



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2011): Rs.6.6142

October 2011

Performance

Performance % *	October 2011	Jul. - Oct. 2011	Jan. - Oct. 2011	Trailing 12 Months	Since Launch January 22, 2007
NAFA Stock Fund	1.88%	1.61%	5.82%	21.30%	15.00%
Benchmark	0.20%	(2.96%)	(2.98%)	10.72%	(16.05%)

* 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. 1,061 million
Type:	Open-end – Equity Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon-Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 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:	M. Yousuf Adil Saleem & 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-'Positive Outlook' 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 0.20% whereas NAFA Stock Fund's (NSF) Net Asset Value (NAV) increased by 1.88%, thus an out-performance of 1.68% was recorded. Since inception on January 22, 2007 the NAV of NSF has increased by 15.00% while the benchmark has declined by 16.05%, thus to date out-performance is 31.05%. This out-performance is net of management fee and all other expenses.

During the month the stock market portrayed a lukewarm trend on foreign portfolio investment outflows and absence of triggers on wrapping up of the results season despite the higher than expected 150bps cut in the discount rate. NSF out-performed as the Fund was under-weight in selected stocks that lagged the market. Moreover, NSF's key holdings in the Oil & Gas sector performed better than the market. Further, NSF's allocation in the Fertilizer sub-sector significantly benefited the Fund. NSF was over-weight in selected high dividend yielding and growth stocks that performed better than the market while it was under-weight in key fertilizer stocks that significantly under-performed. The Fund's holdings in Banks and Media sectors also contributed to its out-performance during October. At the start of the month NSF was around 97% invested in equities. During the latter part of the month we reduced the Fund's weightage in equities as the market underwent a correction. During the month we reduced NSF's allocation in the Chemicals and Banking sectors. The weightage in Oil & Gas and Electricity sectors was almost maintained. On the other hand, we enhanced the Fund's weightage in the Cement sub-sector. At the end of the month, NSF was around 90% invested in equities.

We are cognizant to the events in the capital and financial markets and will proactively alter the portfolio of NSF.

Asset Allocation (% of NAV) 31-Oct-11 30-Sep-11

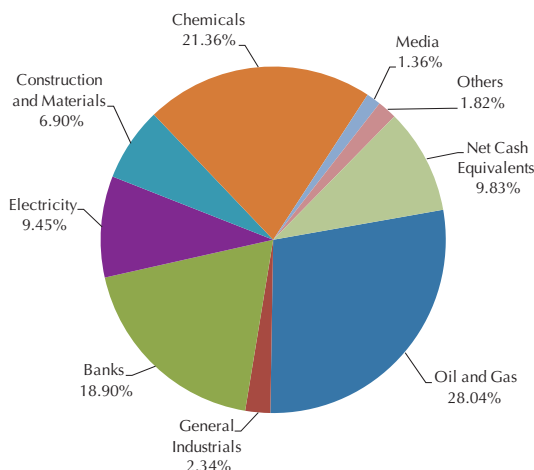
	31-Oct-11	30-Sep-11
Equities / Stock	90.17%	97.02%
Cash Equivalents	11.53%	4.20%
Other Net (Liabilities)	-1.70%	-1.22%
Total	100.00%	100.00%
Leverage	Nil	Nil

Characteristics of Equity Portfolio**

	PER	PBV	DY
NSF	5.9	1.3	8.3%
KSE-30	7.2	3.7	7.4%

** Based on NAFA's estimates

Asset Allocation (as on 31st October 2011)



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

Name	% of NAV	Name	% of NAV
Fauji Fertilizer Co. Ltd.	11.33%	MCB Bank Limited	5.76%
Pakistan Oilfields Ltd.	8.56%	Lucky Cement Limited	5.08%
Hub Power Co. Ltd.	7.79%	Pak Petroleum Limited	4.64%
Oil & Gas Dev.Co. Ltd.	7.38%	Allied Bank Limited	3.03%
Fauji Fertilizer Bin Qasim	5.87%	Meezan Bank Limited	3.01%

Name of the Members of Investment Committee

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