

**MISSION
STATEMENT**

To rank in the top quartile
in performance of
NAFA Funds
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors

NAFA Funds

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FUNDS' INFORMATION**Management Company**

National Fullerton Asset Management Limited.

Board of Directors of the Management Company

Mr. Masood Karim Shaikh	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Gerard Lee How Cheng	Director
Khawaja Iqbal Hassan	Director
Mr. Patrick Pang Chin Hwang	Director
Mr. Shahid Anwar Khan	Director
Mr. Masroor Ahmed Qureshi	Director

Company Secretary & CFO of the Management Company

Mr. Muhammad Murtaza Ali

Audit & Risk Committee

Mr. Gerard Lee How Cheng	Chairman
Mr. Shahid Anwar Khan	Member
Mr. Masroor Ahmed Qureshi	Member

Trustee

Central Depository Company of Pakistan Limited (CDC)
CDC House, 99-B, Block "B", S.M.C.H.S
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund**NAFA STOCK FUND**

Allied Bank Limited
Askari Commercial Bank Ltd.
The Bank of Punjab
Bank Alfalah Limited
Bank Al-Habib Limited
Deutsche Bank
Habib Metropolitan Bank Ltd.
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
PICIC Commercial Bank Ltd.
Saudi Pak Commercial Bank Ltd.
Soneri Bank Limited
Standard Chartered Bank Ltd.
United Bank Ltd.

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No.1-C
I.I. Chundrigar Road
P.O. Box 4716
Karachi.

Legal Advisor

Aly Shah & Co. Advocates and Legal Consultants
Suite 502, 5th Floor
Marine Pride, BC-2, Block-7,
Khayaban-e-Iqbal
Clifton, Karachi.

Head Office

9th Floor, Adamjee House
I.I. Chundrigar Road
Karachi.

Lahore Office

83-A-E/1, Main Boulevard
Gulberg III
Lahore.

Islamabad Office

4th Floor, Ali Plaza
1-E, Blue Area
Islamabad.

NAFA STOCK FUND

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DIRECTORS' REPORT

The Board of Directors of National Fullerton Asset Management Limited is pleased to present the un-audited financial statements of **NAFA Stock Fund** for the half year ended December 31, 2007.

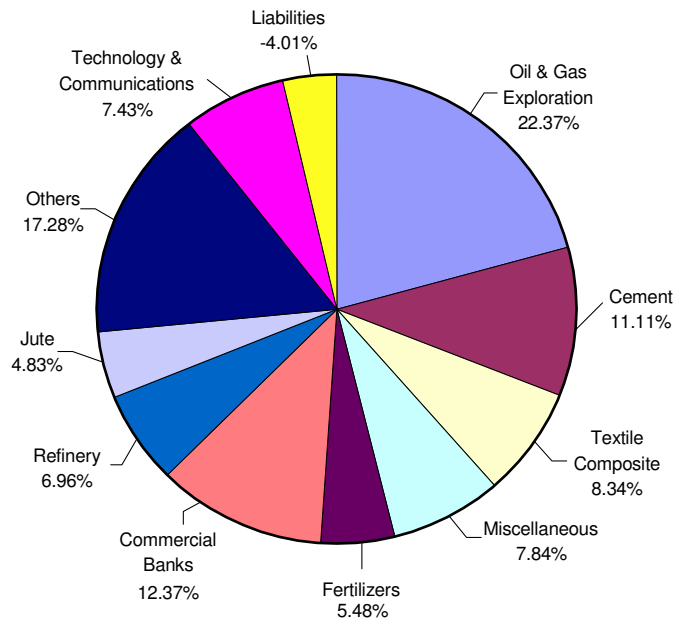
Fund's Performance

The size of NAFA Stock Fund has grown from Rs.1.46 billion to Rs.1.84 billion during the period from July 01, 2007 to December 31, 2007, a growth of 26.03%. During the said period, Unit Price of the Fund has grown from Rs.12.0871 (Ex-Div) on June 30, 2007 to Rs.13.6139 on December 31, 2007, translating into a growth of 12.63%. NAFA Stock Fund has earned a total income of Rs.247.36 million during the period. After deducting expenses of Rs.40.97 million, the net profit is Rs.206.39 million, which translates into an earning per unit of Rs.1.5268.

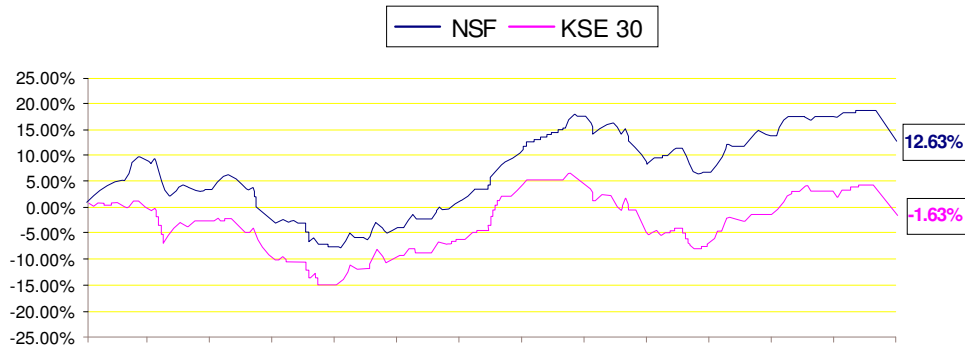
The performance of the Fund is compared against that of a benchmark (KSE-30 Index). During the said period the Benchmark recorded a decline of 1.63%. As against this decline, the Fund recorded an increase of 12.63% in Unit Price over the same period, thus registering an out-performance of 14.26%.

The asset allocation of the Fund as on December 31, 2007, and its performance against the benchmark are as follows:

Asset Allocation as on December 31, 2007



NSF Performance Versus KSE -30 Index (From July 1, 2007 to December 31, 2007)



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the management, and providing us with the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee for their continued support and cooperation.

On behalf of the Board of
National Fullerton Asset Management Limited

Masood Karim Shaikh, FCA
Chairman

Dr. Amjad Waheed, CFA
Chief Executive

Date: February 15, 2008
Place: Karachi.

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

Report of the Trustee Pursuant to Regulation 58(f) of the Non-Banking Finance Companies and Notified Entities Regulation, 2007

NAFA Stock Fund (Fund), an open-end fund established under a trust deed executed between National Fullerton Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as Trustee on December 06, 2006. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006.

In our opinion, the Management Company has in all material respects managed the Fund during the six months period ended December 31, 2007 in accordance with the provisions of the constitutive documents of the Fund (and the modifications authorized by the SECP from time to time) and the Non-Banking Finance Companies and Notified Entities Regulation, 2007.

Mohammad Hanif
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, Dated: February 27, 2008

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of NAFA Stock Fund as at December 31, 2007, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the six months ended December 31, 2007. The Management Company (National Fullerton Asset Management Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund for the quarter ended December 31, 2007 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2007.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of December 31, 2007 and for the six months December 31, 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Date: February 26, 2008.
Karachi.

A . F. Ferguson & Co.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2007

	Un-audited December 31, 2007	Audited June 30, 2007
Note	----- (Rupees in '000') -----	
ASSETS		
Balances with banks	29,033	282,583
Investments	1,914,194	1,338,710
Receivable against sale of investments	686	-
Deposits and prepayments	3,633	1,100
Dividend and other receivables	4,429	2,452
Preliminary expenses and floatation costs	2,026	2,278
Total assets	1,954,001	1,627,123
LIABILITIES		
Payable to National Fullerton Asset Management Limited - Management Company	15,231	8,053
Payable to Central Depository Company of Pakistan Limited - Trustee	247	177
Payable to Securities and Exchange Commission of Pakistan - Annual fee	803	425
Payable against redemption of units	95,571	-
Payable against purchase of investments	-	156,898
Accrued and other liabilities	1,776	1,247
Total liabilities	113,628	166,800
NET ASSETS	1,840,373	1,460,323
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,840,373	1,460,323
	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	135,183,058	101,784,945
	-----Rupees-----	
NET ASSETS VALUE PER UNIT	13.61	14.35

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

For National Fullerton Asset Management Limited
(Management Company)

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NAFA Stock Fund

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2007

	Six Month ended December 31, 2007 ----- (Rupees in '000)-----	Quarter ended December 31, 2007 ----- (Rupees in '000)-----
INCOME		
Capital gain on sale of investments	173,941	177,852
Dividend income	14,937	9,866
Profit on bank deposits	8,833	5,387
	197,711	193,105
Unrealised appreciation / (diminution) on remeasurement of investments at fair value through profit or loss - net	54,161	(33,642)
	251,872	159,463
EXPENSES		
Remuneration of National Fullerton Asset Management Limited - Management Company	23,943	13,510
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,306	701
Annual fee - Securities and Exchange Commission of Pakistan	804	451
Annual listing fee	15	7
Brokerage and other transaction costs	14,116	3,993
Settlement and bank charges	205	28
Auditors' remuneration	158	79
Amortisation of preliminary expenses and floatation costs	252	126
Financial charges	166	144
	40,965	19,039
Net income from operating activities	210,907	140,424
Net element of accrued income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(4,517)	(36,544)
Net income for the period	206,390	103,880
Earnings per unit	6	

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2007**

	Six Month ended December 31, 2007 ----- <small>(Rupees in '000')</small> -----	Quarter ended December 31, 2007 ----- <small>(Rupees in '000')</small> -----
Undistributed income brought forward	442,474	333,063
Final distribution of 19,031,362 bonus units for the year ended June 30, 2007	(230,034)	-
Net element of accrued income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income / (loss) that form part of the Unit Holder's Fund	69,705	51,592
Net income for the period	206,390	103,880
	46,061	155,472
Undistributed income carried forward	<u>488,535</u>	<u>488,535</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

Dr. Amjad Waheed
Chief Executive

For National Fullerton Asset Management Limited
(Management Company)

Masood Karim Shaikh
Chairman

NAFA Stock Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2007

	Six Month ended December 31, 2007 ----(Rupees in '000')----	Quarter ended December 31, 2007 ----(Rupees in '000')----
Net assets at the beginning of the period	1,460,323	1,617,409
Issue of 80,873,778 units (37,032,506 units for the six months / quarter ended December 31, 2007)	1,032,037	511,148
Redemption of 66,507,026 units (31,344,475 units for the six months / quarter ended December 31, 2007)	(862,894)	(428,608)
	169,143	82,540
Net element of accrued (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing accrued (income) / loss and capital (gains) / losses - transferred to Income Statement	4,517	36,544
- amount representing accrued (income) / loss and capital (gains) / losses - transferred to Distribution Statement	(69,705)	(51,592)
	(65,188)	(15,048)
Capital gain on sale of investments	173,941	184,064
Net unrealised gain/ (loss) in the value of investments classified as 'financial assets at fair value through profit or loss'	54,161	(33,642)
Other income from operations	(21,712)	(46,542)
Net income for the period	206,390	103,880
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - amount representing income / (losses) that form part of the unit holders' funds	69,705	51,592
Net assets as at the end of the period	<u>1,840,373</u>	<u>1,840,373</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2007**

	Period ended December 31, 2007 -----(Rupees in '000')----	Quarter ended December 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	206,390	103,880
Adjustments for non cash items:		
Unrealised (appreciation) / diminution on remeasurement of investments at fair value through profit or loss - net	(54,161)	33,642
Amortisation of preliminary expenses and floatation costs	252	126
Remuneration National Fullerton Asset Management Limited - Management Company	23,943	13,510
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,306	701
Net element of accrued (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	4,517	36,544
	(24,143)	84,523
(Increase)/Decrease in assets		
Investments	(678,907)	(357,466)
Deposits and prepayments	(2,533)	(2,533)
Dividend and other receivables	(1,977)	3,772
	(683,417)	(356,227)
Increase/(Decrease) in liabilities		
Payable to Securities and Exchange Commission of Pakistan - Annual fee	378	25
Payable against redemption of units	95,571	95,571
Short term borrowings	-	(17,000)
Accrued and other liabilities	529	699
	96,478	79,295
Remuneration paid to National Fullerton Asset Management Limited - Management Company	(16,765)	(16,158)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(1,236)	(658)
Net cash (outflow) on operating activities	(422,693)	(105,345)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue of units	1,032,037	511,148
Net payments on redemption of units	(862,894)	(428,608)
Net cash inflow from financing activities	169,143	82,540
Net decrease in cash and cash equivalents during the period	(253,550)	(22,805)
Cash and cash equivalents at the beginning of the period	282,583	51,838
Cash and cash equivalents at the end of the period	29,033	29,033

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.

**For National Fullerton Asset Management Limited
(Management Company)**

Dr. Amjad Waheed
Chief Executive

Masood Karim Shaikh
Chairman

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2007

1 LEGAL STATUS AND NATURE OF BUSINESS

The NAFA Stock Fund (NSF) was established under a Trust Deed executed between National Fullerton Asset Management Limited (NAFA) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on December 06, 2006 and was authorized by the Securities and Exchange Commission of Pakistan (SECP) on December 20, 2006 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

NSF is an open-ended mutual fund and is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The initial offer of units of NSF to the public was made on January 15, 2007.

The core objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

2.2 These condensed interim financial statements are unaudited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and these condensed interim financial statements are being circulated to the unit holders as required under the NBFC Regulations.

3 ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of the published financial statements of the Fund for the period from January 15, 2007 to June 30, 2007.

4 INVESTMENTS

Assets at fair value through profit or loss - 'held for trading'

Investments in equity securities

Shares of listed companies - Fully paid up ordinary shares of Rs 10 each unless otherwise stated

Name of the investee company	Number of shares				Market Value as at December 31, 2007 (Rs. in "000")	Market value as a percentage of net assets	
	As at July 01, 2007	Purchases during the period	Bonus/ Right Shares	Sales during the period			As at December 31, 2007
Investment Banks/Companies							
Arif Habib Securities Limited	-	270,000	-	270,000	-	0.00%	
Jahangir Siddique Investment Company Limited	-	474,500	-	-	474,500	36,608	1.99%
Pakistan Industrial Credit and Investment Corporation Limited	275,000	-	-	275,000	-	-	0.00%
	275,000	744,500	-	545,000	474,500	36,608	1.99%
Commercial Banks							
Allied Bank Limited	370,000	54,600	-	224,600	200,000	26,030	1.41%
Askari Bank Limited	-	167,500	-	167,500	-	-	0.00%
Bank Al-Falah Limited	498,500	3,316,500	-	3,114,100	700,900	37,638	2.05%
The Bank of Punjab	450,000	1,434,000	-	1,784,000	100,000	9,780	0.53%
Bank Islami Pakistan Limited	1,400,000	1,065,000	687,500	665,000	2,487,500	40,298	2.19%
Habib Bank Limited	-	160,000	-	160,000	-	-	0.00%
MCB Bank Limited	140,885	1,454,100	-	1,594,985	-	-	0.00%
Meezan Bank Limited	867,500	210,500	-	78,000	1,000,000	38,500	2.09%
National Bank of Pakistan	165,950	1,919,600	-	1,760,550	325,000	75,449	4.10%
PICIC Commercial Bank Limited	600,000	100,000	-	700,000	-	-	0.00%
Saudi Pak Commercial Bank Limited	875,000	-	-	875,000	-	-	0.00%
United Bank Limited	80,000	741,500	-	821,500	-	-	0.00%
	5,447,835	10,623,300	687,500	11,945,235	4,813,400	227,695	12.37%
Insurance							
Adamjee Insurance Company Limited	-	25,000	-	25,000	-	-	0.00%
Eastern Federal Union General Insurance Limited	145,000	-	-	145,000	-	-	0.00%
New Jubilee Life Insurance Company Limited	200,000	76,500	-	276,500	-	-	0.00%
Pakistan Reinsurance Limited	80,700	10,000	-	90,700	-	-	0.00%
	425,700	111,500	-	537,200	-	-	0.00%
Textile Spinning							
Gadoon Textile Limited	-	47,800	-	47,800	-	-	0.00%
	-	47,800	-	47,800	-	-	0.00%
Textile Weaving							
Kohinoor Mills Limited	-	-	8,800	8,800	-	-	0.00%
	-	-	8,800	8,800	-	-	0.00%

Nafa Stock Fund

Name of the investee company	Number of shares					Market Value as at December 31, 2007 (Rs. in '000')	Market value as a percentage of net assets
	As at July 01, 2007	Purchases during the period	Bonus/ Right Shares	Sales during the period	As at December 31, 2007		
Textile Composite							
Artistic Denim Mills Limited	475,000	418,800	100,000	167,300	826,500	54,136	2.94%
Azgard Nine Limited	-	1,215,000	-	15,000	1,200,000	54,300	2.95%
Chenab Limited	800,000	61,000	-	424,000	437,000	4,916	0.27%
Colony Mills Limited	700,000	-	-	700,000	-	-	0.00%
Nishat (Chunian) Mills Limited	-	376,000	-	-	376,000	13,912	0.76%
Nishat Mills Limited	-	300,000	-	50,000	250,000	26,300	1.43%
Suraj Cotton Mills Limited	148,000	-	-	148,000	-	-	0.00%
	<u>2,123,000</u>	<u>2,370,800</u>	<u>100,000</u>	<u>1,504,300</u>	<u>3,089,500</u>	<u>153,564</u>	<u>8.34%</u>
Synthetic & Rayon							
Dewan Salman Fibre Limited	-	524,000	-	-	524,000	3,930	0.21%
Ibrahim Fibres Limited	307,000	-	-	307,000	-	-	0.00%
	<u>307,000</u>	<u>524,000</u>	<u>-</u>	<u>307,000</u>	<u>524,000</u>	<u>3,930</u>	<u>0.21%</u>
Jute							
Thal Limited	90,200	203,200	25,440	6,000	312,840	88,972	4.83%
	<u>90,200</u>	<u>203,200</u>	<u>25,440</u>	<u>6,000</u>	<u>312,840</u>	<u>88,972</u>	<u>4.83%</u>
Sugar & Allied Industries							
J.D.W Sugar Mills Limited	191,300	-	-	191,300	-	-	0.00%
	<u>191,300</u>	<u>-</u>	<u>-</u>	<u>191,300</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Cement							
Al Abbas Cement Company Limited	-	500,000	-	-	500,000	7,600	0.41%
Attock Cement Pakistan Limited	-	150,000	-	-	150,000	14,955	0.81%
D.G Khan Cement Company Limited	-	300,000	-	300,000	-	-	0.00%
Gharibwal Cement Company Limited	-	458,000	-	-	458,000	7,213	0.39%
Kohat Cement Company Limited	1,375,000	910,000	268,875	392,500	2,161,375	110,878	6.02%
Lucky Cement Limited	135,000	975,500	-	810,500	300,000	34,950	1.90%
Maple Leaf Cement Factory Limited	-	2,275,000	-	775,000	1,500,000	28,800	1.56%
Pioneer Cement Limited	800,000	100,000	-	900,000	-	-	0.00%
	<u>2,310,000</u>	<u>5,668,500</u>	<u>268,875</u>	<u>3,178,000</u>	<u>5,069,375</u>	<u>204,396</u>	<u>11.11%</u>
Tobacco							
Pakistan Tobacco Company Limited	-	166,900	-	-	166,900	25,953	1.41%
	<u>-</u>	<u>166,900</u>	<u>-</u>	<u>-</u>	<u>166,900</u>	<u>25,953</u>	<u>1.41%</u>
Refinery							
Attock Refinery Limited	-	506,000	41,250	363,000	184,250	46,302	2.52%
National Refinery Limited	-	484,100	10,000	267,600	226,500	81,767	4.44%
	<u>-</u>	<u>990,100</u>	<u>51,250</u>	<u>630,600</u>	<u>410,750</u>	<u>128,069</u>	<u>6.96%</u>
Power & Generation & Distribution							
The Hub Power Company Limited	-	2,900,000	-	1,900,000	1,000,000	30,500	1.66%

Name of the investee company	Number of shares					Market Value as at December 31, 2007 (Rs. in "000")	Market value as a percentage of net assets
	As at July 01, 2007	Purchases during the period	Bonus/ Right Shares	Sales during the period	As at December 31, 2007		
Japan Power Generation Limited	-	1,600,000	-	600,000	1,000,000	6,550	0.36%
Karachi Electric Supply Corporation Limited	-	727,500	-	727,500	-	-	0.00%
	-	5,227,500	-	3,227,500	2,000,000	37,050	2.01%
Oil & Gas Marketing Companies							
Attock Petroleum Limited	-	95,000	-	95,000	-	-	0.00%
Pakistan State Oil Company Limited	-	78,000	-	78,000	-	-	0.00%
Sui Southern Gas Company Limited	-	100,000	-	100,000	-	-	0.00%
	-	273,000	-	273,000	-	-	0.00%
Oil & Gas Exploration Companies							
Mari Gas Company Limited	136,600	38,400	-	175,000	-	-	0.00%
Oil & Gas Development Company Limited	540,000	4,758,000	-	3,873,300	1,424,700	170,180	9.25%
Pakistan Oilfields Limited	-	810,800	-	460,800	350,000	117,040	6.36%
Pakistan Petroleum Limited	180,000	2,168,100	52,560	1,892,660	508,000	124,485	6.76%
	856,600	7,775,300	52,560	6,401,760	2,282,700	411,705	22.37%
Engineering							
Crescent Steel and Allied Products Limited	-	78,500	6,850	85,350	-	-	0.00%
Sazgar Engineering Works Limited	400,000	23,200	37,450	65,400	395,250	42,292	2.30%
	400,000	101,700	44,300	150,750	395,250	42,292	2.30%
Automobile Assemblers							
Al Ghazi Tractor Limited	-	63,435	-	2,100	61,335	16,895	0.92%
Ghandara Industries Limited	442,000	-	-	307,000	135,000	5,312	0.29%
Ghandara Nissan Limited	409,000	-	-	209,000	200,000	9,500	0.52%
Hino Pak Motor Company Limited	-	300	-	300	-	-	0.00%
Indus Motor Company Limited	-	87,700	-	17,700	70,000	22,344	1.21%
Pak Suzuki Motor Company Limited	-	2,700	-	2,700	-	-	0.00%
Millat Tractors Limited	35,000	2,700	-	37,700	-	-	0.00%
	886,000	156,835	-	576,500	466,335	54,051	2.94%
Auto Mobile Parts & Accessories							
Agriauto Industries Limited	-	49,600	-	-	49,600	5,369	0.29%
	-	49,600	-	-	49,600	5,369	0.29%
Transport							
Pakistan National Shipping Corporation Limited	224,500	138,300	-	158,100	204,700	20,460	1.11%
	224,500	138,300	-	158,100	204,700	20,460	1.11%

Nafa Stock Fund

Name of the investee company	Number of shares					Market Value as at December 31, 2007 (Rs. in '000')	Market value as a percentage of net assets
	As at July 01, 2007	Purchases during the period	Bonus/ Right Shares	Sales during the period	As at December 31, 2007		
Technology & Communications							
Eye Television Network Limited	900,000	164,000	-	14,000	1,050,000	66,570	3.62%
Pakistan Telecommunication Company Limited	1,000,000	1,572,000	-	2,572,000	-	-	0.00%
Netsol Technologies Limited	1,696,250	832,500	250,503	2,281,300	497,953	61,945	3.37%
World Call Telecommunication Limited	-	800,000	-	300,000	500,000	8,300	0.45%
	<u>3,596,250</u>	<u>3,368,500</u>	<u>250,503</u>	<u>5,167,300</u>	<u>2,047,953</u>	<u>136,815</u>	<u>7.43%</u>
Fertilizers							
Engro Chemicals Pakistan Limited	230,000	1,150,500	68,750	1,174,250	275,000	73,081	3.97%
Fauji Fertilizer Company Limited	-	660,000	-	660,000	-	-	0.00%
Fauji Fertilizer Bin Qasim Limited	-	3,843,000	-	3,181,000	662,000	27,837	1.51%
	<u>230,000</u>	<u>5,653,500</u>	<u>68,750</u>	<u>5,015,250</u>	<u>937,000</u>	<u>100,918</u>	<u>5.48%</u>
Chemicals							
Pakistan PTA Limited	-	1,750,000	-	-	1,750,000	8,838	0.48%
Sitara Chemicals Limited	-	121,100	10,080	80,804	50,376	16,926	0.92%
	<u>-</u>	<u>1,871,100</u>	<u>10,080</u>	<u>80,804</u>	<u>1,800,376</u>	<u>25,764</u>	<u>1.40%</u>
Paper & Board							
Cherat Paper Sack Limited	-	75,100	12,850	22,300	65,650	12,444	0.68%
Packages Limited	-	100,000	-	25,000	75,000	27,285	1.48%
	<u>-</u>	<u>175,100</u>	<u>12,850</u>	<u>47,300</u>	<u>140,650</u>	<u>39,729</u>	<u>2.16%</u>
Glass & Ceramics							
Ghani Glass Limited	245,000	65,100	11,500	141,600	180,000	14,454	0.79%
Tariq Glass Industries Limited	155,500	70,000	225,500	51,000	400,000	12,160	0.66%
	<u>400,500</u>	<u>135,100</u>	<u>237,000</u>	<u>192,600</u>	<u>580,000</u>	<u>26,614</u>	<u>1.45%</u>
Miscellaneous							
EcoPack Limited	407,500	93,000	-	50,500	450,000	6,390	0.35%
Pace (Pakistan) Limited	1,435,500	1,963,500	-	1,159,000	2,240,000	81,872	4.45%
Siddiqsons Tin Plate Limited	560,000	180,000	-	190,000	550,000	15,318	0.83%
Tri Pack Films Limited	281,600	33,400	-	115,000	200,000	40,660	2.21%
	<u>2,684,600</u>	<u>2,269,900</u>	<u>-</u>	<u>1,514,500</u>	<u>3,440,000</u>	<u>144,240</u>	<u>7.84%</u>
	<u>20,448,485</u>	<u>48,646,035</u>	<u>1,817,908</u>	<u>41,706,599</u>	<u>29,205,829</u>	<u>1,914,194</u>	<u>104%</u>
Cost of investments as at December 31, 2007						<u><u>1,860,033</u></u>	

Un-audited **Audited**
December 31, **June 30,**
2007 **2007**
 -----(Rupees in '000')-----

5 ACCRUED AND OTHER LIABILITIES

Auditors' remuneration	161	190
Settlement charges payable	-	27
Financial charges payable	173	319
Payable to brokers	943	-
Listing Fee payable	15	-
Others	484	711
	1,776	1,247

6 EARNINGS PER UNIT

Earnings per unit (EPU) for the period ended December 31, 2007 has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

7 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include National Fullerton Asset Management Limited being the Management Company and National Bank of Pakistan, NIB Bank Limited and Alexandra Fund Management Pte. Limited being the Sponsors.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms.

Six Months
ended
December 31,
2007
(Rupees in '000')

Transactions during the period

National Fullerton Asset Management Limited - Management Company	
Management fee	23,943
National Bank of Pakistan - Sponsor	
Bonus units issued - (2,094,133 units)	25,312
NIB Bank Limited - Sponsor	
Bonus units issued - (1,402,321 units)	16,950
Units redeemed / transferred out - (1,402,322 units)	17,194
Income on bank deposits	2,097
Alexandra Fund Management Pte. Limited - Sponsor	
Bonus units issued - (1,869,762 units)	22,600

	Six Months ended December 31, 2007 (Rupees in '000')
Chief Executive Officer	
Bonus units issued - (195,442 units)	2,362
Units Issued / transferred in (4,843,429 units)	59,961
Units Redeemed / transferred out (6,084,151 units)	78,410

Executive Staff	
Bonus units issued - (21,131 units)	255
Units issued / Transferred in - (395,932 units)	5,661
Units redeemed / transferred out - (535,001 units)	7,045

	Un-audited December 31, 2007 (Rupees in '000')	Audited June 30, 2007 (Rupees in '000')
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Balances at the period end

National Fullerton Asset Management Limited - Management Company

Management fee payable	4,873	2,358
Other payables	10,358	5,695

National Bank of Pakistan - Sponsor

Investment held by the Sponsor in the Fund (13,294,133 units; June 30, 2007: 11,200,000 units)	180,985	160,688
Deposit held by the Fund with the Sponsor	1,610	540

NIB Bank Limited - Sponsor

Investment held by the Sponsor in the Fund (7,500,000 units; June 30, 2007: 7,500,000 units)	102,104	107,603
Deposit held by the Fund with the Sponsor	9,008	22,668

Alexandra Fund Management Pte. Limited - Sponsor

Investment held by the Sponsor in the Fund (11,869,762 units; June 30, 2007: 10,000,000 units)	161,594	143,471
Others	484	692

Chief Executive Officer

Investment held by the Chief Executive Officer (1,045,279 units; June 30, 2007: 1,045,279 units)	-	14,997
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Executive Staff

Investment held in the Fund (45,978 units; June 30, 2007: 128,552 units)	626	1,844
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8 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 15, 2008.

9 GENERAL

- 9.1** Figures have been rounded off to the nearest thousand rupees unless otherwise specified
- 9.2** Corresponding figures have been rearranged and reclassified, where necessary for the purpose of comparison.
- 9.3** Since the Fund commenced its operations on January 15, 2007, the comparative figures for the corresponding period of last year are not available in respect of the Condensed Interim Income Statement, Condensed Interim Distribution Statement, Condensed Interim Cash Flow Statement and Condensed Interim Statement of Movement in Unit Holders' Fund.

Dr. Amjad Waheed
Chief Executive

For National Fullerton Asset Management Limited
(Management Company)

Masood Karim Shaikh
Chairman

