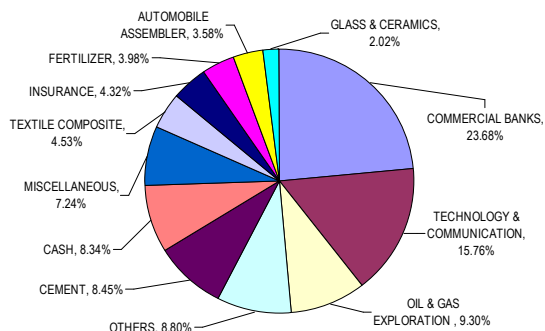


Investment Objective	Performance					
To provide investors with long term capital growth from an actively managed portfolio invested primarily in listed companies in Pakistan. The risk profile of the Fund will be moderate to high.	Return (%) *	Jan.22-Mar.31 2007	April 2007	May 2007	June 2007	Since Launch January 22, 2007
	NAFA Stock Fund	4.38%	14.68%	9.57%	14.84%	43.47%
	Benchmark	4.64%	10.28%	6.62%	5.35%	26.89%
* Returns are net of management fee & all other expenses						

General Information	Fund Manager Commentary
<p>Launch Date: January 22, 2007 Fund Size: Rs. 1,460 million Type: Open-end – Equity Fund Dealing: Daily Settlement: 2-3 business days Load: Front end-3%, Back end-0% Management Fee: 2.5% per annum (Jun, 2007) Management Fee: 3% per annum (July onwards)</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 grew by 5.35%, whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) grew by 14.84% - thus reflecting an out-performance of 9.49%. Since the inception of NAFA Stock Fund this is the highest out-performance in a single month. The cumulative out-performance versus the stock market has reached 16.58%.</p> <p>During the last month, stock market volumes appreciated by 3.41% while the traded value registered a decline of 5.66% reflecting the exuberance of mid-cap stocks and lackluster performance of the large cap stocks. Synthetic & Rayon, Investment Cos. & Banks, and Leather & Tanneries sectors were the top three out-performers versus the KSE-100 Index with out-performances of 47.3%, 41.84% and 41.58% respectively.</p>

Asset Allocation (as on 30th June 2007)

	Portfolio	Market
Price-to-Earnings Ratio	9.8 x	12.2 x
Price-to-Book Value	2.2 x	3.4 x
Dividend Yield	3.1%	3.8%



Almost 69% of NAFA Stock Fund's assets were invested in Banks, Technology, Oil & Gas Exploration, Cement, Miscellaneous and Textile Composite sectors.

The current deposit mix of the banks and the nature of advances suggest that banks are expected to show a steady growth in profits in the coming years. Some stocks in the technology sector still offer attractive growth potential and cheap valuations. Cement sector out-performed the KSE-100 Index by 14% during the last month, on the back of 96% expected growth in overall profits for the next 12 months. Miscellaneous sector out-performed the KSE-100 Index by 13% during the last month and still offers stocks which are expected to out-perform the market. The recent textile package along with the subsidized Long Term Finance Facility offered to textile units is likely to result in almost 55% growth in Textile Composite sector's profits for the next 12 months.

We believe that the stock market may experience a consolidation phase over the next few months. However, the long term outlook for the market remains positive.

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

National Fullerton Asset Management Ltd.

9th Floor, Adamjee House, I.I.Chundrigar Road,
Karachi-74000, Pakistan.
Toll Free: 0800-20001 UAN: +92-21-111-111-632.
Fax: +92-21-2467605.

Website: www.nafafunds.com Email: info@nafafunds.com

Your investments & "NAFA" grow together



Joint - Venture Partners