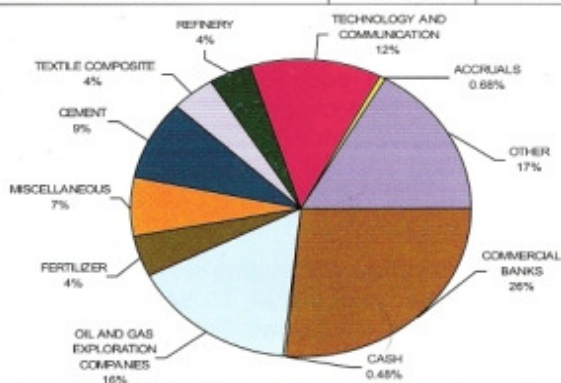


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Jan.22-Mar.31 2007	Apr. - June 2007	July 2007	August 2007	Since Launch Jan. 22, 2007
	NAFA Stock Fund	4.38%	39.10%	6.79%	-10.21%	34.92%
	Benchmark	4.64%	22.25%	-2.81%	-10.35%	11.24%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007 Fund Size: Rs. 1,311 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>Listing: Lahore Stock Exchange Custodian & Trustee: Central Depository Company Auditors: A. F. Ferguson & Company Benchmark: KSE-30 Index Fund Manager(s): Khurram Shehzad, CFA Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	<p>During the month under review, the KSE-30 Index declined by 10.35%, and NAFA Stock Fund's (NSF) Net Asset Value (NAV) declined by 10.21%, thus an out-performance of 0.14% was recorded during the month under review. The Cumulative out-performance of NSF versus its benchmark (KSE-30 Index) since inception is 23.68%.</p> <p>For the first 27 days of the month, the KSE-30 Index took non-stop battering and shed 13.72% of its value. The volumes were reduced by almost 36% as compared to the last month. The market Price-to-Earnings Ratio (PER) has reduced from 12.67x to 10.47x.</p> <p>Your Fund (NSF) maintained an average weight of approximately 76% in equities based on the expected market correction. The decision of partially moving from equities to cash proved correct as we were able to partially protect the Fund from market fall.</p>

ASSET ALLOCATION (On Aug. 31, 2007)

	Portfolio	Market
Price-to-Earnings Ratio	8.37x	10.47x
Price-to-Book Value	1.94x	3.14x
Dividend Yield	4.14%	4.29%



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

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