

Performance

Performance % **	February 2011	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.50%	9.51%
Benchmark	8.28%	8.24%

* Ex-Distribution Price

** Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee & all other expenses)

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 260 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Fri) 9:00 A.M to 4:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism Load:	Forward Pricing Front end: 0%, Back end: 0%
Management Fee:	1.0% per annum (The Management Fee has been reduced from 1.5% p.a to 1.0% p.a with effect from March 1st, 2011)
Risk Profile:	Low
Fund Stability Rating:	"A+(f)" by PACRA
Listing:	Lahore Stock Exchange
Custodian & Trustee:	Central Depository Company (CDC)
Auditors:	A. F. Ferguson & Co. Chartered Accountants
Benchmark:	Average 6-month deposit rate of A- and above rated Islamic Banks (Benchmark changed with effect from 15-12-2010. Previous Benchmark was 3-month deposit rate of A and above rated Islamic Banks.)
Fund Manager:	Usman Khan
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- by PACRA

Investment Objective

To provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant banks and money market / debt securities.

Fund Manager Commentary

The annualized return of NRFSF for the month of February 2011 is 10.50%. This is better than the benchmark return by 2.22% and is in line with the previous month's return. Since the Fund's inception six months ago, the Fund has outperformed its benchmark by 1.4%. The Management is pleased to announce reduction in the Management Fee of the Fund from 1.5% p.a. to 1% effective March 1, 2011 for the benefit of unit holders.

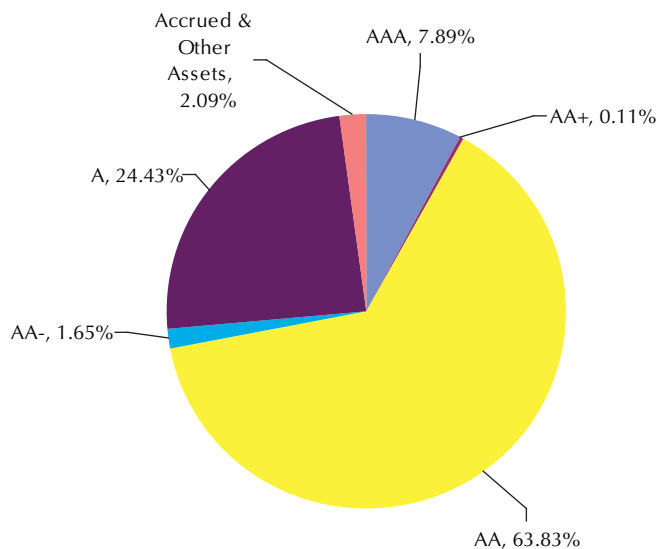
As indicated in previous monthly reports to the Unit Holders, we took exposure in Government of Pakistan Ijara Sukuks in February. Going forward, we expect the credit profile and the return of the Fund to further improve on the back of higher allocation to Shariah compliant Government Securities and expected increase in the Fund Size.

NRFSF is an Islamic Income Scheme that invests only in Shariah compliant avenues. The Fund has been awarded a stability rating of A+(f) by PACRA which denotes a strong capacity to maintain stability in returns and low exposure to risks.

The Fund intends to outperform the rate of return available to individual investors in Islamic Banks, while providing them flexibility to withdraw their money at any time, hence no lock-in period. The Fund is not authorized to invest in corporate Sukuks and the Stock Market.

The average maturity of your Fund is 82 days.

Credit Quality of the Portfolio (% of NAV)



Asset Allocation (% of NAV)	28-Feb-11	31-Jan-11
Placements with Islamic Banks	63.52%	65.88%
GOP Ijara Sukuk - Govt. Backed	7.72%	-
Cash Equivalents	26.66%	33.03%
Other Assets	2.10%	1.09%
Total	100.00%	100.00%
Leverage	Nil	Nil

Sukuk Holdings (as at February 28, 2011)

Name of Sukuks	% of Net Assets
GOP Ijarah Sukuk V	7.72%
Total	7.72%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Usman Khan