



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of March, 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 12.05% and closed the month at 13.12%. 6-month KIBOR fell from 13.01% on February 28, 2009 to 12.85% on March 31, 2009. The banks showed interest in T-bills as participation amounted to PKR 397.40 billion in two T-bill auctions held in March, 2009. SBP was able to mop up a total of approx PKR 208 billion through these auctions. The 3 months, 6 months and 12 months T-Bill rates decreased by 83 bps, 106 bps and 104 bps respectively.

The World Bank approved US\$ 500 million line of credit for Pakistan to help stabilize the economy. An amount of US\$ 3.95 billion has been released by IMF so far, US\$ 3.1 billion as first tranche of the standby arrangement in November 2008, and US\$ 0.85 billion on March 31 as the second tranche, out of US\$ 7.60 billion loan approved for Pakistan in November 2008. Going forward we expect the central bank to cut its policy rate in the upcoming quarterly review.

During the month, NAMCO Income Fund (NIF) generated a return of 18.13% while the return since inception worked out to 13.38%. 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.

Please note that all fund related figures in this report are as of March 26, 2009 as NIF books remained closed from March 27, 2009 to April 02, 2009, for the entitlement of third interim bonus dividend @3.50 units for every 100 units of NIF.

GENERAL INFORMATION

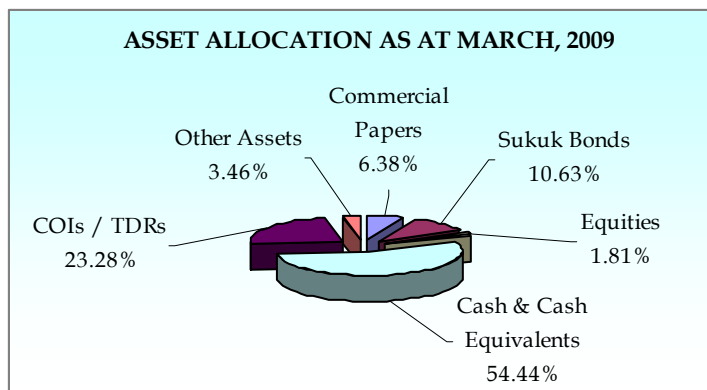
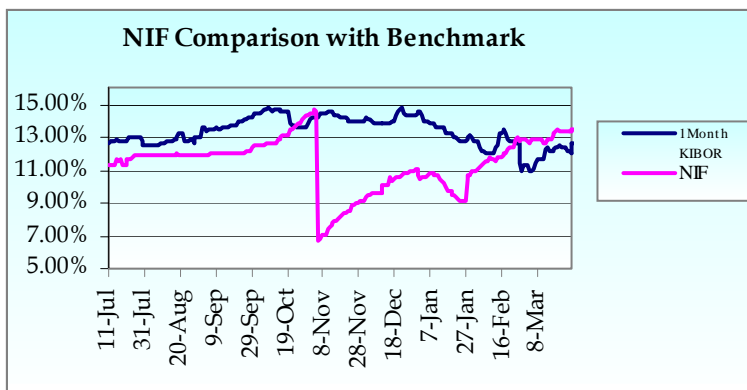
Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 103.5345
Fund Size	: 279.259 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: A.F. Ferguson & Co
Fund Manager	: Faisal Merchant
Management Fee	: 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 March, 2009		NAMCO Income Fund
Annualized Returns	Monthly Return	16.77%
	Since Inception	13.14%
Morning Star**	Monthly Return	18.13%
	Since Inception	13.38%

* 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.