



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of December, 2009

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 slightly increased as short term liquidity remained intact due to year end closing. 1-Month KIBOR averaged at 12.44% and closed the month at 12.46%. 6-month KIBOR also increased from 12.41% on November 30, 2009 to 12.43% on December 31, 2009.

Pakistan economy has witnessed gradual improvement due to restricted government borrowing, improvement in external accounts, rebuilding of Forex reserves and declining inflation are some of the key variables which paved the economy in the right direction during the year. IMF also released its 4th installment worth around US\$ 1.2bn, during the month which has taken country's FX reserves to over US\$ 14.50 billion.

We expect consolidation will continue during 2010 leading to a real GDP growth rate of 3.0% that will continue to rise gradually over a couple of years amid risks such as security and political uncertainty remain a concerned that may affect the macroeconomic scenario in the short to medium term.

We expect SBP will continue on the path of monetary easing but with a watchful eye on key economic indicators. Fiscal accounts, inflation numbers and foreign inflows hold the key for any discount rate cut in the upcoming quarters.

During the month, NAMCO Income Fund (NIF) generated a return of 11.80%, while the year to-date return worked out to 13.48%. The Fund is relatively liquid maintaining its focus on high yielding assets with superior credit quality. We shall continue to focus on providing the best returns in the market within our risk management parameters, without compromising on credit quality.

GENERAL INFORMATION

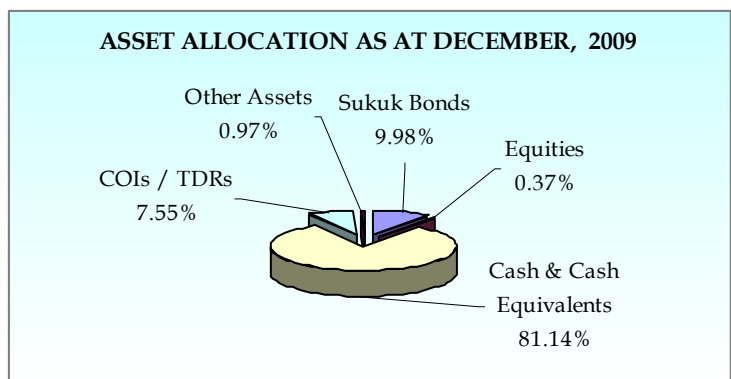
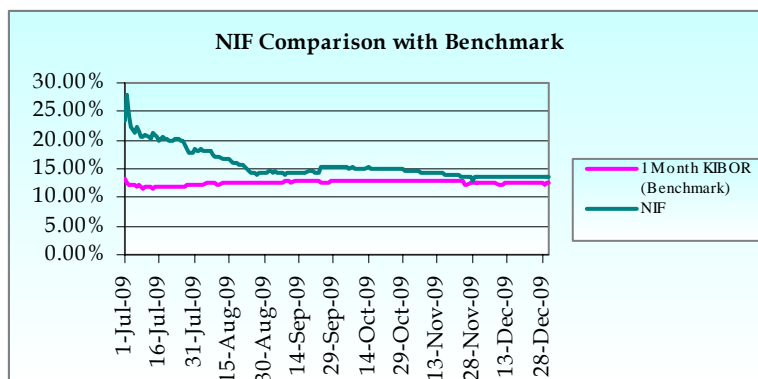
Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 102.8601
Fund Size	: 298.187 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: KPMG Taseer Hadi & Co.
Fund Manager	: Asif Iqbal
Management Fee	: 1.25% of NAV per annum
Back-End Load	: 1.00%
Minimum Investment Amount	: Rs.5,000
Listing	: Karachi Stock Exchange

FUND'S PERFORMANCE

Monthly Overview for DECEMBER, 2009		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	11.21%
	Year to-date	13.06%
	Since Inception	15.14%
Morning Star**	Monthly Return	11.80%
	Year to-date	13.48%
	Since Inception	14.64%

* Returns are net of management fee & all other expenses

** The formula calculates the compounded annualized returns



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.