



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of February, 2010

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 (NIF) in second year of its operations declared the third interim bonus distribution of 3.00 units for every 100 units held i.e. 3.00%. This brings the total year to date payout to 7.00% in bonus units (cumulative payout of 7.16%) paid out to unit holders in interim distributions. (The year to date annualized return works out to 12.89% in 233 days of operations.). The earlier interim distribution announced on August 10, 2009 and October 20, 2009 amounted to 2.00% each.

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 12.42% and closed the month at 12.41%. 6-month KIBOR also increased from 12.23% on January 31, 2010 to 12.43% on February 28, 2010.

The country's current account deficit has narrowed down by some 69 percent in first seven months mainly due to huge remittances and considerable decline in the trade deficit. According to State Bank of Pakistan the country's current account deficit has declined by \$5.569 billion during the July-January of fiscal year 2009-10. With current decrease, the country's overall current account deficit has narrowed down to \$2.487 billion in the first seven months of current fiscal year as compared to a deficit of \$8.056 billion in the same period last fiscal year.

We expect consolidation will continue during 2010 leading to a real GDP growth rate of 3.0% that will continue to rise gradually over a couple of years amid risks such as security and political uncertainty remain a concerned that may affect the macroeconomic scenario in the short to medium term

During the month, NAMCO Income Fund (NIF) generated a return of 4.66%, while the year to-date return worked out to 12.30%. 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.

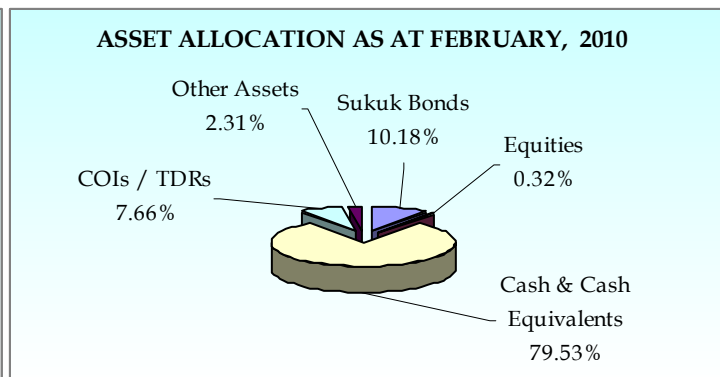
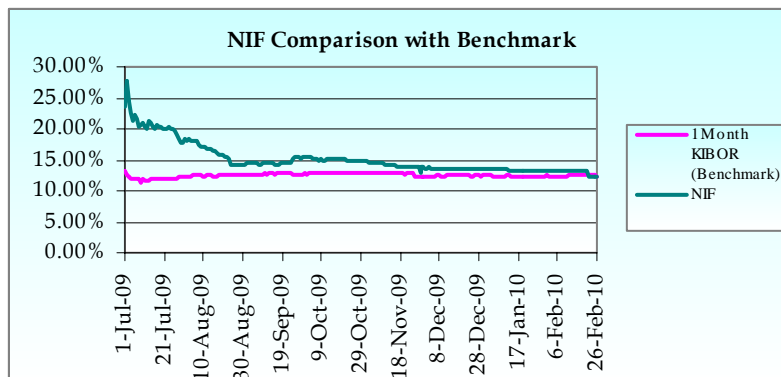
GENERAL INFORMATION

Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 101.1562
Fund Size	: 293.703 Million.
Trustee	: First Dawood Investment Bank Ltd.
Registrar	: Technology Trade (Pvt.) Ltd.
Auditors	: KPMG Taseer Hadi & Co.
Fund Manager	: Asif Iqbal
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 FEBRUARY, 2010		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	4.57%
	Year to-date	12.06%
	Since Inception	14.66%
Morning Star**	Monthly Return	4.66%
	Year to-date	12.30%
	Since Inception	14.05%

* 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.