

## Performance

Performance % *	December 2010	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	9.76%	9.31%
Benchmark	7.74%	8.29%

\* Represent Annualized Return  
(Returns are net of management fee & all other expenses)

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 251 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:	1.5% per annum
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 December 2010 is 9.76%. This is better than the benchmark return by 2.02%. Going forward we expect the return on the Fund to improve on the back of higher money market rates, allocation to Shariah compliant Government Securities which are currently yielding attractive returns, and expected increase in the Fund Size.

The Authorized Investments of the Fund have been modified this month to allow Shariah compliant Government Ijara securities. These securities have six monthly profit rate resetting and payment. To date, the Government has issued six Ijara Sukuks with total outstanding amount of around Rs 132 billion.

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 will not take direct or indirect exposure to the Stock Market.

Going forward the Fund intends to exploit opportunities in Shariah Compliant Government Securities. This shall on the one hand improve the return while on the other side, improve the average credit rating profile of the Fund.

The average maturity of your Fund is 45 days.

## Asset Allocation

	31-Dec-10	30-Nov-10
Cash Equivalents	32.44%	99.01%
Islamic TDR	65.73%	-
Other Assets	1.83%	0.99%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## 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 Net Assets)

