



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/07/2012): Rs. 10.0749

July 2012

### Performance

| Performance % *             | July 2012 | Trailing 12 Months Aug 11 to Jul 12 | Since Launch August 21, 2010 |
|-----------------------------|-----------|-------------------------------------|------------------------------|
| NAFA Riba Free Savings Fund | 10.24%    | 10.51%                              | 10.63%                       |
| Benchmark                   | 8.08%     | 8.26%                               | 8.28%                        |

\* Represent Annualized Return - (based on morning star formula)  
(Returns are net of management fee & all other expenses)

### General Information

|                        |  |
|------------------------|--|
| Launch Date:           | August 21, 2010  |
| Fund Size:             | Rs. 944 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<br>(Friday) 9:00 A.M to 5:30 P.M<br>(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:        | 1.25% per annum (w.e.f March 11, 2012)   |
| 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.<br>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/-<br>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 Fund generated an annualized return of 10.24% for the month of July 2012 thus out-performing its benchmark by 2.16%. During the last one year, the Fund has out-performed its benchmark by 2.25% by earning an annualized return of 10.51%. This outperformance is net of management fee and all other expenses.

The Fund aims 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. The Fund can invest in short-term Shariah compliant money market securities of up to six months maturity rated AA- or better. With stability rating of AA-(f) awarded by PACRA, the Fund is amongst the highest rated Islamic Income Funds in the market.

### Asset Allocation (% of Total Assets) 31-July-12 30-June-12

| Asset Allocation (% of Total Assets) | 31-July-12     | 30-June-12     |
|--------------------------------------|----------------|----------------|
| GOP Ijara Sukuk - Govt. Backed       | 48.41%         | 50.51%         |
| Islamic Money Market Placements      | 16.23%         | 19.56%         |
| Cash Equivalents                     | 32.81%         | 28.14%         |
| Other including receivables          | 2.55%          | 1.79%          |
| <b>Total</b>                         | <b>100.00%</b> | <b>100.00%</b> |
| Leverage                             | Nil            | Nil            |

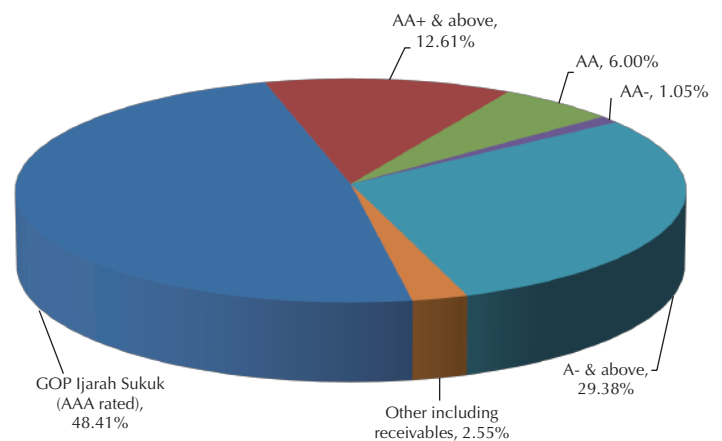
The allocation of the Fund is fairly diversified with significant exposure of more than 48.4% in GoP Ijarah sukus, which are floating rate instruments with 6-months coupon re-setting. The SBP has set a target of Rs. 45 billion in the next GOP Ijara Sukuk auction scheduled in mid September 2012. The remaining assets of the Fund are invested in "AA" and above rated Shariah compliant money market instruments and bank deposits. This minimizes the credit risk and enhances the liquidity profile of the Fund.

### Top Holdings (as at July 31, 2012)

| Name of Sukuks                         | % of Total Assets |
|--|-------------------|
| GOP Ijarah (Sukuk IX)                  | 16.54%            |
| GOP Ijarah (Sukuk VIII)                | 10.55%            |
| HUBCO Short Term Islamic Sukuk         | 10.54%            |
| GOP Ijarah (Sukuk V)                   | 8.97%             |
| Engro Fertilizer Ltd. Short Term Sukuk | 5.69%             |
| GOP Ijarah (Sukuk X)                   | 4.22%             |
| GOP Ijarah (Sukuk XII)                 | 3.17%             |
| GOP Ijarah (Sukuk XI)                  | 2.22%             |
| GOP Ijarah (Sukuk VI)                  | 1.90%             |
| GOP Ijarah (Sukuk VII)                 | 0.84%             |
| <b>Total</b>                           | <b>64.64%</b>     |

The average duration of the Fund is 59 days and the weighted average time to maturity of the Fund is 1.01 years.

### Credit Quality of the Portfolio as of July 31, 2012 (% of Total Assets)



### WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,010,204/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0215/0.24%. For details investors are advised to read note 5 of the Financial Statement of the Scheme for the period ended March 31, 2012 .

### Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Ahmad Nouman, CFA  
Tanvir Abid, CFA, FRM  
Salman Ahmed

**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 dependant 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.