



# NAMCO INCOME FUND

Managed by

**National Asset Management Company Limited**

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## Fund Manager's Report for the month of July, 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.

### ACHIEVEMENTS:

We take pride in informing you that NAMCO Income Fund (NIF) ranks amongst the best performing funds in term of Year to-date (YTD) payout. The total YTD payout of 13.55% (Cumulative YTD Payout is 14.29%) consisted of five interim Stock Dividends i.e. 2.65%, 3.10%, 3.5%, 2.8% and 1.5% respectively in less than a year of operations.

### FUND MANAGER'S REVIEW

During the month, average 1-Month KIBOR decreased and the market was liquid enough to ease the pressure of short term liquidity. 1-Month KIBOR averaged at 13.26% and closed the month at 12.03%. 6-months KIBOR decreased sharply from 12.76% on June 30, 2009 to 11.99% on July 31, 2009.

The profit rates on National Saving Certificates (NSSs) have been revised downwards w.e.f July 1, 2009. According to the Central Directorate of National Saving, the profit rate on Special Saving Certificate would now be 11.62 percent and the profit rate on Regular Income Certificate would be 12 percent. The profit rate on Pension and Behbood Certificate has been brought down from 16.10 to 14.16 percent. The profit rate on Saving Certificate has been reduced from 9 percent to 8.5 percent.

Going forward, declining inflation and possible cut in discount rate are likely to keep the interest rates on the lower side.

During the month, NAMCO Income Fund (NIF) generated a return of 18.35%, while the return since inception worked out to 14.55%. 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. 101.8538
Fund Size	: 290.282 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 JULY, 2009		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	16.97%
	Year to-date	16.97%
	Since Inception	14.45%
Morning Star**	Monthly Return	18.35%
	Year to-date	18.35%
	Since Inception	14.55%

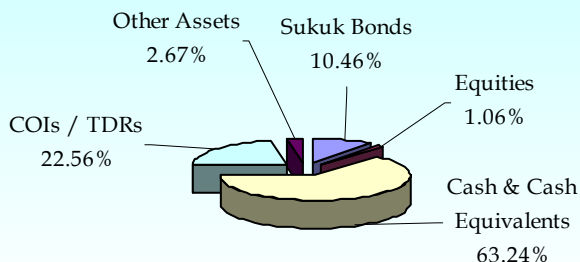
\* Returns are net of management fee & all other expenses

\*\* The formula calculates the compounded annualized returns

NIF Comparison with Benchmark



ASSET ALLOCATION AS AT JULY, 2009



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.