

Performance

Performance % **	May 2011	FYTD Jul. 2010 - May 2011	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	(0.86%)	29.85%	33.14%	14.48%
Benchmark	0.40%	23.09%	27.25%	(12.17%)

* Cumulative returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses

General Information

Launch Date:	January 22, 2007
Fund Size:	Rs. 967 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	9:00 A.M to 4:30 P.M
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
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

Investment Objective

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.

Fund Manager Commentary

During the month under review, KSE-30 Index increased by 0.40% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) decreased by 0.86%, thus an under-performance of 1.26% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 14.48% while the benchmark has declined by 12.17%, thus to date out-performance is 26.65%. This out-performance is net of management fee, WWF and all other expenses.

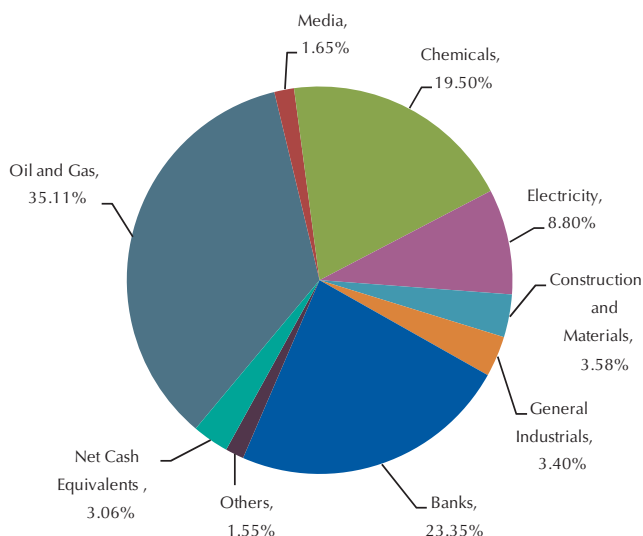
The Fund under-performed during the month as its key holdings in the Banks, Chemicals and Media sectors and the Textile sub-sector lagged the market. Further, NSF was under-weight in selected companies in the Oil & Gas sector, which performed better than the market. On the other hand, NSF's key holding in the Refinery sub-sector out-performed the market that benefited the Fund. The stock market remained directionless ahead of the budget related uncertainties. At the start of May 2011, NSF was 97% invested in equities. During the month, we made adjustments in the Fund's sector and stock allocations. However, NSF's weightage in equities at the end of the month was unchanged at around 97%. The Fund is predominantly invested in undervalued stocks with attractive dividend yields and strong growth prospects. We enhanced the weightage of NSF in the high dividend-yielding Power sub-sector as well as in the Banking sector. Moreover, we enhanced the Fund's weight in the Oil & Gas sector. On the other hand, we reduced NSF's allocation in the Fertilizer and Textile sub-sectors.

We are cognizant to events in the capital markets and will adjust the portfolio of NSF proactively. Key triggers for the market are the Federal Budget, foreign investment flows and developments on the law & order and political front.

Asset Allocation (% of NAV) 31-May-11 29-Apr-11

Equities / Stock	96.94%	97.00%
Cash Equivalents	3.81%	4.36%
Other Net Liabilities	-0.75%	-1.36%
Total	100.00%	100.00%
Leverage	Nil	Nil

Asset Allocation (as on 31st May 2011)



Top Ten Equity Holdings (as on 31st May 2011)

Name	% of NAV	Name	% of NAV
Fauji Fertilizer Co. Ltd.	10.34%	Pak Petroleum Ltd.	6.71%
Pakistan Oilfields Ltd.	9.71%	United Bank Ltd.	5.16%
MCB Bank Ltd.	8.94%	National Refinery Ltd.	4.74%
Hub Power Company Ltd.	8.06%	Engro Corporation Ltd.	4.57%
Oil & Gas Dev.Co. Ltd.	7.78%	Pakistan State Oil Co. Ltd.	3.88%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM