



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/01/2012): Rs. 10.1488

January 2012

Performance

Performance % *	January 2012	Jul. 2011- Jan. 2012	Trailing 12 Months	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.20%	11.72%	11.64%	10.97%
Benchmark	8.39%	8.39%	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. 754 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:	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 NRF SF for the month of January 2012 is 10.20%. Since the Fund's inception over eighteen months ago, the Fund has out-performed its benchmark by 2.64% on an annualized basis. 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.

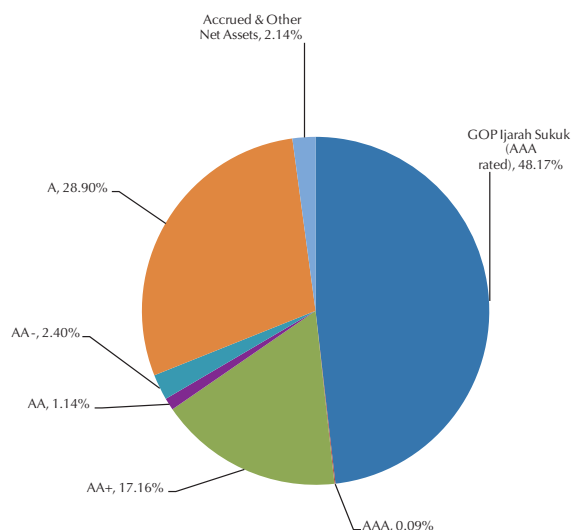
We aim to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is not authorized to invest in corporate debt securities and the stock market. With stability 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 48% allocation. The outstanding amount of GOP Ijarah sukuks is around Rs. 293 billion. SBP has set a target of Rs 50 billion for next Ijarah Sukuks auction in February 2012 against maturity of around Rs 20 billion. GOP Ijarah sukuks are floating rate Shariah compliant debt securities with six monthly coupon resets and an average duration of three months. This minimizes pricing risk.

The Fund Size registered a healthy increase of around 19% during the month. The average duration of the Fund is 64 days.

Asset Allocation (% of NAV)	31-Jan-12	30-Dec-11
GOP Ijarah Sukuk - Govt. Backed	48.17%	49.26%
Islamic Commercial Paper	16.92%	12.20%
Cash Equivalents	32.77%	37.71%
Other Net Assets	2.14%	0.83%
Total	100.00%	100.00%
Leverage	Nil	Nil

Credit Quality of the Portfolio as of January 31, 2012 (% of NAV)



Top Holdings (as at January 31, 2012)

Name of Sukuk / Islamic Commercial Paper	% of Net Assets
GOP Ijarah (Sukuk VIII)	16.70%
GOP Ijarah (Sukuk IX)	12.61%
HUBCO Islamic CP	11.61%
GOP Ijarah (Sukuk V)	11.34%
KAPCO Islamic CP	5.31%
GOP Ijarah (Sukuk VI)	4.43%
GOP Ijarah (Sukuk VII)	3.09%
Total	65.09%

Name of the Members of Investment Committee

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