



NAMCO INCOME FUND

Managed by

National Asset Management Company Limited

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Fund Manager's Report for the month of March, 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 increased as the market remained volatile due to tight liquidity position. 1-Month KIBOR averaged at 12.46% and closed the month at 12.37%. 6-month KIBOR slightly decreased from 12.43% on February 28, 2010 to 12.41% on March 31, 2010.

In brief, the economic outlook remained mixed due to rigidity in inflation, setbacks in major crops production during the 8MFY10, increased cost of production and concerns over the financing mix of the budget deficit for FY10. Moreover, concern of servicing of domestic debt (PKR 4,292.5bn, Jan'10) and foreign debt (USD 55.68bn, Dec'09) still remains a problem for the fiscal situation. The economy shows improvements in Large Scale Manufacturing, up by 2.34% in July-Jan FY'10 as compared to -5.4% during the same period in FY09. Current account deficit decreased from 6.8% of GDP in Jul-Feb FY'09 to 2.2% of GDP in Jul-Feb'10, on the back of large decline in imports and 17% 8MFY10 YoY rise in remittances. Forex reserves stood up at a healthy position of USD 14.936bn in Mar-10.

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. Risks such as security and political uncertainty which remain a concerns that may affect the macroeconomic scenario in short to medium term.

During the month, NAMCO Income Fund (NIF) generated a return of 9.86%, while the year to-date return worked out to 12.10%. The Fund is relatively liquid maintaining its focus on short term 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.

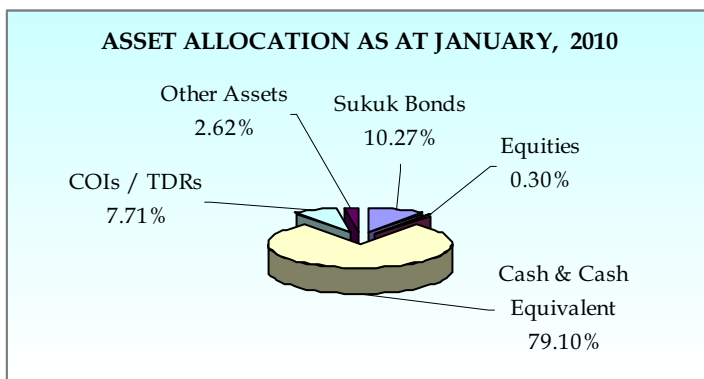
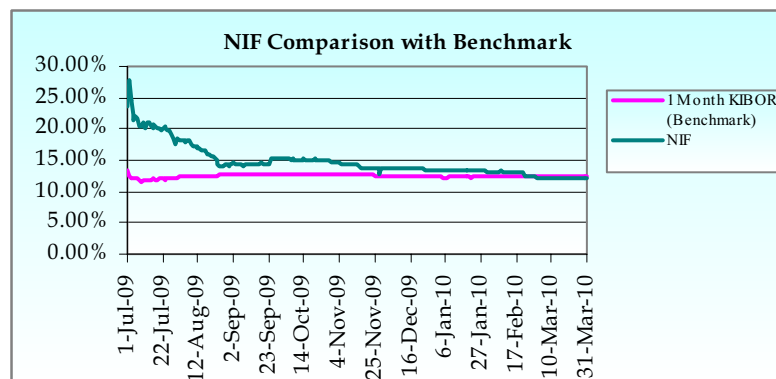
GENERAL INFORMATION

Fund Type	: Open End Income Fund
Currency	: Pak Rupee (PKR)
Date Of Inception	: July 11, 2008
NAV	: Rs. 102.0795
Fund Size	: 291.742 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 MARCH, 2010		Returns %* NAMCO Income Fund
Annualized Returns	Monthly Return	9.44%
	Year to-date	11.92%
	Since Inception	14.55%
Morning Star**	Monthly Return	9.86%
	Year to-date	12.10%
	Since Inception	13.86%

* 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.