

Performance

Performance % *	May 2011	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	15.45%	10.69%
Benchmark	8.35%	8.27%

* 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. 361 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:	Forward Pricing
Load:	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
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 May 2011 is 15.45%. This is better than the benchmark return by 7.1%. The current month's annualized return is higher due to un-realized gains in GOP Ijara sukuk. Since the Fund's inception nine months ago, the Fund has out-performed its benchmark by 2.42%. The Fund Size has registered a growth of 9.75% during May-11.

We aim to consistently provide significantly 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 sukuk and the stock market.

Around 70% of your Fund's portfolio is invested in AAA rated Shariah Compliant Government securities. This has substantially increased the liquidity of the Fund. In the last auction of GOP Ijara sukuk in May, an amount of Rs. 45.8 Billion was accepted against the target of Rs 45 billion. Currently, the outstanding amount of GOP Ijara sukuk is around Rs 235 billions. GOP Ijara sukuk are floating rate Shariah compliant securities with six monthly coupon resets and hence an average duration of three months. This minimizes any pricing risk.

NRFSF is an Islamic Income Scheme that invests only in Shariah compliant avenues. The weighted average rating of the Fund is "AA+".

The average duration of the Fund is 71 days.

Asset Allocation (% of NAV) 31-May-11 30-Apr-11

Asset Allocation (% of NAV)	31-May-11	30-Apr-11
GOP Ijara Sukuk - Govt. Backed	70.31%	71.05%
Cash Equivalents	27.61%	27.19%
Other Net Assets	2.08%	1.76%
Total	100.00%	100.00%
Leverage	Nil	Nil

Sukuk Holdings (as at May 31, 2011)

Name of Sukuks	% of Net Assets
GOP Ijarah Sukuk VII	48.27%
GOP Ijarah Sukuk V	9.78%
GOP Ijarah Sukuk VI	9.21%
GOP Ijarah Sukuk VIII	3.05%
Total	70.31%

Name of the Members of Investment Committee

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

Credit Quality of the Portfolio (% of NAV)

