



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/05/2012): Rs. 10.1273

May 2012

## Performance

Performance % *	May 2012	Jul. 2011- May. 2012	Trailing 12 Months	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.63%	10.95%	10.73%	10.72%
Benchmark	8.23%	8.28%	8.30%	8.29%

\* 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. 870 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:	1.25% 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. 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- '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

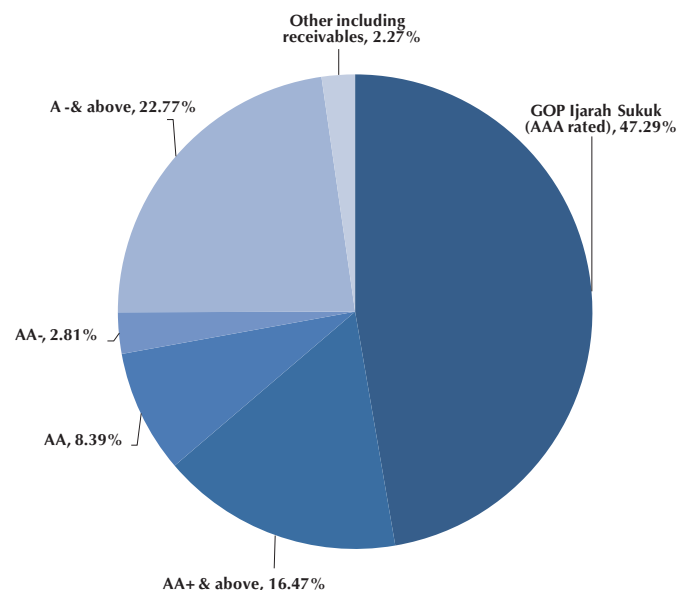
The annualized return generated by NRF SF for the month of May 2012 is 10.63% thus outperforming its benchmark by 2.4%. During FYTD, the Fund has out-performed its benchmark by 2.67% by earning an annualized return of 10.95%. This outperformance is net of management fee and all other expenses.

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 if rated AA- or better. With stability rating of AA-(f), the Fund is amongst the highest rated Islamic Income Funds in the market.

The allocation of the Fund is fairly diversified with significant exposure in GoP Ijarah sukuks, which are floating rate instruments with 6-months coupon re-setting. The remaining assets are invested in "AA" rated Shariah compliant money market instruments and bank deposits. This minimizes the credit risk exposure of the Fund along with the higher liquidity.

The average duration of the Fund is 66 days and the weighted average time to maturity of the Fund is 1.08 years.

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



## Asset Allocation (% of Total Assets) 31-May-12 30-Apr-12

Asset Allocation (% of Total Assets)	31-May-12	30-Apr-12
GOP Ijarah Sukuk - Govt. Backed	47.29%	45.32%
Islamic Money Market Placements	24.19%	23.20%
Cash Equivalents	26.24%	27.49%
Other including receivables	2.28%	3.99%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

## Top Ten Holdings (as at May 31, 2012)

Top 10 Sukuk Holding	
Name of Sukuks	% of Total Assets
GOP Ijarah (Sukuk IX)	17.92%
GOP Ijarah (Sukuk VIII)	11.43%
HUBCO Short Term Islamic Sukuk	11.41%
GOP Ijarah (Sukuk V)	9.72%
Engro Fertilizer Ltd. Short Term Sukuk	8.21%
KAPCO Short Term Islamic Sukuk	4.57%
GOP Ijarah (Sukuk X)	2.85%
GOP Ijarah (Sukuk XI)	2.40%
GOP Ijarah (Sukuk VI)	2.06%
GOP Ijarah (Sukuk VII)	0.91%
<b>Total</b>	<b>71.48%</b>

## 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.