



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of June, 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:

NAMCO Income Fund has announced the final bonus distribution of 1.50 units for every 100 units held i.e. 1.50%, for the period ended June 30, 2009. This brings the total payout to 13.55% in bonus units (cumulative payout of 14.29%) paid out to unit holders in interim distributions. (The year to date annualized return works out to 14.40% in 355 days of operations). The earlier interim distributions amounted to 2.65%, 3.10%, 3.50% and 2.80% respectively.

FUND MANAGER'S REVIEW

During the month, average 1-Month KIBOR decreased but the market remained volatile due to short term liquidity pressure in the money market. 1-Month KIBOR averaged at 13.52% and closed the month at 13.35%. 6-months KIBOR decreased sharply from 13.75% on May 30, 2009 to 12.76% on June 30, 2009 owing to drastic fall of 100 bps in Treasury bills yields. Moreover expectation of reduction in discount rate in the upcoming Monetary policy is likely to keep the KIBOR rates down.

We expect market liquidity to improve, cut in the discount rate in the upcoming Monetary policy will help the liquidity position. As economic indicators continue to improve, we expect SBP to shift their focus towards growth from current emphasis on price stability. With political stability improved and stable foreign exchange reserves, improving current account deficit and expectation of reduction in borrowing costs shall result in a healthy economic recovery in FY 09-10.

During the month, NAMCO Income Fund (NIF) generated a return of 14.49% while the return since inception worked out to 14.43%. 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. 101.9127
Fund Size	: 286.40 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

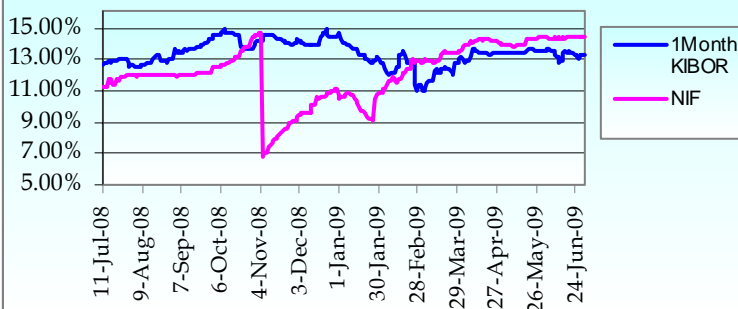
FUND'S PERFORMANCE

Monthly Overview		Returns %*
for JUNE, 2009		NAMCO Income Fund
Annualized Returns	Monthly Return	13.61%
	Since Inception	14.40%
Morning Star**	Monthly Return	14.49%
	Since Inception	14.43%

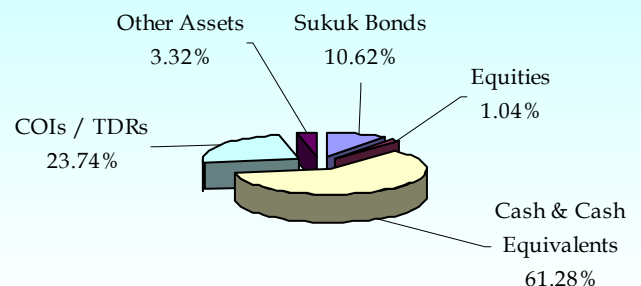
* Returns are net of management fee & all other expenses

** The formula calculates the compounded annualized returns

NIF Comparison with Benchmark



ASSET ALLOCATION AS AT JUNE, 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.