



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

19-C, Sunset Lane 6, South Park Avenue,
Phase II Ext., D.H.A. Karachi.
Phone: 35312416 - 19, 35889762 Fax: 35889916, 35889743
Web: www.namco.com.pk

Fund Manager's Report for the month of JUNE, 2010

INVESTMENT OBJECTIVE:

To provide stable stream of income with moderate level of risk by investing in fixed income securities.

INVESTMENT STRATEGY:

NAMCO Income Fund will primarily invest in a mix of short, medium and long term debt and fixed income securities in order to optimize the risk-return profile of the overall portfolio.

FUND MANAGER'S REVIEW:

During the month, average 1-Month KIBOR increased and the market was not liquid enough to meet the short term liquidity due to fiscal year end. 1-Month KIBOR averaged at 12.39% as compared to last month averaged 12.11%. while 6-months KIBOR slightly increased from 12.27% on May 31, 2010 to 12.37% on June 30, 2010.

NAMCO Income Fund closed the financial year 2009-2010 on a good note and generated a return of 7.64% in the year of 2009-10 (as compared to our industry average return of 6.00%), while the return since inception worked out to 11.29%. In terms of payout NIF has distributed more than 90% to unit holders in full year of 2009-2010.

Federal Budget 2010-11 provided no surprise for the market. As expected, fiscal consolidation is the key theme, and focusing to decrease the current expenditures and to increase revenue targets.

Budget also announced and imposed Capital Gain Tax on securities (including units of mutual funds) which is effective from 1st July 2010. It imposed CGT of 10% for a holding period of less than six months, 7.5% for a holding period of six month to less than one year, holdings more than one year are exempted from Capital Gain Tax.

We expect consolidation will continue during 2010 leading to a real GDP growth rate of 3.5% to 4.0% that will continue to rise gradually over a couple of years amid risks such as security and political uncertainty will remain a concern that may affect the macroeconomic scenario in the short to medium term.

The Fund is relatively liquid maintaining its focus on high yielding assets with superior credit quality. We shall continue to focus on providing the optimum returns in the market within our risk management parameters, without compromising on credit quality.

GENERAL INFORMATION

Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 99.7108
Fund Size	: 278.50 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: KPMG Taseer Hadi & Co.
Fund Manager	: Asif Iqbal
Management Fee	: 1.25% of NAV per annum
Back-End Load	: 1.00%
Minimum Investment Amount	: Rs.5,000
Listing	: Karachi Stock Exchange
Benchmark	: 1 Month KIBOR

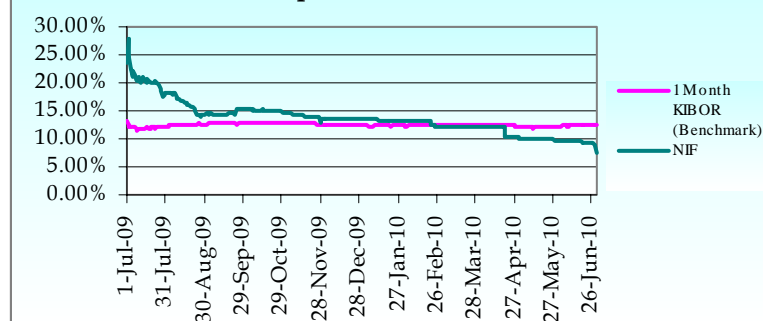
FUND'S PERFORMANCE

Monthly Overview for JUNE, 2010		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	-13.55%
	Year to-date	7.48%
	Since Inception	11.85%
Morning Star**	Monthly Return	-12.74%
	Year to-date	7.64%
	Since Inception	11.29%

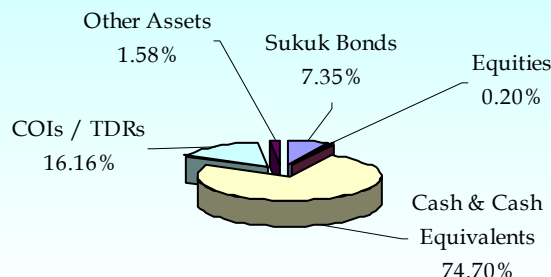
* Returns are net of management fee & all other expenses

** The formula calculates the compounded annualized returns

NIF Comparison with Benchmark



ASSET ALLOCATION AS AT JUNE, 2010



All Investments in Mutual Funds and Securities are subject to market risk. Therefore, the NAV based prices of units cannot be guaranteed. Price of unit and any dividends and returns there on may go up or down on market conditions & past performance of the funds is not necessarily indicative of future results. Investors are advised to read the relevant sections of the Trust Deed and Offering Document for further understanding of the investor policies and risk involved.