

NAFA Funds

Monthly Report (Feb 2010)



Managed by:
National Fullerton Asset Management Limited

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Your investments & "NAFA" grow together



Joint - Venture Partners



National Fullerton
Asset Management Limited

NAFA Government Securities Liquid Fund (NGSLF)

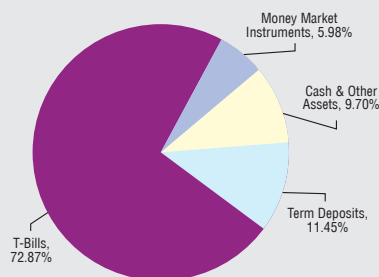
Unit Price (28/02/2010): Rs. 10.1828 **

February 2010

Investment Objective	Performance					
To generate optimal return with minimum risk, to provide easy liquidity and reasonable income to its unit holders by investing primarily in short-term Government Securities.	Performance (%)*	Jul - Sep 2009	Oct - Dec 2009	January 2010	February 2010	Since Launch May 16, 2009
	NAFA Government Securities Liquid Fund	10.25%	10.85%	10.65%	10.39%	10.75%
	Benchmark	11.41%	11.34%	11.26%	11.08%	11.53%
* Represents Annualized Return (Returns are net of management fee & all other expenses) ** Ex. Dividend Price						

General Information	Fund Manager's Commentary
Launch Date: May 16, 2009 Fund Size: Rs. 4,804 million Type: Open-end – Money Market Fund Dealing Days: Daily – Monday to Friday Settlement: 2-3 business days Pricing Mechanism: Forward Pricing Load: No entry or exit load Management Fee: 1.5% per annum Risk Profile: Very Low Fund Stability Rating: "AA+(f)" by PACRA	<p>The Fund earned an annualized return of 10.39% during the month. The annualized return earned during the previous month was 10.65%. The unit price of NGSLF has not declined on any day since the launch of Fund in May, 2009. This is an indicator of the stability and safety of your Fund based on its investment policy of investing only in short-term Govt. T-Bills and AA and above rated banks.</p> <p>In January the State Bank of Pakistan kept the policy rate unchanged at 12.5% in its Monetary Policy Statement. Next monetary policy statement is due in March 2010. Lower current account deficit and trade deficit coupled with higher remittances have gradually improved the forex reserves. Furthermore, government borrowing from the State Bank remained in check. These among other macro economic indicators suggest the country is on the path of gradual economic recovery, with challenges in few areas. Inflation stood at 10.30% from July to December 2009 and is expected to be around 12% annualized during the current fiscal year. Due to gradual removal of subsidies, Month on Month (CPI) during January 2010 was 2.40%. However, recent improvements in weekly data of Sensitive Price Indicator (SPI) indicate that inflation is expected to ease during February.</p>
Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 70% 3-Month T-Bills and 30% average 3-Month deposit rates (AA and above rated banks) Fund Manager: Ahmad Nouman, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2- by PACRA	

Asset Allocation (as on 28th February 2010)



Credit split of Fund's Assets is as follows:

Rating	% Allocation (February)	% Allocation (January)
AAA	72.90%	75.10%
AA+	10.31%	4.74%
AA	16.48%	19.67%
Accrued, deferred & unrealized sales	0.31%	0.49%

Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil
Name of the Members of Investment Committee:	Dr. Amjad Waheed, CFA Irfan Malik, CFA Ahmad Nouman, CFA Sajjad Anwar, CFA Tanvir Abid, CFA

In the last T-Bill auction held on February 24, 2010, the cut-off rates for 3-Months and 6-Months were 12.19% and 12.28%, respectively. Compared to the previous auction of February 10, 2010, 3-Month and 6-Month cut-off rates increased by 27 bps and 23 bps respectively. Going forward the return of your fund is expected to remain fairly stable.

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NAFA Savings Plus Fund (NSPF)

National Fullerton
Asset Management Limited

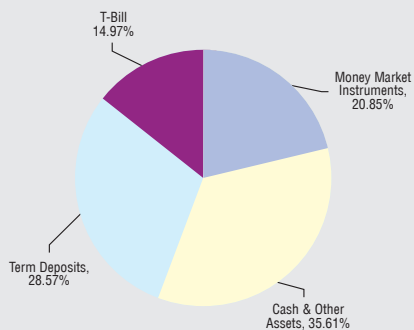
Unit Price (28/02/2010): Rs. 10.2738

February 2010

Investment Objective	Performance				
To minimize risk, preserve capital and generate a reasonable return along with a high degree of liquidity from a portfolio of primarily constituted of bank deposits and money market instruments.	Performance (%)*	December 2009	January 2010	February 2010	Since Launch Nov 21, 2009
	NAFA Savings Plus Fund	10.07%	10.03%	9.80%	10.47%
	Benchmark	7.91%	8.32%	7.81%	8.40%
* Represents Annualized Return (Returns are net of management fee & all other expenses)					

General Information	Fund Manager's Commentary																					
<p>Launch Date: Nov 21, 2009 Fund Size: Rs. 647 million Type: Open-end – Income Fund Dealing days: Daily – Monday to Saturday Settlement: 2-3 business days Pricing Mechanism: Forward Pricing Load: No entry or exit load Management Fee: 2.0% per annum Risk Profile: Very Low Fund Stability Rating: "AA-(f)" by PACRA</p> <p>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: Average 6-Month deposit rates (A and above rated banks)</p> <p>Fund Manager: Irfan Malik, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2- by PACRA</p>	<p>During February, the Fund earned an annualized return of 9.80%, thereby outperforming the benchmark return by 1.99%.</p> <p>Current distribution of assets on the basis of credit quality is as given below:</p> <table border="1"> <thead> <tr> <th>Rating</th> <th>% Allocation (February)</th> <th>% Allocation (January)</th> </tr> </thead> <tbody> <tr> <td>AAA</td> <td>15.06%</td> <td>0.15%</td> </tr> <tr> <td>AA+</td> <td>13.43%</td> <td>16.45%</td> </tr> <tr> <td>AA</td> <td>30.20%</td> <td>51.19%</td> </tr> <tr> <td>AA-</td> <td>39.96%</td> <td>31.72%</td> </tr> <tr> <td>A</td> <td>0.06%</td> <td>0.04%</td> </tr> <tr> <td>Accruals, & deferred costs & unrealized sales</td> <td>1.29%</td> <td>0.45%</td> </tr> </tbody> </table>	Rating	% Allocation (February)	% Allocation (January)	AAA	15.06%	0.15%	AA+	13.43%	16.45%	AA	30.20%	51.19%	AA-	39.96%	31.72%	A	0.06%	0.04%	Accruals, & deferred costs & unrealized sales	1.29%	0.45%
Rating	% Allocation (February)	% Allocation (January)																				
AAA	15.06%	0.15%																				
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Accruals, & deferred costs & unrealized sales	1.29%	0.45%																				

Asset Allocation (as on 28th February 2010)



Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil
Name of the Members of Investment Committee:	Dr. Amjad Waheed, CFA Irfan Malik, CFA Ahmad Nouman, CFA Sajjad Anwar, CFA Tanvir Abid, CFA

Your Fund invested around 15% of net assets in T-bills due to the non-availability of attractive returns in term deposits. Commercial Banks and DFIs have slowed down their deposit raising efforts since January 2010 which had peaked at year end 2009.

In January, the State Bank of Pakistan kept the policy rate unchanged at 12.5% in its Monetary Policy Statement. Next monetary policy statement is due in March 2010. Lower current account deficit and trade deficit coupled with higher remittances have gradually improved the forex reserves. Furthermore, government borrowing from the State Bank remained in check. These among other macro economic indicators suggest the country is on the path of gradual economic recovery, with challenges in few areas. Inflation stood at 10.30% from July to December 2009 and is expected to be around 12% annualized during the current fiscal year. Due to gradual removal of subsidies, Month on Month (CPI) during January 2010 was 2.40%. However, recent improvements in weekly data of Sensitive Price Indicator (SPI) indicate that inflation is expected to ease during February.

6-Month KIBOR increased by 20bps during the month to close at 12.43% on February-end. The major reason was the spike in rates towards the end of the month due to a large size T-bill auction which has had a temporary impact on T-bill rates.

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NAFA Cash Fund (NCF)

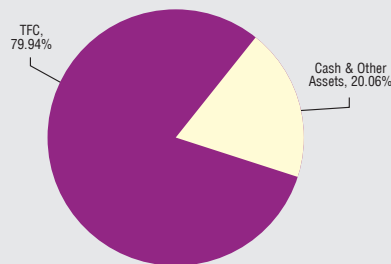
Unit Price (28/02/2010): Rs. 9.9630 ***

February 2010

Investment Objective	Performance						
	Performance (%)	Jan - Dec 2007*	Jan - Dec 2008*	Jan - Dec 2009*	January 2010**	February 2010*	Since Launch April 22, 2006*
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	NAFA Cash Fund	10.28%	2.92%	12.54%	(0.79)%	10.18%	8.50%
	Benchmark	10.07%	12.95%	13.63%	1.06%	13.23%	11.83%
	* Represents Annualized Return ** Represents cumulative Return (Returns are net of management fee & all other expenses) *** Ex. Dividend Price						

General Information	Fund Manager's Commentary
Launch Date: April 22, 2006 Fund Size: Rs. 4,534 million Type: Open-end – Income Fund Dealing Days: Daily - Monday to Friday Settlement: 2-3 business days Pricing Mechanism: Forward Pricing Load: No entry or exit load Management Fee: 1.5% per annum Risk Profile: Low Fund Stability Rating: "A+ (f)" by PACRA	<p>During the month of February, 2010, your Fund earned an annualized return of 10.18%. Trading in TFC market during the month improved and prices have started showing signs of recovery. Liquidity as well as appetite for TFCs is expected to improve further in the coming month. Positives on the liquidity front include partial disbursement of coalition support fund of US\$ 349 Million during February and further assistance of around US\$ 2.0 billion is expected in current fiscal year.</p> <p>In January the State Bank of Pakistan kept the policy rate unchanged at 12.5% in its Monetary Policy Statement. Next monetary policy statement is due in March 2010. Lower current account deficit and trade deficit coupled with higher remittances have gradually improved the forex reserves. Furthermore, government borrowing from the State Bank remained in check. These among other macro economic indicators suggest the country is on the path of gradual economic recovery, with challenges in few areas. Inflation stood at 10.30% from July to December 2009 and is expected to be around 12% annualized during the current fiscal year. Due to gradual removal of subsidies, Month on Month (CPI) during January 2010 was 2.40%. However, recent improvements in weekly data of Sensitive Price Indicator (SPI) indicate that inflation is expected to ease during February.</p> <p>6-Month KIBOR increased by 20bps during the month to close at 12.43% on February-end. The major reason was the spike in rates towards the end of the month due to a large size T-bill auction which has had a temporary impact on T-bill rates.</p>
Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 1-Month KIBOR Fund Manager: Irfan Malik, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2- by PACRA	

Asset Allocation (as on 28th February 2010)



Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil
Name of the Members of Investment Committee:	Dr. Amjad Waheed, CFA Irfan Malik, CFA Ahmad Nouman, CFA Sajjad Anwar, CFA Tanvir Abid, CFA

The weighted average yield to maturity on the TFCs held in NAFA Cash Fund is around 15.98% p.a. The weighted average maturity of the TFC portfolio is 2.23 years and the weighted average rating of the TFC portfolio is A.

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NAFA Islamic Income Fund (NIIF)

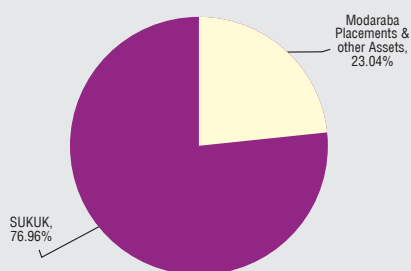
Unit Price (28/02/2010): Rs. 7.0613

February 2010

Investment Objective	Performance					
	Performance (%)	Jan - Dec 2008**	Jan - Dec 2009**	January 2010*	February 2010**	Since Launch October 29, 2007**
To seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in Shariah Compliant money market & debt securities having good credit rating and liquidity.	NAFA Islamic Income Fund	(7.90)%	(18.91)%	10.49%	(0.72)%	(24.25)%
	Benchmark	5.59%	7.19%	6.61%	0.49%	15.39%
	* Represents Annualized Return ** Represents Cumulative Return (Returns are net of management fee & all other expenses)					

General Information	Fund Manager's Commentary
<p>Launch Date: October 29, 2007</p> <p>Fund Size: Rs. 227 million</p> <p>Type: Open-end – Shariah Compliant Income Fund</p> <p>Dealing Days: Daily – Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Pricing Mechanism: Forward Pricing</p> <p>Load: Front end: 1.0%</p> <p>Management Fee: 1.5% per annum</p> <p>Risk Profile: Low to Medium</p> <p>Fund Stability Rating: In process</p>	<p>During the month of February, your Fund posted a negative return of 0.72%. We have significantly provided for the Sukuks which defaulted during the last year financial crises. As these securities restructure and start performing according to new arrangements, it will enable us to gradually reverse provisioning.</p> <p>In January, the State Bank of Pakistan kept the policy rate unchanged at 12.5% in its Monetary Policy Statement. Next Monetary Policy Statement is due in March 2010. Lower current account deficit and trade deficit coupled with higher remittances have gradually improved the forex reserves. Furthermore, government borrowing from the State Bank remained in check. These among other macro economic indicators suggest the country is on the path of gradual economic recovery, with challenges in few areas. Inflation stood at 10.30% from July to December 2009 and is expected to be around 12% annualized during the current fiscal year. Due to gradual removal of subsidies, Month-on- Month (CPI) during January 2010 was 2.40%. However, recent improvements in weekly data of Sensitive Price Indicator (SPI) indicate that inflation is expected to ease during February.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: Average 1-month deposit rate of Islamic banks</p> <p>Fund Manager: Irfan Malik, CFA</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p> <p>Asset Manager Rating: AM2- by PACRA</p>	

Asset Allocation (as on 28th February 2010)



Leverage: (Amount of leveraging / borrowing done by the Fund.)	Nil
Name of the Members of Investment Committee:	Dr. Amjad Waheed, CFA Irfan Malik, CFA Ahmad Nouman, CFA Sajjad Anwar, CFA Tanvir Abid, CFA

6-Month KIBOR increased by 20bps during the month to close at 12.43% on February-end. The major reason was the spike in rates towards the end of the month due to a large size T-bill auction which has had a temporary impact on T-bill rates.

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National Fullerton
Asset Management Limited

NAFA Multi Asset Fund (NMF)

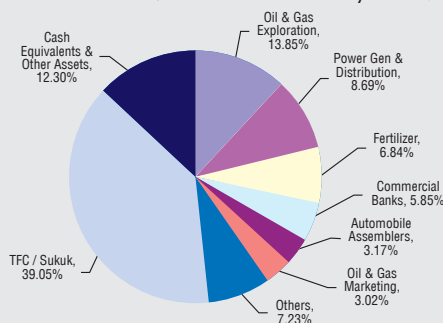
Unit Price (28/02/2010): Rs. 9.2995 **

February 2010

Investment Objective	Performance						
	Performance (%)*	Jan - Jun 2007	Jul - Jun 2007 - 08	Jul - Jun 2008 - 09	Jul - Jan 2009 - 10	February 2010	Since Launch January 22, 2007
To provide investors with a combination of capital growth and income. NMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of asset classes such as stocks, bonds, money market instruments, CFS etc.	NAFA Multi Asset Fund	28.96%	5.12%	(22.56)%	10.57%	0.94%	17.16%
	Benchmark (50% KSE-30 Index & 50% 1-month KIBOR)	15.22%	(2.49)%	(20.83)%	20.05%	0.52%	7.33%
*Returns are net of management fee & all other expenses							**Ex-Dividend Price

General Information	Fund Manager's Commentary
Launch Date: January 22, 2007 Fund Size: Rs. 1,056 million Type: Open-end – Balanced 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: 2.5% per annum Risk Profile: Moderate	<p>During the month under review, NAFA Multi Asset Fund's (NMF) Net Asset Value (NAV) increased by 0.94% while the benchmark (50% KSE-30 index & 50% 1-month KIBOR) increased by 0.52%. Thus your Fund out-performed the benchmark by 0.42% during the month. Since inception on January 22, 2007 your Fund has increased by 17.16%, while the benchmark has increased by 7.33%. Thus, to-date the out-performance of your Fund stands at 9.83%.</p> <p>NMF is a balanced Fund and market weight implies 50% weight in equity and 50% in fixed income asset class. In the beginning of the month, we had around 42% weight in equities. However, anticipating an upward trend in the stocks with better corporate earnings, we increased our allocation in equities above the market weight during the month. However, towards the end of the month we reduced our allocation in equities to around 49%.</p>
Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company (CDC) Auditors: A. F. Ferguson & Co. Chartered Accountants Benchmark: 50% KSE-30 Index & 50% 1-month KIBOR Fund Manager: Sajjad Anwar, CFA Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- Asset Manager Rating: AM2- by PACRA	

Asset Allocation (as on 28th February 2010)



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

Top Five Holdings

FFC	HUBC	NBP	OGDC	PPL
Name of the Members of Investment Committee:		Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Tanvir Abid, CFA Irfan Malik, CFA		

The Stock Market remained range bound during the month. The month started with KSE-100 Index around the 9600 level and after touching a high of 9953 closed the month at 9658. However, rift between presidency and judiciary over the appointment of judges, resignation of the Finance Minister and imposition of Capital Gain Tax on the Stock Market created anxiety among the investors. Foreign portfolio Investment activity also remained subdued with portfolio inflow recorded at US \$ 16.65 million for the month of February. Uncertainty on the political front and delay in introduction of financing product overshadowed the result season. Trading activity further shrunk in the month of February with average daily traded volume recorded at 163.6 million shares.

CPI inflation in the month of January increased to 13.7%. As a result, interest rates showed an upward trend during the month. 6-month KIBOR increased by 20 basis points to close the month at 12.43% from 12.23% at the start of the month. Yield on 6-month T-bill increased to 12.22% from 11.93% at the start of the month.

We are holding positions in high dividend yielding stocks with stable earnings stream and attractive valuations. The yield to maturity on our TFC portfolio is also attractive at 19.65% per annum.

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National Fullerton
Asset Management Limited

NAFA Islamic Multi Asset Fund (NIMF)

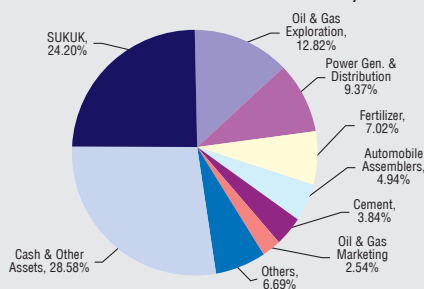
Unit Price (28/02/2010): Rs. 9.5083

February 2010

Investment Objective	Performance						
	Performance (%)*	Oct - Dec 2007	Oct - Jun 2007 - 08	Jul - Jun 2008 - 09	Jul - Jan 2009 - 10	February 2010	Since Launch October 29, 2007
To provide investors with a combination of capital growth and income by investing in Shariah compliant investments. NIMF aims to achieve attractive returns at moderate levels of risk by investing in a variety of Shariah compliant securities, instruments and avenues such as Equities, Musharakah, Murabahah, Ijarah etc.	NAFA Islamic Multi Asset Fund	(2.64)%	(4.64)%	(10.09)%	10.90%	0.004%	(4.92%)
	*Returns are net of management fee & all other expenses						

General Information	Fund Manager's Commentary
<p>Launch Date: October 29, 2007</p> <p>Fund Size: Rs. 483 million</p> <p>Type: Shariah Compliant - Open-end Balanced Fund</p> <p>Dealing Days: Daily - Monday to Friday</p> <p>Settlement: 2-3 business days</p> <p>Price Mechanism: Forward Pricing</p> <p>Load: Front end -3%, Back end-0%</p> <p>Management Fee: 3% per annum</p> <p>Risk Profile: Moderate</p> <p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company (CDC)</p> <p>Auditors: A. F. Ferguson & Co. Chartered Accountants</p> <p>Benchmark: 50% KMI - 30 Index & 50% average 1-month profit rate of Islamic banks.</p> <p>Fund Manager: Sajjad Anwar, CFA</p> <p>Minimum Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p> <p>Asset Manager Rating: AM2- by PACRA</p>	<p>During the month of February 2010, Net Asset Value (NAV) of NAFA Islamic Multi Asset Fund (NIMF) increased by 0.004%, whereas the benchmark increased by 0.78%, thus your Fund under-performed the benchmark by 0.776%.</p> <p>Key factor for the underperformance of the Fund versus the benchmark during the month was trading of Pak Electron Limited (PEL) sukuk at lower price. NIMF is a balanced Fund and market weight implies 50% weight in equities and 50% in fixed income asset class. The month started with 39% weight in equities. During the month we over-weighted equities on the expectation of better corporate earnings. However, towards the end of the month we reduced our allocation in equities below the market weight.</p> <p>The Stock Market remained range bound during the month. The month started with KMI-30 Index around 14216 levels and touching a high of 14639 on February 22, 2010, closed the month at 14363. Rift between presidency and judiciary over the appointment of judges, resignation of the Finance Minister and imposition of Capital Gain Tax on the Stock Market created anxiety among the investors. Foreign portfolio Investment activity also remained subdued with portfolio inflow recorded at US \$ 16.65 million for the month of February. Uncertainty on the political front and delay in introduction of financing product overshadowed the result season. Trading activity further shrunk in the month of February with average daily traded volume recorded at 163.6 million shares.</p> <p>CPI inflation in the month of January increased to 13.7%. As a result, interest rates showed upward trend during the month. 6-month KIBOR increased by 20 basis points to close the month at 12.43% from 12.23% at the start of the month. Yield on 6-month T-bill increased to 12.22% from 11.93% at the start of the month.</p> <p>We are holding positions in high dividend yielding stocks with stable earnings stream and attractive valuations. The yield to maturity on our Sukuk portfolio is also attractive at 13.74% per annum.</p>

Asset Allocation (as on 28th February 2010)

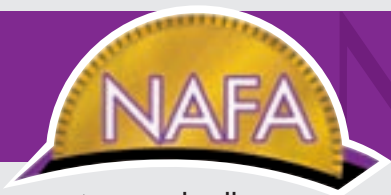


Leverage: (Amount of leveraging / borrowing done by the Fund.) Nil

Top Five Holdings

FFC	HUBC	INDU	OGDC	PPL
Name of the Members of Investment Committee:		Dr. Amjad Waheed, CFA Sajjad Anwar, CFA Tanvir Abid, CFA Irfan Malik, CFA		

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National Fullerton
Asset Management Limited

NAFA Stock Fund (NSF)

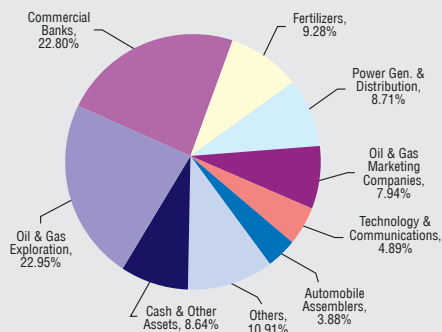
Unit Price (28/02/2010): Rs. 7.3450

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.



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