

Vision

To be preferred choice of investors seeking long-term safety, growth and consistent returns

To serve our valued clients in realizing their investment objectives through offering efficient, transparent and reliable range of investment management alternatives and to maximize their satisfaction by combining pragmatic application of risk management techniques, state of the art technology and dedicated team of professionals committed to achieve excellence.

Mission



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ORGANIZATION

Management Company

National Asset Management Company Limited
19-C, Sunset Lane-6, South Park Avenue,
Phase-II Extension, D.H.A., Karachi
PABX : 0092-21-5889762, 5312416-19
Fax : 0092-21-5889743, 5395924
Website : www.namco.com.pk

Board of Directors

Dr. Syed Salman A. Shah	Chairman
Mr. Etrat H. Rizvi	Director / Chief Executive
Justice (Retd) M. Javed Buttar	Director
Lt. General (Retd.) M.Hamid Khan	Director
Mr. Shafiq A. Khan	Director

CFO & Company Secretary

Mr. Mutahir N. Pasha

Audit Committee

Mr. Shafiq A. Khan	Chairman
Justice (Retd.) M. Javed Buttar	Member
Lt. General (Retd.) M. Hamid Khan	Member

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust
Building No. 2 Beaumont Road
Karachi, 75530 Pakistan

Legal Advisors

KMS Law Associates
207, Beaumont Plaza, Karachi.

Bankers

Bank of Khyber
KASB Bank Limited
Bank Al Falah Limited
Atlas Bank Limited

Registrar

Technology Trade (Pvt) Ltd.
241-C, Block-2, P.E.C.H.S.,
Off. Main Shahrah-e-Quaideen
Karachi.



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of National Asset Management Company Limited, the Management Company of NAMCO Balanced Fund, is pleased to present the accounts of NAMCO Balanced Fund (NBF) for the nine months ended March 31, 2010.

Market Review

During the nine months period under review, the KSE-100 Index gained 42.1% or 3,016 points and the KSE-30 Index improved by 37.7% or 2,844 points to close at 10,178 and 10,425 points respectively.

The market in the third quarter of FY 2009-10 was slightly volatile but picked up momentum in March, to end on strong note due to net foreign inflows. Heavy foreign inflows during second week of March instigated the upward journey of the market and KSE-100 Index broke the psychological barrier of 10,000 points and for the first time since August, 2008 closed at 10,025 points on March 12, 2010. The net inflow of foreign funds in the market during the quarter according to the SCRA figures comes to US\$122.52m while the fiscal year to date net inflow stands at US\$392.52m.

The main impetus behind this achievement was better corporate results and the net inflow, from foreign investors in the equity bourses that went towards purchasing of heavyweight stocks in sectors such as oil & gas, banking and chemicals. In addition, there was improvement reported in macroeconomic indicators such as workers' remittances and the continued reduction in the trade deficit.

Fund Performance

For the period ended March 31, 2010, your Fund earned gross revenue of Rs. 210.74 million. This comprised of realized capital gain of Rs. 152.41 million, unrealized gain of Rs. 8.231 million, dividend income of Rs. 24.33 million, income on bank deposits of Rs. 18.10 million while income from other sources amounted to Rs. 12.03 million which was partly offset by impairment of available for sale financial assets amounting to Rs. 4.38 million.

Operating expenses during the same period were Rs. 22.92 million the significant constituents of the expenses include remuneration to Management Company amounting to Rs. 18.79 million, securities transaction costs amounting to Rs. 2.07 million and other expenses amounting to Rs. 2.06 million. Earning per certificate for the period under review worked out to Rs. 1.88. Net asset value per certificate on 31st March 2010 stands at Rs. 8.09. NAMCO Balanced Fund declared interim cash dividends amounting to Rs. 0.50 and Rs. 0.60 for the period ended September 30, 2009 and December 31, 2009 respectively.

Future Outlook

We expect the positive momentum of the market to continue on the back of higher foreign inflows, upcoming better corporate results and positive development on the political front. However, we maintain our cautious approach and remain invested in stocks, which have better yield based on attractive valuations, as at current level market is heavily dependent on foreign inflows. Furthermore upcoming Federal Budget will decide the future direction of the market.



Management Company Rating

JCR-VIS Credit Rating Company Limited has maintained the management quality rating of AM3 minus for National Asset Management Company Limited (NAMCO), the Management Company of NBF. The AM3 minus rating is categorized as "Good Quality Management", which reflects NAMCO's capability to meet high quality objectives in its management functions.

Acknowledgements

The Board wishes to express its appreciation for the continued cooperation, support and the guidance of Securities & Exchange Commission of Pakistan, Karachi Stock Exchange, National Clearing Company Limited, Trustee of the Fund as well as the brokers of the company. The Board also appreciates the management team and the staff members for their commitment and dedicated efforts.

April 20, 2010

ETRAT H. RIZVI
Chief Executive



NAMCO BALANCED FUND

**CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES (UN-AUDITED)**

AS AT 31 MARCH 2010

	Note	(Un-audited) 31 March 2010	(Audited) 30 June 2009
----- Rupees -----			
ASSETS			
Current assets			
Balances with banks	5	188,566,782	24,985,222
Short-term investments	6	579,147,348	625,517,449
Receivable against sale of investments		326,741	542,981
Dividend and other receivables	7	13,491,245	5,748,199
Prepayments and security deposits		3,675,000	3,675,000
Total current assets		785,207,116	660,468,851
Non-current assets			
Long-term investments	8	55,000,000	70,000,000
Total assets		840,207,116	730,468,851
LIABILITIES			
Current liabilities			
Current portion of preliminary expenses and floatation costs payable to Management Company		1,801,986	1,801,986
Payable to Management Company-National Assets Management Company Limited		2,100,747	1,771,859
Payable to Trustee-First Dawood Investment Bank Limited		60,492	54,189
Payable to Securities and Exchange Commission of Pakistan		532,538	697,325
Payable against purchase of investments	9	21,172	21,172
Accrued expenses		3,332,094	449,474
Unclaimed dividend		21,736,207	261,450
		29,585,236	5,057,455
Long-term liability			
Preliminary expenses and floatation costs payable to Management Company		1,801,986	3,603,972
Total liabilities		31,387,222	8,661,427
NET ASSETS		808,819,894	721,807,424
CERTIFICATE CAPITAL AND RESERVES			
Certificate capital		1,000,000,000	1,000,000,000
Unrealised appreciation on re-measurement of investments classified as 'available for sale' - net		9,198,273	-
Accumulated loss		(200,378,379)	(278,192,576)
TOTAL CERTIFICATE HOLDERS' FUNDS		808,819,894	721,807,424
NET ASSETS VALUE PER CERTIFICATE		8.09	7.21
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The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Asset Management Company Limited
(Management Company)**

Chief Executive

Director



NAMCO BALANCED FUND

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2010**

	Nine months ended		Quarter ended	
	March 31 2010	2009	March 31 2010	2009
----- Rupees -----				
INCOME				
Capital gain / (loss) on sale of investments - net	152,412,137	(89,376,895)	44,154,785	(69,900,987)
Dividend income	24,332,992	21,656,557	10,252,306	5,261,687
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	973,697	(200,545,394)	(30,570,384)	180,494,154
Unrealised gain / (loss) - letter of rights	7,257,195	4,969,981	7,257,195	4,953,312
Impairment of financial assets classified as 'available for sale'	(4,375,827)	(47,246,702)	(5,878,532)	(19,559,143)
Income from Continuous Funding System (CFS) transactions	-	8,765,849	-	28,818
Profit on balances with banks	18,100,311	7,467,086	7,213,670	1,998,834
Profit on Certificates of Investment / Musharaka	11,001,383	13,116,674	2,667,462	5,076,301
Profit on Clean Placement	-	206,812	-	-
Profit on Sukuk Bonds	1,037,157	941,077	334,784	414,707
Profit on Term deposit receipt	-	1,402,397	-	1,402,397
Profit on Commercial Papers	-	34,170	-	-
Other income	-	47,261	-	22,625
	210,739,045	(278,561,127)	35,431,286	110,192,705
OPERATING EXPENSES				
Remuneration to Management Company-National Asset Management Company Limited	18,795,475	17,348,284	6,278,509	4,641,138
Remuneration to Trustee-First Dawood Investment Bank Limited	538,463	514,344	178,614	151,325
Annual fee - Securities Exchange Commission of Pakistan	532,538	541,957	177,891	131,499
Annual fee - Central Depository Company of Pakistan Limited	123,156	97,088	45,717	33,110
Securities transaction costs	2,067,594	1,293,703	705,357	510,446
Auditors' remuneration	335,084	321,251	104,794	102,609
Annual listing fee	363,226	127,500	163,786	-
Bank charges	8,059	5,110	2,180	3,505
Legal and professional charges	85,575	82,575	30,123	27,123
Other expenses	75,678	811,590	75,678	258,757
	22,924,848	21,143,402	7,762,649	5,859,512
Income / (loss) before taxation	187,814,197	(299,704,529)	27,668,637	104,333,193
Taxation	-	-	-	-
Net Income / (loss) after taxation	187,814,197	(299,704,529)	27,668,637	104,333,193
Earnings / (loss) per certificate	1.88	(3.00)	0.28	1.04

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Asset Management Company Limited
(Management Company)**

Chief Executive

Director

**NAMCO BALANCED FUND****CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2010**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31</u>	<u>March 31</u>	<u>March 31</u>	<u>March 31</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	<u>----- Rupees -----</u>			
Net income / (loss) for the period	187,814,197	(299,704,529)	27,668,637	104,333,193
Other comprehensive income:				
Net unrealised appreciation / (diminution) during the period in the value of investment classified as 'available for sale'	4,822,446	(45,470,714)	(3,281,070)	19,550,422
Impairment losses on investments classified as 'available for sale'-transferred to income statement	4,375,827	47,246,702	5,878,532	4,279,512
	9,198,273	1,775,988	2,597,462	23,829,934
Total comprehensive income/ (loss) for the period	<u>197,012,470</u>	<u>(297,928,541)</u>	<u>30,266,099</u>	<u>128,163,127</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Asset Management Company Limited
(Management Company)**

Chief Executive

Director

**NAMCO BALANCED FUND****CONDENSED INTERIM
DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2010**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31</u>	<u>2009</u>	<u>March 31</u>	<u>2009</u>
	<u>2010</u>		<u>2010</u>	
	<u>----- Rupees -----</u>			
Undistributed income / (loss) at beginning of the period	(278,192,576)	11,363,420	(168,047,016)	(392,674,302)
Net income / (loss) after taxation for the period	187,814,197	(299,704,529)	27,668,637	104,333,193
Interim cash dividend paid at the rate of Re. 0.60 per certificate	(110,000,000)	-	(60,000,000)	-
Undistributed loss at end of the period	<u>(200,378,379)</u>	<u>(288,341,109)</u>	<u>(200,378,379)</u>	<u>(288,341,109)</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Asset Management Company Limited
(Management Company)**

Chief Executive

Director



NAMCO BALANCED FUND

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2010**

	Certificate capital	Unrealised appreciation / (diminution) on re-measurement of investments classified as available for sale - net	(Accumulated loss)	Total
	----- Rupees -----			
Balance as at 01 July 2008	1,000,000,000	7,438,358	11,363,420	1,018,801,778
<i>Changes in equity for the Nine months period ended 31 March 2008</i>				
Total comprehensive (loss) for the period				
Net (loss) for the period	-	-	(299,704,529)	(299,704,529)
Others				
Impairment losses on investments classified as 'available for sale' -transferred to income statement	-	(52,909,072)	-	(52,909,072)
Net unrealised (diminution) during the period in the value of investment classified as 'available for sale'	-	47,246,702	-	47,246,702
Total comprehensive (loss) for the period	-	(5,662,370)	(299,704,529)	(305,366,899)
Balance as at 31 March 2009	1,000,000,000	1,775,988	(288,341,109)	713,434,879
Balance as at 01 July 2009	1,000,000,000	-	(278,192,576)	721,807,424
<i>Changes in equity for the Nine months period ended 31 March 2009</i>				
Total comprehensive income for the period				
Net income for the period	-	-	187,814,197	187,814,197
Others				
Impairment losses on investments classified as 'available for sale'-transferred to income statement	-	4,375,827	-	4,375,827
Net unrealised appreciation during the period in the value of investment classified as 'available for sale'	-	4,822,446	-	4,822,446
Total comprehensive income for the period	-	9,198,273	187,814,197	197,012,470
Transactions with owners recorded directly in equity				
Distribution				
Interim cash dividend paid at the rate of Re. 1.10 per certificate	-	-	(110,000,000)	(110,000,000)
Balance as at 31 March 2010	1,000,000,000	9,198,273	(200,378,379)	808,819,894

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Asset Management Company Limited
(Management Company)**

Chief Executive

Director



**CONDENSED INTERIM
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2010**

	Nine months ended		Quarter ended	
	March 31 2010	2009	March 31 2010	2009
Rupees				
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before taxation	187,814,197	(299,704,529)	27,668,637	104,333,193
Adjustments for non-cash charges and other items:				
Fee to Management Company	18,795,475	17,348,284	6,278,509	4,641,138
Fee to trustee	538,463	514,344	178,614	151,325
Fee to SECP	532,538	541,957	177,891.00	-
Dividend income	(24,332,992)	(21,656,557)	(10,252,306)	(5,261,687)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(973,697)	200,545,394	30,570,384	(180,494,154)
Impairment of financial assets classified as available for sale	4,375,827	47,246,702	5,878,532	19,559,143
Unrealised gain - letters of rights	(7,257,195)	(4,969,981)	(7,257,195)	(4,953,312)
Operating cash inflow before working capital changes	179,492,616	(60,134,386)	53,243,066	(62,024,354)
(Increase) / decrease in assets				
Investments - net	164,640,990	(49,212,569)	(81,099,662)	15,518,358
Receivable against sale of investments	869,722	33,226,351	(325,653)	(4,959,383)
Receivable against continuous funding system	(113,259,104)	113,259,104	(1,950,072)	44,931,011
Prepayments and security deposits	-	657,086	-	254,957
Other receivables	-	2,601,143	-	2,116,668
	231,744,224	40,396,729	(30,132,321)	(4,162,743)
Increase / (decrease) in liabilities				
Fee payable to SECP	(164,487)	-	177,891	131,499
Fee payable to Management Company	328,888	-	(1,831)	-
Fee Payable to Trustee	6,303	-	(31)	-
Payable against purchase of investments	-	(5,074,416)	(12,492,681)	(5,239,714)
Accrued expenses	2,882,620	(560,702)	2,795,606	156,929
Unclaimed dividend	21,474,757	-	19,255,067	-
	256,272,305	34,761,611	(20,398,300)	(9,114,029)
Fee paid to the Management Company	(18,466,587)	(18,214,752)	(6,280,340)	(4,902,573)
Fee paid to the SECP	(697,325)	(1,087,246)	(697,325)	-
Fee paid to the trustee	(532,160)	(527,962)	(178,645)	(155,682)
Preliminary expenses and floatation costs paid	(1,801,986)	(1,801,986)	-	-
Net cash used in operating activities	234,774,247	13,129,665	(27,554,610)	(14,172,284)
CASH FLOW FROM INVESTING ACTIVITIES				
Dividend received	17,332,556	20,678,240	2,301,670	3,088,237
Net cash inflow from investing activities	17,332,556	20,678,240	2,301,670	3,088,237
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issuance of certificates	-	-	-	-
Dividend paid	(88,525,243)	-	(40,744,933)	-
Net cash (used in) / generated from financing activities	(88,525,243)	-	(40,744,933)	-
Net (decrease) / increase in cash and cash equivalents	163,581,560	33,807,905	(65,997,873)	(11,084,047)
Cash and cash equivalents at the beginning of the year / period	24,985,222	33,924,239	254,564,655	78,816,191
Cash and cash equivalents at the end of the year / period	188,566,782	67,732,144	188,566,782	67,732,144

The annexed notes from 1 to 13 form an integral part of these financial statements.

**For National Asset Management Company Limited
(Management Company)**

Chief Executive

Director



**NOTES TO THE CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2010**

1. STATUS AND NATURE OF BUSINESS

NAMCO Balanced Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has been authorised as a closed end scheme by the Securities and Exchange Commission of Pakistan (SECP) on 01 May 2006. It was constituted under a Trust Deed, dated 17 April 2006, between National Asset Management Company Limited as Management Company and First Dawood Investment Bank Limited (FDIBL) as the Trustee.

The Fund is a closed end balanced mutual fund and its certificates are listed on the Karachi Stock Exchange. The principal activity of the Fund is to make investments in equity market and fixed income securities including money market instruments.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM3- to the Management Company. As at 31 December 2009 The Pakistan Credit Rating Agency Limited (PACRA) through a press release has downgraded rating of the Trustee-FDIBL to "D". The management is in the process of obtaining rating of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's annual financial statements as at and for the period ended 30 June 2009.

This condensed interim financial information is being submitted to the certificate holders as required by listing regulations of Karachi Stock Exchange and rule 38(g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008.

2.2 Initial application of a standard or an interpretation

During the current period, International Accounting Standard (IAS) 1 (Revised), "Presentation of Financial Statements" and International Financial Reporting Standard (IFRS) 8, "Operating Segments" became effective from the annual period beginning on or after 1 January 2009.

- As a result of the application of IAS 1, the Fund has presented in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in statement of comprehensive income.
- The IFRS 8 requires reporting of operating segments based on separate financial information that is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The management of the Fund reviews the Fund's performance on overall basis instead of individual operating segments. Therefore, additional information required by IFRS 8 has been disclosed in respective notes to this condensed interim financial information.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2009 except for the changes mentioned in note 2.2 above due to the adoption of IAS 1 (revised) and IFRS 8; these changes, however had no effect on the Fund's income for the period or prior periods.



NAMCO BALANCED FUND

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June 2009.

- 4.2 The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

	Note	(Un-audited) 31 March 2010	(Audited) 30 June 2009
		----- Rupees -----	

5. BALANCES WITH BANKS

Balances in PLS accounts	5.1	<u>188,566,782</u>	<u>24,985,222</u>
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- 5.1 These carry mark up ranging from 5% to 13% (30 June 2009: 10% to 20%) per annum.

6. SHORT-TERM INVESTMENTS

'Financial assets at fair value through profit and loss' - held for trading

- Quoted equity securities - regular market trade	6.1& 6.2	488,670,762	486,332,839
- Right Allotment letter		7,257,195	-

Available for sale

- Quoted equity securities	6.1& 6.3	48,219,391	17,184,610
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Loans and receivables

- Fixed income and other debt securities	6.1& 6.4	35,000,000	122,000,000
		<u>579,147,348</u>	<u>625,517,449</u>

- 6.1 All investee companies in which the Fund has investments are based in Pakistan.



6.2 Investments - financial assets at fair value through profit or loss - held for trading
Unless stated otherwise, the holdings are in ordinary shares / certificates of Rs. 10/- each.

Name of investee	Balance as at 31 Mar 2010										Percentage in relation to		
	As at 1 July 2009	Purchases during the period	Bonus / rights issue	Sales during the period	Holding as at 31 Mar 2010	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments	
OIL & GAS													
Attock Petroleum Limited	30,600	58,470	-	(63,570)	25,500	9,157,580	9,157,580	(103,040)	1.08%	0.030%	1.428%		
Attock Refinery Limited	-	-	-	(2,000)	(2,000)	-	-	-	0.00%	0.00%	0.00%		
Bostore Pakistan Limited	367,500	1,192,389	-	(1,382,389)	177,500	2,165,345	1,952,500	(212,845)	0.23%	0.22%	0.308%		
Mari Gas Company Limited	-	76,287	12,500	(48,787)	40,000	5,926,612	5,926,612	(433,812)	0.65%	0.11%	0.866%		
National Refinery Limited	50,700	1,500	-	(5,700)	46,500	16,425,044	10,202,600	(1,810,280)	1.00%	0.08%	1.323%		
Oil & Gas Development Corporation Limited	545,200	385,985	-	(911,185)	20,000	2,512,880	2,512,880	84,320	0.31%	0.01%	0.410%		
Pakistan Oilfields Limited	361,200	310,605	-	(607,805)	64,000	14,835,001	14,500,038	465,722	1.78%	0.09%	2.360%		
Pakistan Petroleum Limited	205,000	176,312	45,000	(326,312)	100,000	17,984,257	17,542,829	1,999,171	2.33%	0.13%	3.082%		
Pakistan Refinery Limited	17,500	18,500	-	(36,000)	-	-	-	-	0.00%	0.00%	0.00%		
Pakistan State Oil Company Limited	199,000	289,683	-	(449,413)	39,270	11,996,237	11,996,237	169,216	1.45%	0.01%	1.918%		
Shell Pakistan Limited	10,600	8,670	-	(19,270)	-	-	-	-	0.00%	0.00%	0.00%		
	1,787,300	2,518,401	57,500	(3,852,431)	510,770	81,002,956	74,004,121	158,452	-	-	-		
CHEMICALS													
Engro Chemical Pakistan Limited	190,600	231,700	8,500	(354,800)	76,000	12,470,566	12,239,853	2,946,467	1.81%	0.02%	2.395%		
Fauji Fertilizer Bin Qasim Limited	743,000	227,697	-	(410,500)	560,197	17,542,578	11,952,887	5,878,184	2.12%	0.06%	2.812%		
Fauji Fertilizer Company Limited	145,600	263,500	-	(294,100)	115,000	11,221,025	11,470,391	12,614,350	1,443,959	5.04%	1.989%		
LOTTE Pakistan PTA Ltd	-	4,617,526	-	(1,177,975)	3,439,551	25,873,451	25,873,451	37,594,292	11,720,841	44.83%	0.22%		
Stara Peroxide Limited	30,500	-	-	-	30,500	1,377,202	562,420	383,385	(179,035)	0.04%	0.060%		
	1,109,700	5,340,423	8,500	(2,237,375)	4,221,248	68,484,822	62,099,002	83,609,418	21,510,416	-	-		
INDUSTRIAL METALS & MINING													
Crescent Steel and Allied Products Limited	102,600	12,066	-	(62,500)	114,666	4,513,725	2,168,659	918,150	0.36%	0.20%	0.487%		
Dost Steels Limited	52,500	-	-	-	-	-	-	-	0.00%	0.00%	0.00%		
	155,100	12,066	-	(62,500)	114,666	4,513,725	2,168,659	918,150	-	-	-		
CONSTRUCTION & MATERIALS													
Attock Cement Pakistan Limited	87,500	7,500	17,000	(17,000)	95,000	8,364,965	5,601,243	1,152,307	0.80%	0.11%	1.065%		
D.G. Khan Cement Limited	353,800	195,000	-	(258,800)	290,000	10,280,521	9,124,165	910,100	(21,665)	1.08%	0.095%		
Dewan Cement Limited	149,000	-	-	(10,000)	139,000	525,294	382,250	429,510	0.05%	0.03%	0.068%		
Fauji Cement Company Limited	517,000	444,749	-	(55,000)	906,749	8,737,946	5,918,975	(16,039)	0.70%	0.13%	0.931%		
Lucky Cement Limited	5,000	283,540	-	(253,540)	35,000	2,797,594	2,797,594	47,556	0.33%	0.01%	0.449%		
Maple Lear Cement Limited	230,300	-	-	(90,500)	200,000	2,143,777	852,000	48,000	0.10%	0.05%	0.142%		
Lafarge Cement Limited	659,000	-	-	(659,000)	-	-	-	-	0.00%	0.00%	0.00%		
	2,001,800	930,789	17,000	(1,283,840)	1,666,749	32,850,097	24,676,827	25,934,246	-	-	-		



NAMCO BALANCED FUND

Name of Investee	No of shares				Balance as at 31 Mar 2010				Percentage in relation to			
	As at 1 July 2009	Purchases during the period	Bonus / rights issue	Sales during the period	Holding as at 31 Mar 2010	Cost	Carrying cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital ^a	Total investments
Rupees												
GENERAL INDUSTRIALS												
Packages Limited	64,000	6,400	-	(34,000)	36,400	9,830,169	5,705,391	4,732,000	(973,391)	0.564%	0.043%	0.746%
SUPPORT SERVICES												
The Resource Group Pakistan	675,000	-	-	(455,000)	220,000	1,369,189	297,000	734,800	437,800	0.088%	0.057%	0.116%
AUTOMOBILE AND PARTS												
Indus Motor Company Limited	-	50,119	-	(50,119)	-	-	-	-	-	0.000%	0.000%	0.000%
Pak Suzuki Motor Company Limited	113,900	33,000	-	(71,900)	75,000	14,469,360	5,614,633	5,967,750	353,097	0.712%	0.091%	0.941%
	113,900	33,119	-	(122,019)	75,000	14,469,360	5,614,633	5,967,750	353,097	-	-	-
FOOD PRODUCTS												
Shakarganj Mills Limited	107,500	-	-	(45,403)	62,097	1,129,170	316,695	403,631	86,936	0.048%	0.089%	0.064%
PERSONAL GOODS												
Azgard/Nine Limited	4,000	596,234	-	(140,234)	460,000	10,469,616	10,469,616	6,412,400	(4,057,216)	0.765%	0.102%	1.011%
Kohinoor Textile Mills Limited	134,500	100	-	(134,600)	-	-	-	-	-	0.000%	0.000%	0.000%
Nishat (Chunian) Limited	386,000	316,054	468,027	(1,170,081)	-	-	-	-	-	0.000%	0.000%	0.000%
Nishat Mills Limited	270,000	1,007,500	11,000	(438,500)	850,000	56,375,401	56,365,851	47,422,430	(8,943,421)	5.655%	0.351%	7.478%
Samin Textile Mills Limited	80,000	-	-	(63,235)	16,765	167,590	95,658	159,268	64,210	0.019%	0.125%	0.025%
	894,500	1,919,888	479,027	(1,966,650)	1,326,765	67,012,607	66,930,525	53,994,098	(12,936,427)	-	-	-
TRAVEL AND LEISURE												
Pakistan International Airlines Corporation	613,000	100	-	(113,000)	500,100	3,363,839	1,660,330	1,470,294	(190,036)	0.175%	0.023%	0.232%
FIXED LINE TELECOMMUNICATION												
Pakistan Telecommunication Company Limited	781,000	536,700	-	(517,700)	800,000	19,968,973	14,388,907	16,808,000	2,419,093	2.004%	0.021%	2.650%
WorldCall Telecom Limited	361,500	225,000	-	(261,500)	325,000	2,264,219	1,356,000	1,530,750	204,750	0.183%	0.058%	0.241%
	1,142,500	761,700	-	(779,200)	1,125,000	22,233,192	15,714,907	18,338,750	2,623,843	-	-	-
ELECTRICITY												
Hub Power Company Limited	602,500	141,600	-	(694,100)	50,000	1,654,950	1,654,950	1,713,500	58,550	0.204%	0.004%	0.270%
Kot Addu Power Company Limited	210,500	174,398	-	(317,398)	67,500	3,019,402	3,019,402	3,035,475	16,073	0.362%	0.008%	0.479%
	813,000	315,998	-	(1,011,498)	117,500	4,674,352	4,674,352	4,748,975	74,623	-	-	-
GAS WATER & MULTI-UTILITIES												
Sui Northern Gas Pakistan Limited	76,800	59,096	-	(33,134)	102,762	3,796,757	3,171,597	3,548,372	376,775	0.423%	0.019%	0.560%
Sui Southern Gas Co. Limited	52,500	464,482	-	(106,032)	410,950	6,518,642	6,530,017	8,683,374	2,153,357	1.036%	0.061%	1.369%
	129,300	523,578	-	(139,166)	513,712	10,315,399	9,701,614	12,231,746	2,530,132	-	-	-



NAMCO BALANCED FUND

Name of Investee	No of shares					Balance as at 31 Mar 2010					Percentage in relation to		
	As at 1 July 2009	Purchases during the period	Bonus / rights issue	Sales during the period	Holding as at 31 Mar 2010	Cost	Carrying cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments	
BANKS													
Allied Bank Limited	38,800	18,800	-	(57,600)	-	-	-	-	-	0.00%	0.00%	0.00%	
Arif Habib Bank Limited	300,000	160,000	-	(276,215)	183,785	1,267,414	1,241,050	1,124,764	(116,286)	0.134%	0.037%	0.177%	
Askari Commercial Bank Limited	317,700	581,000	142,200	(187,700)	853,200	21,778,841	18,513,128	18,104,904	(408,224)	2.159%	0.168%	2.855%	
Bank Al-Falah Limited	241,100	190,000	-	(281,100)	150,000	2,097,956	2,097,956	1,861,500	(236,456)	0.222%	0.011%	0.294%	
Bank Islami Pakistan Limited	167,000	-	-	(167,000)	-	-	-	-	-	0.00%	0.00%	0.00%	
Bank of Punjab	596,700	504,288	-	(886,638)	214,350	4,123,356	4,123,356	3,448,892	(674,464)	0.411%	0.041%	0.544%	
Faysal Bank Limited	113,000	159,700	-	(207,147)	65,553	1,123,018	1,123,018	1,121,612	(1,406)	0.134%	0.011%	0.177%	
Habib Bank Limited	9,000	416,400	32,890	(96,500)	361,790	41,980,099	41,980,099	40,003,120	(1,976,979)	4.770%	0.040%	6.308%	
Habib Metropolitan Bank Limited	47,900	-	-	(47,900)	-	-	-	-	-	0.00%	0.00%	0.00%	
JS Bank Limited	419,500	-	-	-	419,500	3,683,376	2,529,385	1,686,390	(843,195)	0.201%	0.068%	0.266%	
MCB Bank Limited	-	538,310	16,000	(386,810)	167,500	33,236,196	33,236,196	35,014,200	1,778,004	4.176%	0.024%	5.521%	
National Bank of Pakistan Limited	516,600	380,000	53,750	(686,600)	267,750	17,906,009	17,428,568	17,890,163	461,595	2.133%	0.025%	2.821%	
NIB Bank Limited	1,324,000	-	-	(60,000)	1,264,000	10,966,450	6,004,000	5,207,680	(796,320)	0.621%	0.031%	0.821%	
Samba Bank Limited	150,000	75,000	-	(75,000)	-	-	-	-	-	0.00%	0.00%	0.00%	
SILK Bank Limited	85,400	-	-	(85,400)	-	-	-	-	-	0.00%	0.00%	0.00%	
Soneri Bank Limited	-	-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%	
Standard Chartered Bank (Pakistan) Limited	66,600	-	-	(66,600)	-	-	-	-	-	0.00%	0.00%	0.00%	
United Bank Limited	215,600	129,000	6,500	(306,100)	45,000	2,629,226	2,629,226	2,684,250	55,024	0.00%	0.00%	0.00%	
	4,608,900	3,152,498	251,340	(4,024,310)	3,988,428	140,791,941	130,906,182	128,147,475	(2,758,707)	0.320%	0.004%	0.423%	
NON LIFE INSURANCE													
Adamjee Insurance Company Limited	166,500	300,500	-	(292,000)	175,000	21,586,337	20,628,041	21,362,250	734,209	2.548%	0.156%	3.369%	
Askari General Insurance Company Limited	60,300	8,503	-	-	68,803	3,635,463	1,655,387	1,121,489	(633,898)	0.134%	0.338%	0.177%	
EFU General Insurance Limited	30,600	25,700	-	(22,100)	34,200	4,180,046	3,565,563	3,004,470	(61,093)	0.358%	0.030%	0.474%	
Habib Insurance Company Limited	74,975	-	-	-	74,975	3,215,797	1,049,650	1,276,075	226,425	0.152%	0.094%	0.201%	
Pakistan Reinsurance Limited	64,000	190,936	-	(6,500)	248,436	8,232,202	7,680,707	6,114,010	(1,566,697)	0.729%	0.083%	0.964%	
	396,375	525,639	-	(320,600)	601,414	40,849,845	34,379,348	32,878,294	(1,501,054)	-	-	-	
FINANCIAL SERVICES													
Al-Zamin Leasing Corporation Limited	25,214	-	-	(25,214)	-	-	-	-	-	0.00%	0.00%	0.00%	
Arif Habib Securities Limited	64,900	9,500	14,250	(58,650)	30,000	3,578,886	1,656,241	1,955,700	299,459	0.233%	0.037%	0.308%	
Escorts Investment Bank Limited	607,500	1,948	-	(308,900)	325,000	15,885,751	15,885,751	13,945,750	(1,940,001)	1.663%	0.867%	2.199%	
First National Equities Limited	133,205	3,891	-	(2,000)	135,096	8,058,381	1,103,702	1,486,056	382,354	0.247%	0.163%	0.327%	
Invest Capital Investment Bank Limited	-	323,113	-	-	323,113	450,900	450,900	468,514	17,614	0.177%	0.306%	0.234%	
Jahangir Siddiqui & Company Limited	126,700	631,768	-	(163,400)	595,068	20,252,596	20,252,596	12,895,124	(7,357,472)	1.538%	1.035%	2.033%	



6.3 Available for sale - Quoted equity securities

Unless stated otherwise, the holdings are in ordinary shares / certificates of Rs.10/- each.

Name of Investee	No of shares				Balance as at 31 Mar 2010				Percentage in relation to		
	As at 1 July 2009	Purchases during the period	Bonus / rights issue	Sales during the period	Holding as at 31 Mar 2010	Cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments
Rupees											
FINANCIAL SERVICES											
SME Leasing Limited	456,675	100	-	-	456,775	5,075,187	4,567,750	(507,437)	0.565%	1.427%	0.720%
First National Equities Limited	634,500	52,249	-	-	686,749	38,852,896	7,554,239	(31,298,657)	0.934%	1.194%	1.191%
Jahangir Siddiqui & Company Limited	155,000	275,700	-	-	430,700	27,494,033	9,333,269	(18,160,764)	1.154%	0.056%	1.472%
JS Global Capital Limited	15,500	12,990	-	-	28,490	3,946,559	1,486,323	(2,460,036)	0.184%	0.057%	0.234%
	<u>1,261,675</u>	<u>341,039</u>	-	-	<u>1,602,714</u>	<u>75,368,475</u>	<u>22,941,581</u>	<u>(52,426,894)</u>	-	-	-
BANKS											
United Bank Limited	95,500	271,150	36,665	-	403,315	25,615,425	24,057,740	(1,557,685)	2.974%	0.036%	3.794%
CONSTRUCTION & MATERIAL											
Pioneer Cement Limited	60,000	-	-	-	60,000	1,855,400	630,600	(1,224,800)	0.078%	0.030%	0.099%
TRAVEL AND LEISURE											
Pakistan International Airlines Corporation	200,500	-	-	-	200,500	1,370,170	589,470	(780,700)	0.073%	0.009%	0.093%
TOTAL INVESTMENTS	<u>1,617,675</u>	<u>612,189</u>	<u>36,665</u>	-	<u>2,266,529</u>	<u>104,209,470</u>	<u>48,219,391</u>	<u>(55,990,079)</u>	-	-	-

* Calculated as the Fund's shareholding divided by the paid up capital of the Investee.

6.3.1 The above note 6.3 is prepared on the basis of new sectorwise classification of the Karachi Stock Exchange.



NAMCO BALANCED FUND

	Note	(Un-audited) 31 March 2010	(Audited) 30 June 2009
----- Rupees -----			
6.4 Loans and receivables-Fixed income and other debt securities			
Certificates of Musharaka		20,000,000	20,000,000
Certificates of Investment		15,000,000	102,000,000
		<u>35,000,000</u>	<u>122,000,000</u>
7. DIVIDEND AND OTHER RECEIVABLES			
Dividend receivable		8,835,636	1,835,200
Profit receivable on Certificates of Musharaka		920,548	207,124
Profit receivable on Sukuk Bonds		313,908	803,858
Profit receivable on Certificate of Investment		1,176,716	2,521,921
Profit receivable on balances with banks		2,244,437	380,096
		<u>13,491,245</u>	<u>5,748,199</u>
8. LONG TERM INVESTMENTS			
Held to maturity			
Sukuk Bonds		10,000,000	10,000,000
Loans and receivables			
Certificate of Investment (COI)	8.2	45,000,000	60,000,000
		<u>55,000,000</u>	<u>70,000,000</u>

8.1 The long term investments are made with two parties which are situated in Pakistan.

8.2 This represents investment made in Certificate of Investment (COI) issued by First Dawood Investment Bank Limited (FDIBL). The COI was originally due to mature on 29 April 2009 but was rolled over in February 2009 for a period of two years with the mutual consent of the management of the Fund and FDIBL. The COI carries interest at the rate of 11% payable quarterly. The management of the Fund considered that no provision is required against this COI as interest thereon is being received in time.

9. PAYABLE AGAINST PURCHASE OF INVESTMENTS

This represents the net amount payable against the sale and purchase of equity securities to various brokers under the T+2 mode of settlement of the Karachi Stock Exchange (Guarantee) Limited (KSE).

10. CONTINGENCIES

The Finance Act, 2008 brought an amendment in section 2 (f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) with the intention to make the definition of "Industrial Establishment" applicable to any establishment to which the West Pakistan Shop and Establishment Ordinance, 1969 applies. As a result of this amendment it can be construed that the WWF Ordinance is applicable to all Collective Investment Schemes (CIS) whose income exceeds Rs. 0.5 million in a tax year, thus rendering them liable to pay two percent of their total income (as defined in section 4 of the WWF Ordinance). However, during the period the Mutual Fund Association of Pakistan (MUFAP) has filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the grounds that CIS are not covered in the definition of Industrial Establishment. The legal proceedings in respect of the aforementioned petition are currently in progress.



NAMCO BALANCED FUND

The Management Company based on the advice of the MUFAP's legal counsel, is confident of a favourable decision and accordingly no provision for the aforementioned liability for the nine months period ended 31 March 2010 has been made in this condensed interim financial information.

11. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 11.1 Connected persons include National Asset Management Company Limited being the Management Company, First Dawood Investment Bank Limited being the trustee of the Fund, First National Equities Limited, First Pakistan Securities Limited and Switch Securities Limited being the brokers of the Fund and directors and officers of the Management Company.
- 11.2 The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3 Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 11.4 Details of transactions with connected persons are as follows:

	(Un-audited) 31 March 2010	(Audited) 30 June 2009
	----- Rupees -----	
National Asset Management Company Limited		
- Management Company		
Remuneration of management company	18,795,475	22,831,824
Certificates issued [Number of certificates 206,484 (2009: 458,000)]	2,064,840	4,580,000
First National Equities Limited		
Brokerage	522,266	228,899
Purchase transactions of marketable securities	227,848,295	127,324,001
Sale transactions of marketable securities	384,598,059	90,850,854
First Pakistan Securities Limited		
Brokerage	-	1,631
Purchase transactions of marketable securities	-	1,631,422
Switch Securities Limited		
Brokerage	64,743	60
Purchase transactions of marketable securities	13,332,521	7,350
Sale transactions of marketable securities	1,149,919	7,500
First Dawood Investment Bank Limited - Trustee		
Remuneration of trustee	178,614	680,530
Profit on Certificate of Investment	2,667,462	6,600,000

11.5 Amount outstanding as at period end

National Asset Management Company Limited		
- Management Company		
Management fee payable	2,100,747	1,771,859
Balance payable in respect of preliminary expenses and floatation costs	3,603,972	5,405,958
Certificates in issue [No. of certificates 10,664,484 (2009: 10,458,000)]	106,644,840	104,580,000
First National Equities Limited		
Brokerage payable	-	228,609
Certificates in issue [No. of certificates 452,000 (2009: 208,000)]	4,520,000	2,080,000
Market value of shares [Number of shares 821,845 (2009: 767,705)]	8,657,941	6,180,025



NAMCO BALANCED FUND

	(Un-audited) 31 March 2010	(Audited) 30 June 2009
	----- Rupees -----	
First Pakistan Securities		
Brokerage payable	1,169	1,169
Certificates in issue [No. of certificates Nil (2009: 1,512,000)]	15,120,000	15,120,000
Switch Securities Limited		
Brokerage payable	3,306	3,299
Certificates in issue [No. of certificates Nil (2009: 2,000,000)]	20,000,000	20,000,000
First Dawood Investment Bank Limited - Trustee		
Trustee fee payable	60,492	54,189
Certificate of Investment	45,000,000	60,000,000
Mark-up receivable on Certificate of Investment	1,176,716	1,139,177
Certificates in issue [No. of certificates Nil (2009: 1,440,800)]	-	14,408,000
Executives of the Management Company		
Certificates in issue [No. of certificates 30,500 (2009: 24,500)]	305,000	245,000

12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the certificate holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the certificate holders. The management company intends to distribute not less than 90% of the said accounting income to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in this condensed interim financial information for the nine months period ended 31 March 2010.

13. GENERAL

This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on 20th April 2010.

For National Asset Management Company Limited
(Management Company)

Chief Executive

Director