

National Fullerton
Asset Management Limited

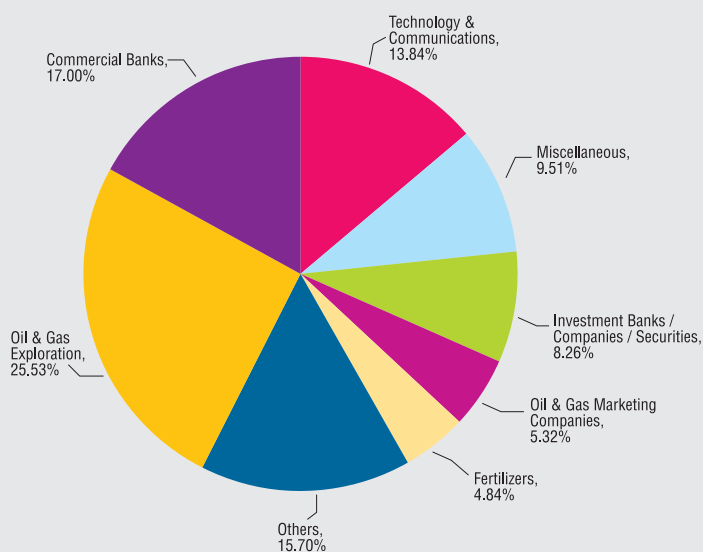
NAFA Stock Fund (NSF)

NAV per unit (31/05/2008): Rs. 11.4376

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.	Return (%)*	June - May (07 - 08)	Dec - May (07 - 08)	Mar - May (2008)	May 2008	Since Launch January 22, 2007
	NAFA Stock Fund:	7.74%	-15.69%	-17.12%	-18.43%	38.59%
	Benchmark:	-13.39%	-15.86%	-23.24%	-22.37%	5.27%
* 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. 2,463 million</p> <p>Type: Open-end – Equity Fund</p> <p>Dealing: Daily</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 decreased by 22.37%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 18.43%, thus, an out-performance of 3.94% was recorded. Since inception on Jan. 22, 2007, the NAV of NSF has risen by 38.59% and the benchmark (KSE-30 Index) has risen by 5.27%, thus, to-date, out-performance is 33.32%.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: KSE-30 Index</p> <p>Fund Manager(s): Khurram Shehzad, CFA</p> <p>Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 31st May 2008)



The attempt by SBP to reduce the banking spreads aggravated the fall in banking stocks. Our underweight stance in the banking sector benefited in the form of out-performance. Moreover, our overweight stance in commodity related stocks proved correct as they took a lesser hit in this fall.

Going forward, we believe that companies with foreign currency based revenues will be out-performers as they provide a hedge against domestic macro-economic weakness. Furthermore, commodity stocks will continue to reap additional profits due to rising commodity prices globally. We expect that clarity on economic policies, after the budget, will show signs of recovery in the market.

We remain confident that our strategy to focus on stock selection will generate the out-performance on a sustainable basis in the future.

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