



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (29/02/2012): Rs. 10.1433

February 2012

Performance

Performance % *	February 2012	Jul. 2011- Feb. 2012	Trailing 12 Months	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.00%	11.52%	11.60%	10.92%
Benchmark	8.32%	8.38%	8.37%	8.33%

* Represent Annualized Return - (based on morning star formula)
(Returns are net of management fee, Workers' Welfare Fund (WWF) provisioning & all other expenses)

General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 787 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Saturday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 P.M (Saturday) 9:00 A.M to 1:00 P.M
Settlement:	2-3 business days
Pricing Mechanism:	Forward Pricing
Load:	Front end: 0%, Back end: 0%
Management Fee:	1.0% per annum
Risk Profile:	Very Low
Fund Stability Rating:	"AA-(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
Fund Manager:	Khalid Anwar Chapra
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-
Asset Manager Rating:	AM2- 'Positive Outlook' 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 generated by NRFSF for the month of February 2012 is 10.00%. In the last 365 days, the Fund has out-performed its benchmark by 3.23% by earning a return of 11.60%. This outperformance is net of management fee and all other expenses. The management is announcing monthly dividends since July 2011 and intends to continue this policy in the future as well.

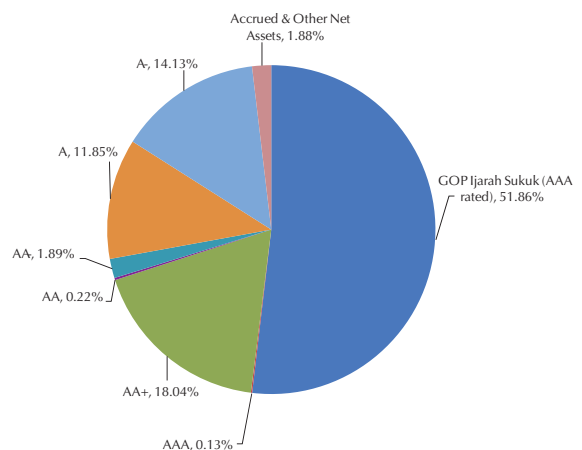
The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is not authorized to invest in corporate debt securities and the stock market. The Fund can invest in short-term Shariah compliant money market securities of up to six months if rated AA- or better. With stability rating of AA-(f), your Fund is amongst the highest rated Islamic Income Funds in the market. The management has decided to increase the management fee by 0.25% p.a. with effect from March 11, 2012.

Government of Pakistan Ijarah Sukuks is the largest asset class of your Fund with around 51.86% allocation. SBP managed to raise Rupees 38 billion in the last week's auction of Ijarah Sukuks against maturity of Rupees 20 billion. With the settlement of this Ijarah Sukuk in early March, the outstanding stock of Ijarah Sukuks will cross Rs 310 billion. GOP Ijarah Sukuks are floating rate Shariah compliant fixed income securities with six monthly coupon resets and an average duration of three months. This minimizes pricing risk.

The Fund Size registered an increase of around 4.4% during the month.

The average duration of the Fund is 73 days and the weighted average time to maturity of the Fund is 1.26 years.

Credit Quality of the Portfolio as of February 29, 2012 (% of NAV)



Asset Allocation (% of NAV)

	29-Feb-12	31-Jan-12
GOP Ijarah Sukuk - Govt. Backed	51.86%	48.17%
Islamic Commercial Paper	17.79%	16.92%
Cash Equivalents	28.47%	32.77%
Other Net Assets	1.88%	2.14%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Holdings (as at February 29, 2012)

Name of Sukuk / Islamic Commercial Paper	% of Net Assets
GOP Ijarah (Sukuk IX)	18.43%
GOP Ijarah (Sukuk VIII)	16.00%
HUBCO Islamic CP	12.71%
GOP Ijarah (Sukuk V)	10.86%
KAPCO Islamic CP	5.08%
GOP Ijarah (Sukuk VI)	4.25%
GOP Ijarah (Sukuk VII)	2.32%
Total	69.65%

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Ahmad Nouman, CFA
Sajjad Anwar, CFA
Tanvir Abid, CFA, FRM
Khalid Anwar Chapra

Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependant on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.