



# 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 November, 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

During the month, average 1-Month KIBOR decreased and the market was liquid enough to ease the pressure of long term liquidity. 1-Month KIBOR averaged at 12.71% and closed the month at 12.37%. 6-month KIBOR also decreased from 12.84% on October 31, 2009 to 12.41% on November 30, 2009.

Improvement in key macroeconomic indicators due to persistence on macroeconomic stabilization program allowed the SBP to continue on the path of monetary easing. Declining inflation, restricted government borrowing and improvement in external accounts are some of the key variables which paved the way for a discount rate reduction by 50bps to 12.5%.

The reduction in the monetary policy rate is broadly in line with our expectation as SBP tried to strike a balance between economic revival and macroeconomic stability. The Monetary policy indicates that SBP has adopted a cautious stance in the face of myriad of challenges that the economy is confront with.

We expect SBP will continue on the path of monetary easing but with a watchful eye on key economic indicators. Fiscal accounts, inflation numbers, foreign inflows and resolution of electricity problem hold the key for any rate cut in the upcoming quarters.

During the month, NAMCO Income Fund (NIF) generated a return of 8.83%, while the year to-date return worked out to 13.76%. 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

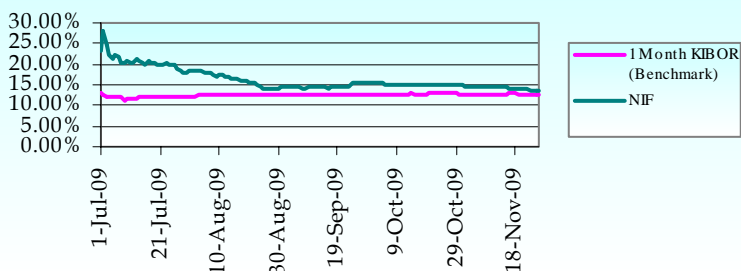
Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 101.7237
Fund Size	: 315.76 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: KPMG Taseer Hadi & Co.
Fund Manager	: Faisal Merchant
Management Fee	: 1.25% of NAV per annum
Back-End Load	: 1.00%
Minimum Investment Amount	: Rs.5,000
Listing	: Karachi Stock Exchange

### FUND'S PERFORMANCE

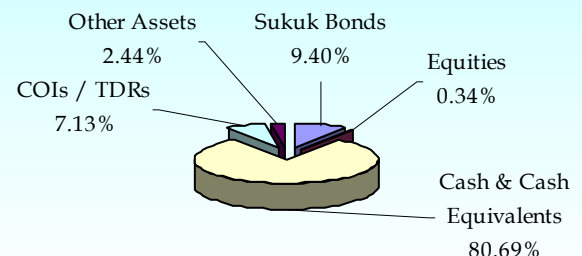
Monthly Overview for NOVEMBER, 2009		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	8.49%
	Year to-date	12.97%
	Since Inception	15.21%
Morning Star**	Monthly Return	8.83%
	Year to-date	13.76%
	Since Inception	14.81%

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

**NIF Comparison with Benchmark**



**ASSET ALLOCATION AS AT NOVEMBER, 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.