



# NAMCO INCOME FUND

Managed by

**National Asset Management Company Limited**

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## Fund Manager's Report for the month of January, 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.

### 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 12.36% and closed the month at 12.39%. 6-month KIBOR also decreased from 12.43% on December 31, 2009 to 12.23% on January 31, 2010.

The latest monetary policy statement (MPS) indicates that the SBP has adopted a cautious stance in the face of myriad of challenges that the economy is confronted with. Consequently, the policy rate has been kept unchanged at 12.5% based on the fact of rising inflationary pressure along with uncertainty pertaining to financials inflows and in turn to the risk related to fiscal consolidation.

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

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

During the month, NAMCO Income Fund (NIF) generated a return of 11.37%, while the year to-date return worked out to 13.26%. 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. 103.7787
Fund Size	: 295.26 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

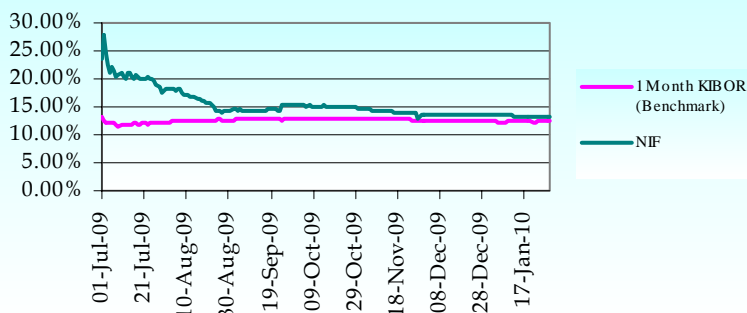
### FUND'S PERFORMANCE

Monthly Overview for JANUARY, 2010		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	10.82%
	Year to-date	12.91%
	Since Inception	15.07%
Morning Star**	Monthly Return	11.37%
	Year to-date	13.26%
	Since Inception	14.50%

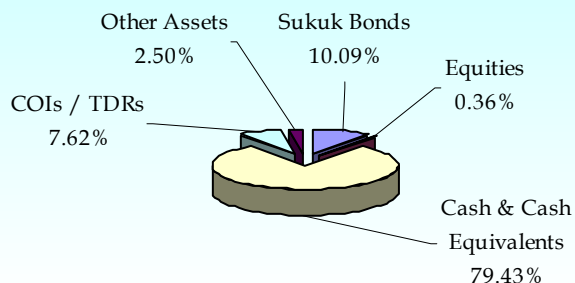
\* Returns are net of management fee & all other expenses

\*\* The formula calculates the compounded annualized returns

NIF Comparison with Benchmark



ASSET ALLOCATION AS AT JANUARY, 2010



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.

