



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

19-C, Sunset Lane 6, South Park Avenue,
Phase II Ext., D.H.A. Karachi.
Phone: 5312416-19, 5889762. Fax: 5889916, 5889743
Web: www.namco.com.pk

Fund Manager's Report for the month of September 2008

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 duration debt and fixed income securities to be able to optimize the risk-return profile of the overall portfolio.

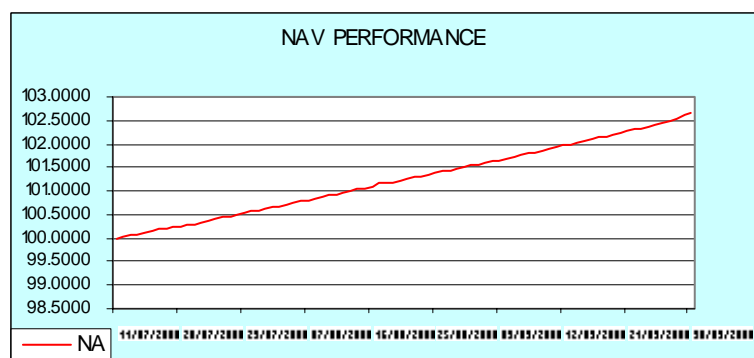
FUND MANAGER'S COMMENTARY:

Since its inception, your fund has earned the highest return during the month of September 2008 – as it touched 12.52% annualized return based on the 'morning star' methodology. The return is considerably higher than the industry average of 11.00%. The performance of the fund was largely stable and the return continued to depict a gradual increase.

During the month, the investment activities remained focused on CFS MK II as well as the money market instruments, specifically during the later parts of the month when higher rates in CFS MK II were witnessed. KIBOR too has maintained an upward trend during the same period.

For global as well as domestic financial markets, the last month has turned out to be extensively bearish. The global markets are facing a full-fledged financial Meltdown. Despite a significant reduction in interest rates and injection of billions of dollars of liquidity by the US Fed, the global financial downturn is yet to be arrested.

On the domestic front, political and economic conditions remain difficult. The recent fatal suicide attack on the Marriot Hotel in the very heart of the Capital has amplified the wave of terror manifold. The current economic stresses are essentially caused by exogenous shocks coming from an unprecedented hike in global commodity prices and a credit crunch in international financial markets.



GENERAL INFORMATION

Fund type	: Open end Income Fund
Currency	: Pak Rupee (PKR)
Fund Size	: 295.448 million
Trustee	: First Dawood Investment Bank Ltd.
Registrar Ltd.	: Technology Trade (Pvt.)
Auditors	: A.F. Ferguson & Co
Fund Manager	: Faisal Merchant
Management Fee	: 1.25% of NAV per annum
Entry/Exit Load	: Nil
Minimum investment Amount	: Rs.5, 000

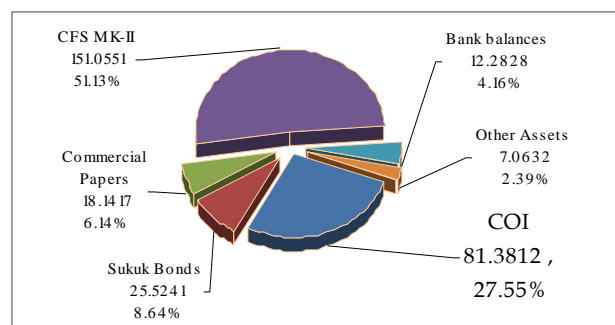
Interest Rates:

KIBOR (1M, 3M, 6M)	14.52%, 14.49%, 14.52%
T-Bills (3M, 6M, 12M)	12.65%, 12.70%, 12.80%
PIB (3Y, 5Y, 7Y, 10Y)	14.00, 14.15%, 14.60%, 14.54%
Discount Rate	13.00%

Fund Performance:

	September 30 2008	Annualized return Since Inception %
NAV	102.6529	12.5228
Benchmark	1 M. KIBOR	

Asset Allocation:



All Investment in Mutual Funds and Securities are subject to market risk. The NAV based price of these units and any dividends and return there on are dependent on forces and factors affecting the Capital markets. These may go up or down on market conditions. Past performance is not necessarily indicative to future results.

Please read the Offering Document to understand the Investment Policies and the risk involved.