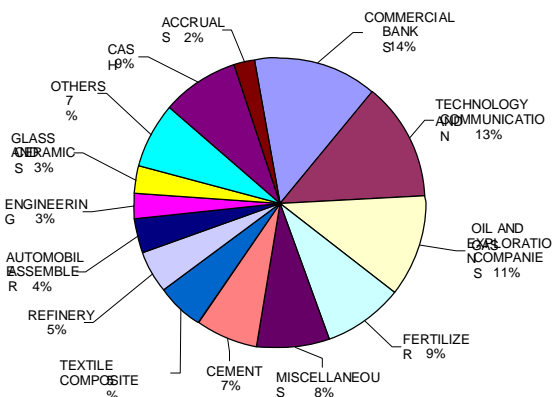


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Since Launch till Mar.31 2007	Apr.-June 2007	June 2007	July 2007	Since Launch Jan. 22, 2007
	NAFA Stock Fund	4.38%	39.10%	14.84%	6.79%	50.27%
	Benchmark	4.64%	22.25%	5.35%	-2.81%	24.08%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007</p> <p>Fund Size: Rs. 1,318 million</p> <p>Type: Open-end – Equity Fund</p> <p>Dealing: Daily</p> <p>Settlement: 2-3 business days</p> <p>Load: Front end-3%, Back end-0%</p> <p>Management Fee: 3% per annum</p>	<p>During the month under review, the KSE-30 Index declined by 2.81%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) grew by 6.79% - thus reflecting an out-performance of 9.6%. Since inception of NAFA Stock Fund this is the second month with an out-performance of 9.6% and the cumulative out-performance has reached 26.18%.</p> <p>During the last month, KSE-30 Index (the Benchmark) witnessed one of its most volatile performances whereby the Index shed 8% in just four (4) trading sessions. The key reason for this sharp decline was the development on the Law & Order front which shook the investor confidence and induced this selling spree. Since then the Index has shown partial recovery but the volumes seem to reflect the lack of exuberance in this recovery.</p>
<p>Listing: Lahore Stock Exchange</p> <p>Custodian & Trustee: Central Depository Company</p> <p>Auditors: A. F. Ferguson & Company</p> <p>Benchmark: KSE-30 Index</p> <p>Fund Manager(s): Khurram Shehzad, CFA</p> <p>Min. Subscription: Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-</p>	

Asset Allocation (as on 31st July 2007)

	Portfolio	Market
Price-to-Earnings Ratio	9.93 x	12.18 x
Price-to-Book Value	2.27 x	3.40 x
Dividend Yield	3.54%	3.78%



Most of the large cap stocks took beating in this sharp fall while the mid cap and small cap also shed values as profit taking and uncertainty with respect to political developments gripped the market sentiment southwards.

Your Fund (NAFA Stock Fund) showed partial resilience against this fall as timely asset allocation decisions were taken. In terms of out-performance, refineries and investment banks topped the list followed by textiles, technology and auto stocks.

NAFA Stock Fund was invested to the tune of 53% in Technology, Banking, Exploration, Miscellaneous and Cement sectors. The stocks selected in these sectors have attractive valuations as well as growth potential resulting in buying witnessed at these levels.

From hereon the market is expected to remain sensitive to the developments on political front as the socio-economic impact of political developments on the market is inevitable.

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

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