



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/03/2014): Rs. 10.1054

March 2014

Performance

| Performance % | March 2014* | FYTD Jul 2013 - Mar 2014* | Trailing 12 Months Apr 13 - Mar 14 * | Since Launch August 21, 2010** |
|-----------------------------|-------------|---------------------------|--------------------------------------|--------------------------------|
| NAFA Riba Free Savings Fund | 8.52% | 7.80% | 7.94% | 9.53% |
| Benchmark | 6.70% | 6.69% | 6.73% | 7.62% |

* Annualized Simple Return - ** (Annualized Return Based on Morningstar Methodology)
(Returns are net of management fee & all other expenses)

General Information

| | |
|------------------------|--|
| Launch Date: | August 21, 2010 |
| Fund Size: | Rs. 2,771 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: 0.5% (Nil on investment above Rs. 16 million), Back end: 0% |
| Management Fee: | 1.25% per annum |
| Risk Profile: | Very 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: | Salman Ahmed |
| Minimum Subscription: | Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/- |
| Asset Manager Rating: | AM2 by PACRA (Very High Investment Management Standards) |

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 Fund generated an annualized return of 8.5% for the month of March 2014 versus the benchmark return of 6.7% thus registering an outperformance of 1.8% p.a. During the last one year the Fund has outperformed its benchmark by 1.2% by earning an annualized return of 7.9%. This outperformance is net of management fee and all other expenses.

The Fund aims to consistently provide better return than the 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 allowed to invest in short-term Shariah compliant money market securities of up to six months maturity rated AA- or better. The Fund is not authorized to invest in debt securities and the Equities. With stability rating of AA-(f), NRFSF is amongst the highest rated Islamic Income Funds in the market.

The allocation of the Fund is around 17% in GoP Ijarah Sukuks, which are floating rate instruments with 6-months coupon re-setting. Around 81% of the portfolio is invested in bank deposits which further enhance liquidity profile of the Fund. We intend to increase our allocation in GOP Ijarah Sukuk through upcoming auction as yield in the secondary market is very depressed.

The weighted average duration of the Fund is 16 days and the weighted average time to maturity is 55 days. We will rebalance the portfolio based on economic and capital market outlook.

Asset Allocation (% of Total Assets)

| | 31-Mar-14 | 28-Feb-14 |
|---------------------------------|----------------|----------------|
| GOP Ijarah Sukuk - Govt. Backed | 17.18% | 16.00% |
| Cash Equivalents | 81.29% | 82.29% |
| Other including receivables | 1.53% | 1.71% |
| Total | 100.00% | 100.00% |
| Leverage | Nil | Nil |

Top Holdings (as at March 31st, 2014)

| Name of Sukuk | % of Total Assets |
|-------------------------|-------------------|
| GOP Ijarah (Sukuk IX) | 6.78% |
| GOP Ijarah (Sukuk VIII) | 3.59% |
| GOP Ijarah (Sukuk XII) | 1.83% |
| GOP Ijarah (Sukuk XIII) | 1.72% |
| GOP Ijarah (Sukuk X) | 1.46% |
| GOP Ijarah (Sukuk XIV) | 0.92% |
| GOP Ijarah (Sukuk XI) | 0.88% |
| Total | 17.18% |

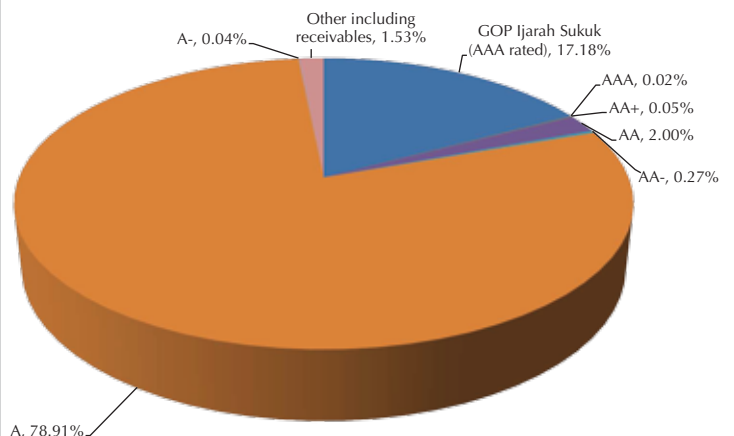
WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs.7,743,744/-. If the same were not made the NAV per unit/last one year return of scheme would be higher by Rs.0.0282/0.30%. For details investors are advised to read note 8 of the Financial Statements of the Scheme for the half year ended December 31, 2013.

Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA
Sajjad Anwar, CFA
Muhammad Ali Bhabha, CFA, FRM
Syed Suleman Akhtar, CFA
Salman Ahmed

Credit Quality of the Portfolio as of March 31st, 2014 (% of Total Assets)



Disclaimer: This publication is for informational purposes only and nothing herein should be construed as a solicitation, recommendation or an offer to buy or sell any fund. All investments in mutual funds are subject to market risks. The NAV based prices of units and any dividends/returns thereon are dependent on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.