



National Fullerton
Asset Management Limited

NAFA Stock Fund (NSF)

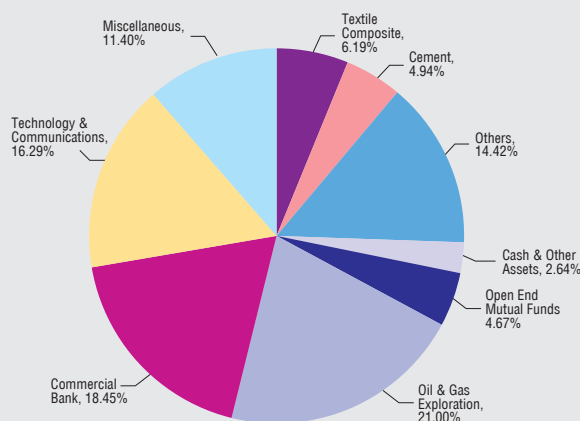
November 2008

| Investment Objective | Performance | | | | | |
|----------------------|-----------------|----------------|----------------|----------------|----------|---------------------------------|
| | Return (%)* | Jan - Dec 2007 | Jan - Jun 2008 | Jul - Sep 2008 | Sep 2008 | Since Launch till Sept 30, 2008 |
| | NAFA Stock Fund | 61.59% | -14.04% | -26.16% | -0.43% | 2.57% |
| | Benchmark | 24.82% | -14.30% | -29.75% | -1.31% | -24.85% |

* Returns are net of management fee & all other expenses

| General Information | Fund Manager's Commentary |
|---|---|
| <p>Launch Date: January 22, 2007 Fund Size: Rs. 1,521 million Type: Open-end - Equity Fund Dealing: Daily Settlement: 2-3 business days Load: Front end - 3%, Back end - 0% Management Fee: 3% per annum</p> | <p>On November 27, 2008 the Stock Market completed three months of frozen status. Volumes touched historic lows and whatever activity occurred was in the Off-Market. Desperate sellers submitted to the wishes of bargain hunters and offloaded their holdings at steep discounts to the current market values.</p> <p>Globally, the liberal consumption led growth resulted in a Commodity Super Cycle that lasted for almost five years and eventually gave way to one of the worst global recessions. Most of the governments across the globe came to the rescue of financial markets to avoid system failures.</p> <p>Slowing down in global economy has also adversely affected the commodity prices, which have fallen by almost 50% across the board. Global demand slow-down is on its way and the equity markets have already discounted that.</p> |
| <p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: KSE-30 Index Fund Manager: Khurram Shehzad, CFA Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p> | |

Asset Allocation (as on 30th November 2008)



Global equity markets have to-date declined in the range of 55% to 70% from their highs. Price to Earnings Ratios (PER) also depict this global equity investor sentiment. Countries like China and Russia touched a PER of around 3x and USA came down to a PER of 11x. From these global developments, it is inferred that economies which were on a steeper growth path witnessed a steeper downturn.

Our downturn was made steeper due to the delay in macro-economic decision making by the Government. However, we believe that after the IMF endorsement, funds from donor agencies will also flow in. This is expected to generate domestic liquidity of up to Rs.400 billion over the next 6 months. Thus, restoring investors' confidence for investment in different asset classes. We believe that an economic recovery may be witnessed over the next 12 months.

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