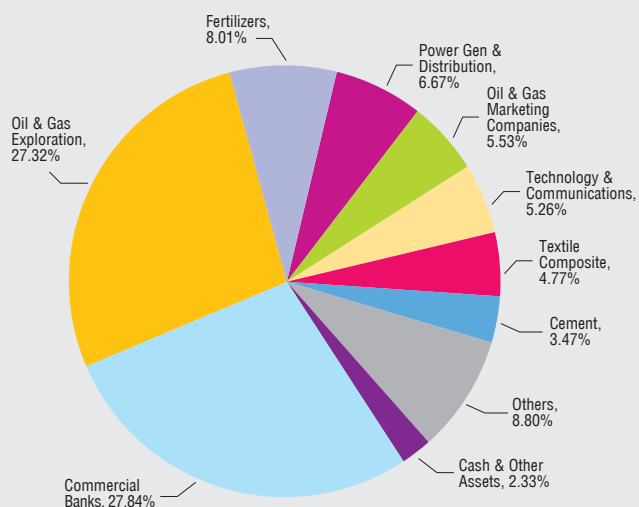
NAV Unit Price (31/03/2009): Rs. 6.3551

March 2009

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.	<b>Performance (%)*</b>	<b>Jan - Dec 2007</b>	<b>Jan - Dec 2008</b>	<b>Jul - Mar 2008 - 09</b>	<b>Mar 2009</b>	<b>Since Launch January 22, 2007</b>
	<b>NAFA Stock Fund</b>	<b>61.59%</b>	<b>(60.21)%</b>	<b>(43.07)%</b>	<b>25.68%</b>	<b>(20.91)%</b>
	<b>Benchmark</b>	24.82%	(67.19)%	(48.49)%	25.15%	(44.90)%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager's Commentary
<p>Launch Date: January 22, 2007</p> <p>Fund Size: Rs. 1,303 million</p> <p>Type: Open-end - Equity Fund</p> <p>Dealing: Daily - Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end - 3%, Back end - 0%</p> <p>Management Fee: 3% per annum</p>	<p>During the month under review, KSE-30 Index increased by 25.15%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 25.68%, thus an out-performance of 0.53% was recorded. Since inception on Jan. 22, 2007, the NAV of NSF has declined by 20.91% and the benchmark has declined by 44.90%, thus to date, out-performance is 23.99%. Relative to the peer group, we are the best performing fund during the month.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian &amp; Trustee: Central Depository Company</p> <p>Auditors: A. F. Ferguson &amp; Co. Chartered Accountants</p> <p>Benchmark: KSE-30 Index</p> <p>Fund Manager: Khurram Shehzad, CFA</p> <p>Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (on 31st March 2009)



The market volumes averaged around 166 million shares for the month of March 2009 as compared to 161 million during February 2009. However, the daily average traded value registered an increase of 16% as compared to February 2009 mainly because of the 25.15% increase in KSE-30 Index.

We remained completely invested throughout the month and maintained a mix of key index stocks along with some growth stocks. This strategy helped us outperform the market. Almost 55% of the portfolio was invested in Oil & Gas Exploration and the Banking sectors. These two sectors have led the market upsurge and outperformed the market. Oil & Gas Exploration and banking are 27% and 31% of the Index and thus cannot be over-weighted. However, through our stock mix within these sectors, we managed to outperform these sectors.

Resolution of political disputes, declining interest rates & Current Account Deficit, inflow of foreign aid / loans, and the undervalued status of the market were the main factors behind this recent upsurge. Going forward, the inflation expectations are significantly downward and that is likely to further bring down the interest rates. Thus, further upside in the stock market is likely. We expect that as the first tier stocks achieve decent valuation levels, the focus shall be diverted to second tier stocks.

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