

## Performance

Performance % *	January 2011	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.35%	9.51%
Benchmark	8.06%	8.24%

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

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 250 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:	1.5% 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 January 2011 is 10.35%. This is better than the benchmark return by 2.29% and the previous month's return by 59 basis points. Going forward, we expect the return on the Fund to further 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.

Going forward, the Fund's strategy will be to increase allocation in Government of Pakistan Ijara securities. This shall improve the return of the Fund and also improve the average credit rating profile of the Fund. These Ijara securities have six-monthly profit rate resetting and payment. To date, Government has issued six Ijara Sukuks with total outstanding amount of around Rs 132 billion. The additional target to be raised for the current quarter as announced by SBP is Rs 45 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.

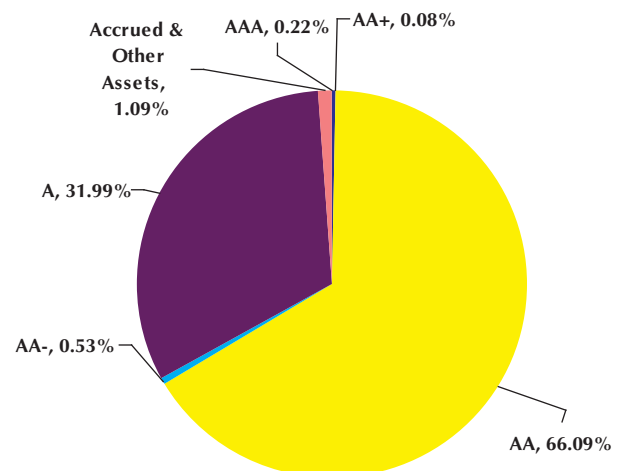
The Fund intends to outperform the rate of return available to individual investors in Islamic Banks, while providing them flexibility to withdraw their money at any time, hence no lock-in period. The Fund is not authorized to invest in corporate Sukuks and the Stock Market.

The average maturity of your Fund is 24 days.

## Asset Allocation % NAV

	31-Jan-11	31-Dec-10
Placements with Islamic Banks	65.88%	65.73%
Cash Equivalents	33.03%	32.44%
Other Assets	1.09%	1.83%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Credit Quality of the Portfolio (% of NAV)



## Name of the Members of Investment Committee

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