



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of February, 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

Average 1-Month KIBOR declined during the month as the market remained relatively liquid. 1-Month KIBOR averaged at 12.51% and closed the month at 11.37% as compared to previous month with 13.46% and 12.80% respectively. KIBOR 6-month has fall from 15.25% on January 29, 2009 to 13.01% on February 28, 2009. The banks showed huge interest in T-bills as participation amounted to PKR740bn in two T-bill auctions held in February, 2009. SBP was able to mop up a total of approx PKR 280bn through these auctions. The 3months, 6months and 12months T-Bill rates decreased by 89bps, 78bps and 85bps respectively.

The Government of Pakistan successfully repaid US\$500 million Euro-bonds matured during the month. This would help in improving Pakistan's credit standing. Going forward we expect the central bank to cut its policy rate in the next review.

During the month, NAMCO Income Fund (NIF) generated a return of 28.01% while the return since inception is 12.93% after accounting for the upward revision of debt securities. NIF also announced second interim bonus dividend @3.10 units for every 100 units of NIF during the month, thereby bringing the total payout to 5.75% since launch on July 11, 2008. 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 comprising on credit quality.

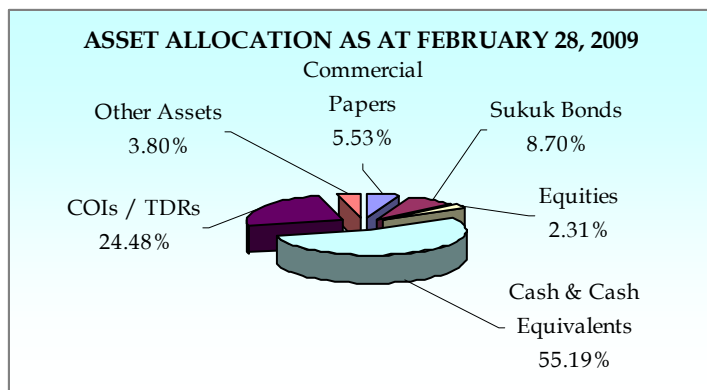
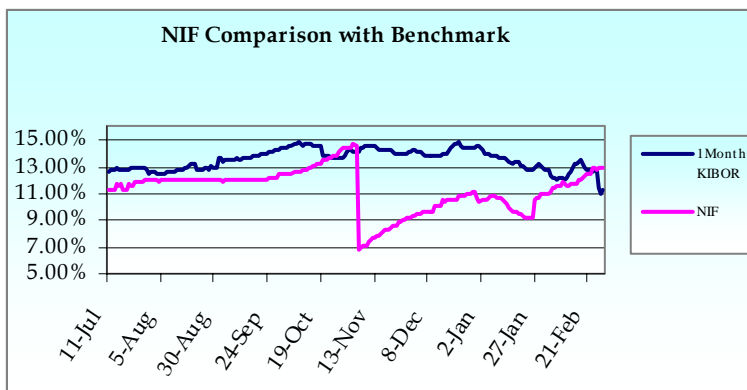
GENERAL INFORMATION

Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
NAV	: Rs. 102.2881
Fund Size	: 273.746 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: A.F. Ferguson & Co
Fund Manager	: Faisal Merchant
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 February, 2009		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	24.93%
	Since Inception	12.65%
Morning Star**	Monthly Return	28.01%
	Since Inception	12.93%

* 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.