



# NAMCO INCOME FUND

Managed by

**National Asset Management Company Limited**

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## Fund Manager's Report for the month of November, 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 debt and fixed income securities in order to optimize the risk-return profile of the overall portfolio.

### FUND MANAGER'S REVIEW

Despite the increase of 200 basis points in the discount rate, average 1-Month KIBOR remained stable during the month as the market remained relatively liquid. 1-Month KIBOR averaged at 14.28% compared to 14.31% during the previous month. The CFS maturities which were previously extended from 22 days contract to 44 days contract were further extended till the third day after the removal of floor from Karachi Stock Exchange.

In order to stabilize the macroeconomic conditions the Government of Pakistan signed a Standby Agreement (SBA) with the IMF worth \$7.6 billion, of which first tranche of \$3.1 billion has already been received. SBP's monetary policy stance would now be highly dependent on the IMF policy framework.

November 2008 was one of the most unpleasant months in the history of fixed income funds due to SECP's forced revaluation of debt securities ranging from 5% to 30% based on instrument ratings. This decision led to a significant one-off impact ranging from 0.16% to 23.72% on the NAVs of almost all the fixed income funds. NIF, however, took 2.28% hit on its NAV, which is one of the lowest within the industry as it maintained a relatively smaller portion in Sukuks and Commercial Paper.

During the month, the investment activities remained focused on short term and high yield money market instruments. Our strategy will be to keep our placements mostly in shorter duration instruments in order to maintain liquidity and to remain resilient to the fast changing money market scenario.

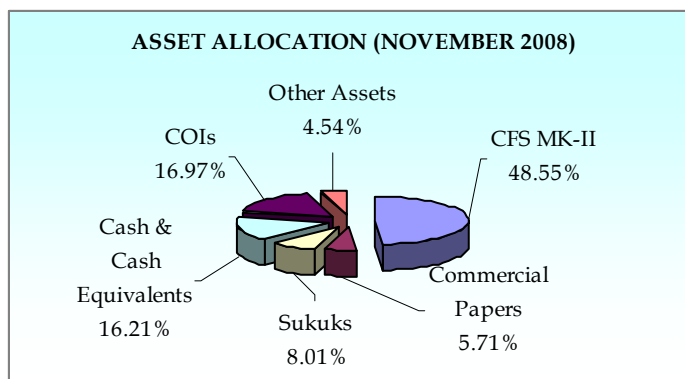
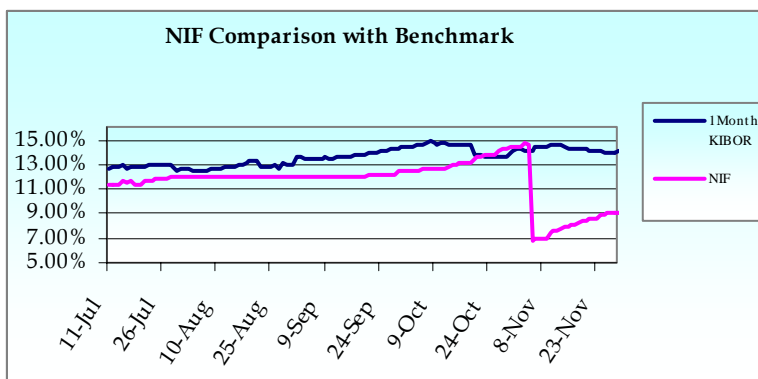
### GENERAL INFORMATION

Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
NAV	: Rs. 100.7636
Fund Size	: 265.159 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
Entry/Exit Load	: Nil
Minimum Investment Amount	: Rs.5,000
Listing	: Karachi Stock Exchange
Benchmark	: 1 Month KIBOR

### FUND'S PERFORMANCE

Monthly Overview for November 2008		Returns %* NAMCO In- come Fund
Annualized Returns	Monthly Return	-10.42%
	Since Inception	8.90%
Morning Star**	Monthly Return	-9.93%
	Since Inception	9.15%

\* Returns are net of management fee & all other expenses  
\*\* The formula calculates the compounded annualized returns



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.