



MONTHLY REPORT (MUFAP's Recommended Format)
Unit Price (31/10/2011): Rs. 10.2042

October 2011

Performance

Performance % *	October 2011	Jul. - Oct. 2011	Jan. - Oct. 2011	Trailing 12 Months	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	10.86%	11.89%	11.55%	11.15%	10.86%
Benchmark	8.54%	8.37%	8.32%	8.20%	8.31%

* 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. 521 million
Type:	Open-end – Shariah Compliant Income Fund
Dealing Days:	Daily – Monday to Friday
Dealing Time:	(Mon - Thr) 9:00 A.M to 5:00 P.M (Friday) 9:00 A.M to 5:30 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

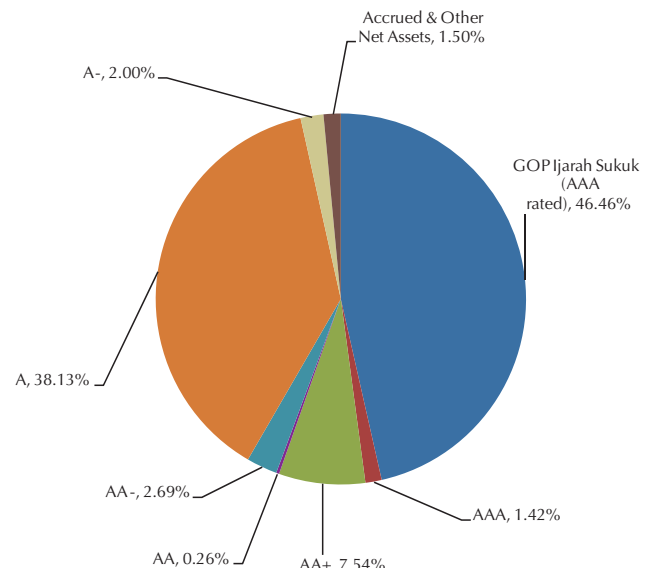
The annualized return generated by NRFSF for the month of October 2011 is 10.86%. The annualized return for the first ten months of the current CY 2011 is 11.55% against the benchmark return of 8.32%, hence an out-performance of 3.23%. Since the Fund's inception over a year ago, the Fund has out-performed its benchmark by 2.55%. 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 sukuks 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 Ijarah Sukuks are still the largest asset class of your Fund with around 47% allocation. Currently, the outstanding amount of GOP Ijarah sukuk is around Rs.229 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. The secondary market bid prices of all GOP Ijarah Sukuks in your Fund have remained high during the previous months as there is still no announcement by SBP regarding timing of next Ijarah Sukuk auction.

The average duration of the Fund is 43 days.

Credit Quality of the Portfolio as of October 31, 2011 (% of NAV)



Asset Allocation (% of NAV)

	31-Oct-11	30-Sep-11
GOP Ijarah Sukuks	46.46%	48.97%
Islamic Commercial Paper	7.19%	7.58%
Cash Equivalents	44.85%	43.06%
Other Net Assets	1.50%	0.39%
Total	100.00%	100.00%
Leverage	Nil	Nil

Top Holdings (as at October 31, 2011)

Name of Sukuk / Islamic Commercial Paper	% of Net Assets
GOP Ijarah (Sukuk VII)	23.73%
GOP Ijarah (Sukuk VIII)	9.62%
HUBCO Islamic Commercial Paper	7.19%
GOP Ijarah (Sukuk V)	6.74%
GOP Ijarah (Sukuk VI)	6.37%
Total	53.65%

Name of the Members of Investment Committee

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