

Performance

Performance % **	July 2011	Jan. - Jul. 2011	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	13.87%	11.68%	10.76%
Benchmark	8.52%	8.32%	8.31%

* Ex-Dividend Price

** 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. 397 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
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 NRFSSF for the month of July 2011 is 13.87%. The annualized return for first seven months of the current CY 2011 is 11.68% against the benchmark return of 8.32%, hence an out-performance of 3.36%. Since the Fund's inception eleven months ago, the Fund has out-performed its benchmark by 2.45%. The price of all GOP Ijarah Sukuks in your Fund have shown an upward trend during the month.

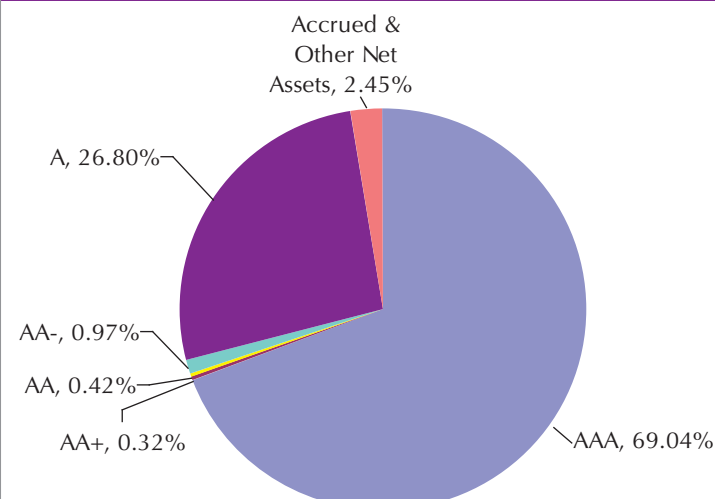
We aim to consistently provide better returns than profit rates offered by Islamic Banks / Islamic windows of commercial banks, while also providing easy liquidity along with a high quality credit profile. The Fund is not authorized to invest in corporate sukuks and the stock market.

At the month end around 69% of your Fund's portfolio is invested in AAA rated Shariah Compliant Government securities. This has substantially increased the liquidity of the Fund. In FY 2011, SBP conducted four auctions of GOP Ijarah, and the accepted amount was Rs 182.35 bln against the target of Rs 170 billion. Currently, the outstanding amount of GOP Ijarah sukuk is around Rs.235 billion. GOP Ijarah sukuks are floating rate Shariah compliant securities with six monthly coupon resets and an average duration of three months. This minimizes pricing risk.

NRFSSF is an Islamic Income Scheme that invests only in Shariah compliant avenues with no direct or indirect exposure to stock market. With rating of AA-(f), your Fund is amongst the highest rated Riba Free income funds in the market.

The average duration of the Fund is 56 days.

Credit Quality of the Portfolio as of July 30, 2011 (% of NAV)



Asset Allocation (% of NAV)

	30-Jul-11	30-Jun-11
GOP Ijarah Sukuk - Govt. Backed	68.67%	70.48%
Cash Equivalents	28.88%	27.49%
Other Net Assets	2.45%	2.03%
Total	100.00%	100.00%
Leverage	Nil	Nil

GOP Ijarah SUKUK Holdings (as at July 30, 2011)

Name of Sukuk	% of Net Assets
GOP Ijarah Sukuk VII	31.19%
GOP Ijarah Sukuk VIII	20.25%
GOP Ijarah Sukuk V	8.86%
GOP Ijarah Sukuk VI	8.37%
Total	68.67%

Name of the Members of Investment Committee

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