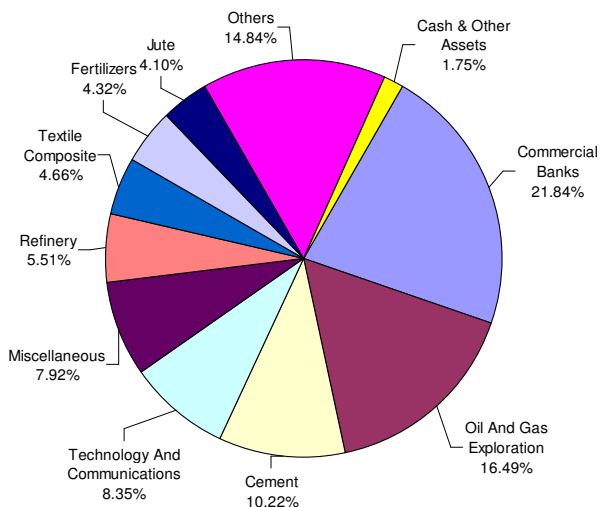


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Jan. 22 – Dec. 2007	Jul. - Dec. 2007	Oct. – Dec. 2007	Jan. 2008	Since Launch Jan. 22, 07
	NAFA Stock Fund	61.59%	12.63%	9.00%	-0.74%	60.40%
	Benchmark	24.82%	-1.63%	3.30%	-0.13%	24.66%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007 Fund Size: Rs. 2,263 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>During the month under review, the KSE-30 Index decreased by 0.13%, while NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 0.74%, thus an under-performance of 0.61% was recorded. The Fund has risen by 60.40% since launch on January 22, 2007 and the benchmark (KSE-30 Index) has risen by 24.66%, thus the total out-performance since inception stands at 35.74%.</p>
<p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: KSE-30 Index Fund Manager(s): Khurram Shehzad, CFA Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

ASSET ALLOCATION (On Jan. 31, 2008)



Subsequently, the market remained directionless as foreign selling was being absorbed by local investors. Keeping in view the market buying and selling patterns and fundamentals of the market we decided to maintain an average weight of around 90% in equities. As we witnessed the selling pressure being eased out, we gradually increased our weight in equities towards the end of the month.

The local equity market has shown resilience in the face of melt down in other global markets and volatile domestic socio-political scenario. Key factors for this resilience are ample liquidity (Money Supply) and cheaper stock market valuations compared to other regional and global stock markets. We believe that after the February 18, 2008 elections, the market is expected to witness a decent upside rally.

The next month will have most of the corporate announcements for the accounting period ended on December 31, 2007. We expect that companies in the portfolio of NAFA Stock Fund will perform well and their shares are expected to rise around the time of these announcements.

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

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