



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of May, 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 been awarded the "Emerging Fund of the year 2008 Award" in the 1st TFD Excellence Awards 2009 held on May 30, 2009. The awards were organized by The Financial Daily (an independent financial media organization) that publishes the only Mutual Fund Magazine in Pakistan.

NAMCO Income Fund, has announced fourth interim bonus dividend of 2.80 units for every 100 units held i.e. 2.80%, for the period ended May 19, 2009. This entitlement is in addition to the 2.65% bonus dividend paid in November 2008, 3.10% in February 2009 and 3.50% in March 2009, thereby bringing the total payout to 12.05% in bonus units (cumulative payout of 12.60%) to the unit holders in interim distribution.

FUND MANAGER'S REVIEW

During the month Average 1-Month KIBOR increased as the market remained volatile due to tight liquidity position. 1-Month KIBOR averaged at 13.47% and closed the month at 13.52%. 6-months KIBOR rose from 13.35% on April 30, 2009 to 13.75% on May 30, 2009. However, PIB auction cut off yields decreased across the board by 20-61 bps as compared to Treasury bill cut off rates that remained stagnant during the month, signifying that short term rates were higher than long term rates due to liquidity pressure in the short term.

As per Advisor to PM on Finance, Pakistan will receive \$2.3 billion from US and other donors before end of June. The World Bank, Asian Development Bank, and US would release \$600 million, \$800 million and \$900 million respectively, whereas International Development Bank (IDB) shall release \$23 million. As a result of this inflow it is expected that pressure on market liquidity will be eased off thereby bringing down the short term money market rates.

During the month, NAMCO Income Fund (NIF) generated a return of 20.43% while the return since inception worked out to 14.49%. 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

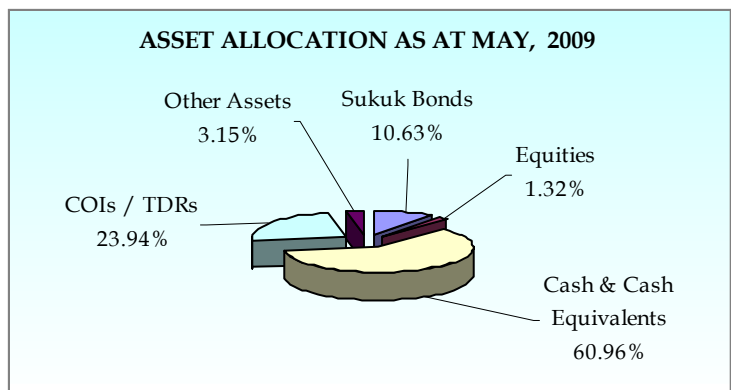
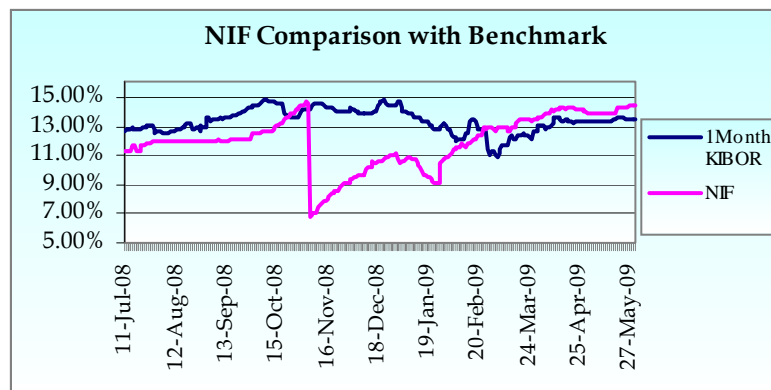
Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 100.6319
Fund Size	: 284.04 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: A.F. Ferguson & Co
Fund Manager	: Faisal Merchant
Management Fee	: 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 May, 2009		NAMCO Income Fund
Annualized Returns	Monthly Return	18.73%
	Since Inception	14.38%
Morning Star**	Monthly Return	20.43%
	Since Inception	14.49%

* 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.