



# NAMCO INCOME FUND

Managed by

**National Asset Management Company Limited**

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## Fund Manager's Report for the month of September, 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 slightly increased as the market remained volatile. 1-Month KIBOR averaged at 12.72% and closed the month at 12.74%. 6-month KIBOR rose from 12.56% on August 31, 2009 to 12.65% on September 30, 2009.

The SBP maintained the Discount rate at 13% in the Monetary policy statement announced during the month. Due to increase in commodity prices during Ramadan and Eid festival, inflation numbers remained a concern. However, inflationary figures have posted a declining trend on a YoY basis.

Macroeconomic indicators showed improvement with declining inflation, strengthening external account and Forex reserves. We have also seen some signs of recovery in corporate earnings and foreign inflows during this quarter.

As economic indicators continue to improve, we expect cut in the discount rate in the upcoming Monetary policy which is likely to help the liquidity position. With stable foreign exchange reserves and improved political stability, current account deficit and expectation of reduction in borrowing cost, a healthy economic recovery is anticipated in FY 09-10.

During the month, NAMCO Income Fund (NIF) generated a return of 17.36%, while the year to-date return worked out to be 15.25%. 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. 102.0634
Fund Size	: 291.20 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

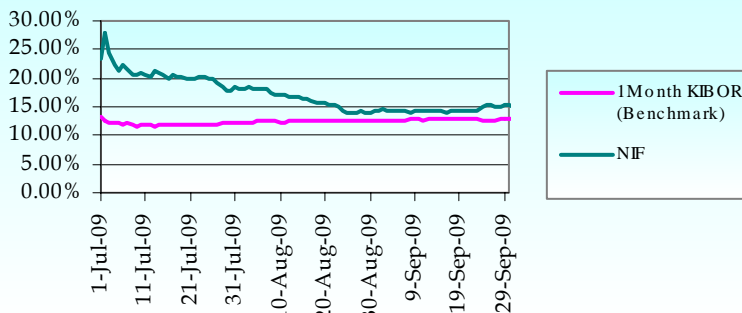
### FUND'S PERFORMANCE

Monthly Overview for SEPTEMBER, 2009		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	16.11%
	Year to-date	14.45%
	Since Inception	14.05%
Morning Star**	Monthly Return	17.36%
	Year to-date	15.25%
	Since Inception	14.20%

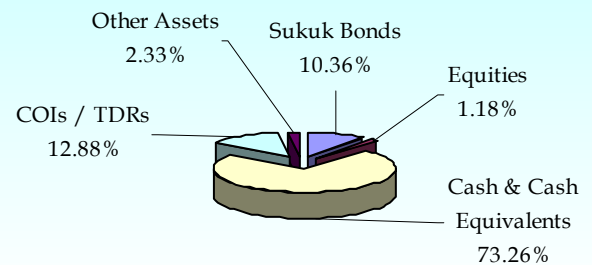
\* Returns are net of management fee & all other expenses

\*\* The formula calculates the compounded annualized returns

NIF Comparison with Benchmark



ASSET ALLOCATION AS AT SEPTEMBER, 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.