



National Fullerton
Asset Management Limited

NAFA Stock Fund (NSF)

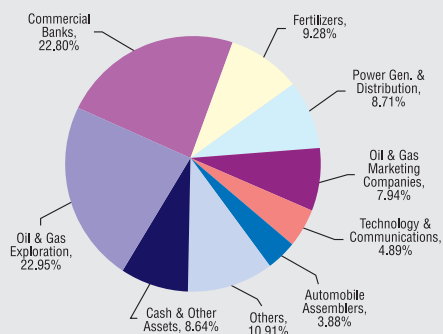
Unit Price (28/02/2010): Rs. 7.3450

February 2010

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.	Performance (%)*	Jan - Jun 2007	Jul - Jun 2007 - 08	Jul - Jun 2008 - 09	Jul - Jan 2009 - 10	February 2010	Since Launch January 22, 2007
	NAFA Stock Fund	43.47%	(3.18)%	(45.63)%	20.34%	0.58%	(8.59%)
	Benchmark	26.89%	(15.70)%	(47.15)%	32.82%	0.05%	(24.88)%
*Returns are net of management fee & all other expenses							

General Information	Fund Manager's Commentary
<p>Launch Date: January 22, 2007 Fund Size: Rs. 1,262 million Type: Open-end – Equity Fund Dealing Days: Daily – Monday to Friday Settlement: 2-3 business days Pricing Mechanism: Forward Pricing Load: Front end-3%, Back end-0% Management Fee: 3% per annum Risk Profile: Moderate-to-High</p>	<p>During the month under review, KSE-30 Index increased by 0.05%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 0.58%, thus an out-performance of 0.53% was recorded. Since inception on January 22, 2007 the NAV of NSF has declined by 8.59% and the benchmark has declined by 24.88%, thus to date out-performance is 16.29%.</p> <p>At the start of the month NSF was 81.18% invested in equities. The market's overall movement during February depicted a sideways trend. Initially during the month there was positive activity in the market with announcement of corporate results and increase in wellhead gas prices at the key Qadirpur gas field. Nonetheless, investor sentiment was dampened with the increase in January CPI, levy of Capital Gains Tax from July 1, 2010 and the resignation of Finance Minister Shaukat Tarin. Further, there was political noise with the Government and the Supreme Court at first colliding and then reconciling over the issue of judges' appointment.</p>
<p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & 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- by PACRA</p>	

Asset Allocation (as on 28th February 2010)



Leverage: (Amount of leveraging / borrowing done by the Fund.) Nil

Top Five Holdings

ENGRO HUBC MCB OGDC PPL

Name of the Members of Investment Committee: Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA

During the month, there was thin activity in the market with locals lacking confidence and foreign flows remaining at almost the preceding month's level. Net foreign portfolio inflows during February stood at US\$ 16.65 million, compared to US\$ 15.27 million in January. The Market's Average Daily Traded Value stood at PKR 5.2 billion against PKR 8.0 billion during January. NSF adjusted its exposure in equities in line with the direction of the market. The exposure of NSF in power, cement and automobiles performed better than the market. The weightage in the oil & gas exploration and fertilizer sectors was increased to take advantage of sanguine results and lucrative valuations. On the other hand, NSF weightage in banks was decreased. At the end of the month NSF was 91.36% invested in equities. Most of the corporate earnings announcements this season were in line with expectations with some positive surprises in power and cement sectors.

T-bills yields also firmed up during the month mitigating the possibility of reduction in the discount rate in the forthcoming monetary policy review in March. Short-term positive triggers for the market are easing of the circular debt issue, release of the IMF tranche and appointment of an investor friendly Finance Minister. Nonetheless, lack of progress on availability of leverage product remains a disappointment for the market. NSF remains invested in fundamentally attractive stocks that are likely to outperform the market.

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell the fund. All investments in mutual funds are subject to market risks. The price of units may go up as well as down. Past performance is not necessarily indicative of future results.