

Performance

Performance % *	September 2011	Jan. - Sep. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	11.30%	11.63%	11.10%	10.86%
Benchmark	7.96%	8.30%	8.14%	8.29%

* 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. 495 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 NRFSF for the month of September 2011 is 11.30%. The annualized return for the first nine months of the current CY 2011 is 11.63% against the benchmark return of 8.30%, hence an out-performance of 3.33%. Since the Fund's inception over a year ago, the Fund has out-performed its benchmark by 2.57%. 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 sukus and the stock market. With stability rating of AA-(f), your Fund is amongst the highest rated Riba Free Income Funds in the market.

Government of Pakistan Ijara Sukuks is still the largest asset class of your Fund with around 49% allocation. Currently, the outstanding amount of GOP Ijarah sukuk is around Rs.229 billion. GOP Ijarah sukuk are floating rate Shariah compliant securities with six monthly coupon resets and an average duration of three months. This minimizes pricing risk. The price of all GOP Ijarah Sukuks in your Fund remained high during the month as there is uncertainty regarding timing of next Ijarah Sukuk auction by SBP.

The average duration of the Fund is 63 days.

Asset Allocation (% of NAV)

30-Sep-11 30-Aug-11

	30-Sep-11	30-Aug-11
GOP Ijarah Sukuk - Govt. Backed	48.97%	56.97%
Islamic Commercial Paper	7.58%	8.82%
Cash Equivalents	43.06%	31.12%
Other Net Assets	0.39%	3.09%
Total	100.00%	100.00%
Leverage	Nil	Nil

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

Top Holdings (as at September 30, 2011)

Name of Sukuk / Islamic Commercial Paper	% of Net Assets
GOP Ijarah (Sukuk VII)	25.01%
GOP Ijarah (Sukuk VIII)	10.15%
HUBCO Islamic Commercial Paper	7.58%
GOP Ijarah (Sukuk V)	7.10%
GOP Ijarah (Sukuk VI)	6.71%
Total	56.55%

Name of the Members of Investment Committee

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

