



MONTHLY REPORT (MUFAP's Recommended Format)  
Unit Price (31/10/2012): Rs. 10.0806

October 2012

## Performance

Performance % *	October 2012	FYTD Jul 12 - Oct 12	Trailing 12 Months Nov 11 to Oct 12	Since Launch August 21, 2010
NAFA Riba Free Savings Fund	9.00%	9.76%	10.08%	10.51%
Benchmark	7.68%	8.02%	8.18%	8.25%

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

## General Information

Launch Date:	August 21, 2010
Fund Size:	Rs. 1,103 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% (w.e.f October 15, 2012) (Nil on investment above Rs. 5 million), 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 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

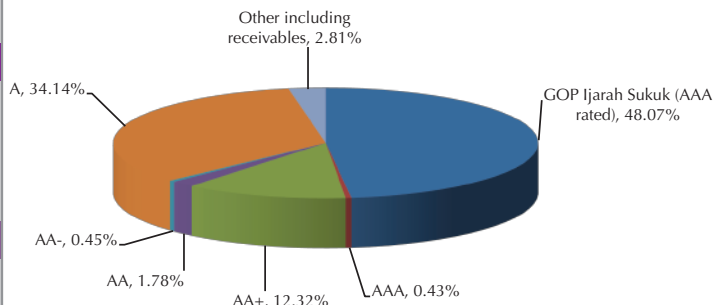
The Fund generated an annualized return of 9.0% for the month of October 2012 thus out-performing its benchmark by 1.32%. During the last one year the Fund has out-performed its benchmark by 1.9% by earning an annualized return of 10.08%. This outperformance is net of management fee and all other expenses.

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.

The allocation of the Fund is fairly diversified with significant exposure of around 48.07% in GoP Ijarah sukuks, which are floating rate instruments with 6-months coupon re-setting. The outstanding stock of GOP Ijarah Sukuk has increased to Rs 416 billion compared Rs 225 billion a year ago. Around 11.81% of the Fund size is invested in "AA+" rated Shariah compliant money market instruments and 37.31% in bank deposits. This allocation reduces the credit risk and enhances the liquidity profile of the Fund.

The weighted average duration of the Fund is 42 days and the weighted average time to maturity of the Fund is 1.0 year. The Fund is invested in floating rate securities. Therefore, the return on the Fund will improve with increase in the discount rate.

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



## Asset Allocation (% of Total Assets) 31-Oct-12 29-Sep-12

Asset Allocation (% of Total Assets)	31-Oct-12	29-Sep-12
GOP Ijarah Sukuk - Govt. Backed	48.07%	48.05%
Islamic Money Market Placements	11.81%	11.80%
Cash Equivalents	37.31%	38.02%
Other including receivables	2.81%	2.13%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
Leverage	Nil	Nil

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

Name of Sukuks	% of Total Assets
GOP Ijarah (Sukuk IX)	15.27%
HUBCO Short Term Islamic Sukuk II	9.76%
GOP Ijarah (Sukuk VIII)	8.89%
GOP Ijarah (Sukuk V)	7.56%
GOP Ijarah (Sukuk XII)	4.45%
GOP Ijarah (Sukuk XIII)	4.17%
GOP Ijarah (Sukuk X)	3.55%
HUBCO Short Term Islamic Sukuk I	2.04%
GOP Ijarah (Sukuk XI)	1.87%
GOP Ijarah (Sukuk VI)	1.60%
<b>Total</b>	<b>59.16%</b>

## WORKERS' WELFARE FUND (WWF)

The scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 2,502,407/-. If the same were not made the NAV per unit/ last one year return of scheme would be higher by Rs. 0.0229/0.25%. For details investors are advised to read note 15 of the Financial Statements of the Scheme for the period ended June 30, 2012 .

## Name of the Members of Investment Committee

Dr. Amjad Waheed, CFA  
Sajjad Anwar, CFA  
Muhammad Ali Bhabha, CFA, FRM  
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.