



NAMCO Balanced Fund

**Quarterly Report
September 30, 2009**





VISION

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

MISSION

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.

NAMCO BALANCED FUND

Condensed Interim Financial Statements
For the Quarter Ended September 30, 2009



Contents

FUND'S INFORMATION	1
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY	2
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	4
CONDENSED INTERIM INCOME STATEMENT	5
CONDENSED INTERIM DISTRIBUTION STATEMENT	6
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	7
CONDENSED INTERIM CASH FLOW STATEMENT	8
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	9





FUND'S INFORMATION

Management Company

National Asset Management Company Limited
19-C, Sunset Lane-6, South Park Avenue,
Phase-II, Extension, D.H.A., Karachi
PABX: 0092-21-35889762, 35312416-19
FAX: 0092-21-35889743, 35395924
Website: www.namco.com.pk

Board of Directors

Mr. Ali Aslam Malik	Chairman
Mr. Etrat Hussain Rizvi	Director / Chief Executive
Mr. Ali Raza Jaffery	Director
Mr. Shafiq Ahmed Khan	Director

CFO & Company Secretary

Mr. Mutahir N. Pasha

Audit Committee

Mr. Ali Aslam Malik	Chairman
Mr. Ali Raza Jaffery	Member
Mr. Shafiq Ahmed Khan	Member

Auditors

KPMG Taseer Hadi & Co.
First Floor, Shiekh Sultan Trust Building # 2,
Beaumont Road, Karachi-75330.

Legal Advisors

KMS Law Associates
207, Beaumont Plaza,
Beaumont Road, Civil Lines,
Karachi

Bankers

KASB Bank Limited
Bank Alfalah Limited
Atlas Bank Limited
Bank of Khyber

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 Quarter ended September 30, 2009.

Market Review

The market remained bullish during the first quarter of fiscal year 2009-10 due to buying interest coming from both local and foreign investors as a consequence of improvement in key macroeconomic indicators. The market has gone through different phases during this period. A bullish activity was witnessed in the beginning followed by consolidation phase and finally by the end of quarter KSE 100 index managed to close above the 9,300 level. Overall, the KSE-100 index during 1QFY10 surged by 2,187 points or 30.5% to end the quarter at 9,349 points, on an average daily turnover of 188.56 million shares. The KSE-30 Index jumped by 2,460 points or 32.5% to close at 10,031 points. During the period we have seen net inflow of US\$ 224.80 million foreign funds in the capital market.

Fund Performance

For the period ended September 30, 2009, your Fund earned gross revenue of Rs.161.20 million. This comprised of unrealized gain of Rs. 99.45 million, realized capital gain of Rs. 46.64 million, dividend income of Rs. 5.65 million, income on bank deposits of Rs. 2.68 million while income from other sources amounted to Rs. 6.78 million.

the period under review worked out to Rs. 0.53 without unrealized appreciation and Rs. 1.54 with unrealized appreciation. Net asset value per certificate on September 30, 2009 stands at Rs. 8.91.

Future Outlook

The future outlook for the stock market looks positive due to better expectation of corporate results, and interest of foreign fund managers in the capital market. Discount rate cut in the upcoming monetary policy can further strengthen the investors' confidence. Distressed security situation however remains a concern for investors. We therefore, remain cautiously positive on the stock market as valuations are still attractive.

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.

Acknowledgement

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.

October 20, 2009

ALI A. MALIK
Chairman



NAMCO BALANCED FUND

NAMCO BALANCED FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2009

	Note	Unaudited 30th Sep 2009	Audited 30th Jun 2009
----- Rupees -----			
ASSETS			
Current assets			
Balances with banks		140,202,227	24,985,222
Short-term Investments	4	674,019,309	625,517,449
Receivable against sale of investments		6,361,357	542,981
Dividend and other receivables	6	8,224,586	5,748,199
Prepayments and security deposits	7	3,675,000	3,675,000
Total current assets		832,482,479	660,468,851
Non-current assets			
Long-term Investments	5	68,000,000	70,000,000
Total assets		900,482,479	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 National Assets Management Company Limited - Management Company		2,145,413	1,771,859
Payable to First Dawood Investment Bank Limited - Trustee		60,414	54,189
Payable to Securities and Exchange Commission of Pakistan		870,097	697,325
Payable against purchase of investments		21,172	21,172
Accrued expenses	8	835,266	449,474
Unclaimed dividend		261,450	261,450
		5,995,798	5,057,455
Long-term liability			
Preliminary expenses and floatation costs payable to Management Company		3,603,972	3,603,972
Total liabilities		9,599,770	8,661,427
NET ASSETS		890,882,709	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		15,113,698	-
(Accumulated loss) / unappropriated profit		(124,230,989)	(278,192,576)
TOTAL CERTIFICATE HOLDERS' FUNDS		890,882,709	721,807,424
NET ASSETS VALUE PER CERTIFICATE - RUPEES		8.91	7.21
COMMITMENTS			

The annexed notes 1 to 9 form an integral part of these financial statements.

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

Chief Executive

Director



NAMCO BALANCED FUND

NAMCO BALANCED FUND CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	2009	2008
	-----Rupees-----	
INCOME		
Capital gain on sale of investments - net	46,637,246	(16,978,678)
Dividend income	5,654,533	3,211,300
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	99,447,758	(178,865,985)
Unrealised loss on spread transactions	-	107,029
Unrealised gain - letter of rights	1,341,538	311
Unrealised gain - futures contracts	-	(125,135)
Income from Continuous Funding System (CFS) transactions	-	3,033,494
Profit on balances with banks	2,675,204	3,208,734
Profit on Certificates of Musharaka	907,397	1,007,288
Profit on Certificates of Investment	4,177,497	2,199,078
Profit on Clean Placement	-	206,812
Profit on Sukuk Bonds	359,074	138,962
Profit on Commercial Papers	-	34,170
Other income	-	14,598
	161,200,247	(182,808,022)
OPERATING EXPENSES		
Fee to National Asset Management Company Limited	6,097,857	6,632,654
Fee to First Dawood Investment Bank Limited - Trustee	177,247	186,161
Annual fee - Securities Exchange Commission of Pakistan	172,773	221,088
Annual fee - Central Depository Company of Pakistan Limited	67,500	31,260
Securities transaction costs	478,073	322,062
Auditors' remuneration	107,123	113,753
Annual listing fee	75,000	60,000
Bank charges	2,277	880
Legal and professional charges	27,726	27,726
Other expenses	33,084	508,906
	7,238,660	8,104,490
Profit /(Loss) before taxation	153,961,587	(190,912,512)
Taxation	-	-
Profit /(Loss) after taxation	153,961,587	(190,912,512)
(Loss) / earnings per certificate (Rupees)		
With net unrealized diminution on remeasurement of investments	1.54	(1.91)
Without net unrealized diminution on remeasurement of investments	0.53	(0.12)

The annexed notes 1 to 9 form an integral part of these financial statements.

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

Chief Executive

Director



NAMCO BALANCED FUND

NAMCO BALANCED FUND CONDENSED INTERIM DISTRIBUTION STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	2009	2008
	-----Rupees-----	
Unappropriated profit brought forward	(278,192,576)	11,363,420
Profit/(Loss) after taxation for the year	153,961,587	(190,912,512)
(Accumulated loss) / unappropriated profit carried forward	<u>(124,230,989)</u>	<u>(179,549,092)</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

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

Chief Executive

Director



NAMCO BALANCED FUND

NAMCO BALANCED FUND CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Certificate capital	Subscription money	Unrealised appreciation / (diminution) on re-measurement of investments classified as available for sale - net	(Accumulated loss) / unappropriated profit	Total
	Rupees				
Balance as at July 01, 2008	1,000,000,000	-	7,438,358	11,363,420	1,018,801,778
Loss after taxation for the Quarter ended September 30, 2008	-	-	-	(190,912,512)	(190,912,512)
Unrealised appreciation on re-measurement of investments classified as 'available for sale' - net	-	-	(15,273,573)	-	(15,273,573)
Balance as at September 30, 2008	<u>1,000,000,000</u>	<u>-</u>	<u>(7,835,215)</u>	<u>(179,549,092)</u>	<u>812,615,693</u>
Balance as at July 01, 2009	1,000,000,000	-	-	(278,192,576)	721,807,424
Profit after taxation for the Quarter ended September 30, 2009	-	-	-	153,961,587	153,961,587
Unrealised diminution on re-measurement of investments classified as 'available for sale' - net	-	-	15,113,698	-	15,113,698
Balance as at September 30, 2009	<u>1,000,000,000</u>	<u>-</u>	<u>15,113,698</u>	<u>(124,230,989)</u>	<u>890,882,709</u>

The annexed notes 1 to 9 form an integral part of these financial statements.

For National Asset Management Company Limited
(Management Company)

Chief Executive

Director



NAMCO BALANCED FUND

NAMCO BALANCED FUND CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	2009	2008
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain /(Loss) before taxation	153,961,587	(190,912,512)
Adjustments for non-cash charges and other items:		
Fee to National Asset Management Company Limited - Management Company	6,097,857	6,632,654
Fee to First Dawood Investment Bank Limited - Trustee	177,247	186,161
Dividend income	(5,654,533)	(3,211,300)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(99,447,758)	178,865,985
Unrealised loss on spread transactions	-	(107,029)
Unrealised gain - futures contracts	-	125,135
Operating cash (outflow) / inflow before working capital changes	<u>55,134,400</u>	<u>(8,420,906)</u>
Decrease / (increase) in assets		
Investments - net	68,059,596	(48,030,630)
Receivable against sale of investments	(5,818,376)	37,865,623
Receivable against continuous funding system	-	41,858,680
Prepayments and security deposits	-	141,506
Other receivables	(730,014)	(626,355)
	61,511,206	31,208,824
(Decrease) / increase in liabilities		
Payable to Securities and Exchange Commission of Pakistan	172,772	221,089
Payable against purchase of investments	-	(4,717,547)
Accrued expenses	385,792	(870,161)
	558,564	(5,366,619)
Fee paid to the Management Company	(5,724,303)	(7,170,360)
Fee paid to the trustee	(171,022)	(195,121)
Preliminary expenses and floatation costs paid to Management Company	-	(1,801,986)
Net cash used in operating activities	<u>111,308,845</u>	<u>8,253,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	3,908,160	4,095,175
Net cash inflow from investing activities	<u>3,908,160</u>	<u>4,095,175</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	115,217,005	12,349,007
Cash and cash equivalents at the beginning of the year	<u>24,985,222</u>	<u>33,924,239</u>
Cash and cash equivalents at the end of the year	<u><u>140,202,227</u></u>	<u><u>46,273,246</u></u>

The annexed notes 1 to 9 form an integral part of these financial statements.

For National Asset Management Company Limited
(Management Company)

Chief Executive

Director



**NAMCO BALANCED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

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 May 03, 2006. It was constituted under a Trust Deed, dated April 17, 2006, between National Asset Management Company Limited as Management Company and First Dawood Investment Bank Limited as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP on December 13, 2005. The registered office of the Management Company is situated at 179-B, Abubakar Block, New Garden Town, Lahore. The principal office of the Management Company is situated at 19-C, Sunset Lane-6, South Park Avenue, Phase-II Extension, D.H.A., Karachi, Pakistan

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.

- 1.1 The Securities and Exchange Commission of Pakistan (SECP) notified the Non-Banking Finance Companies and Notified Entities Regulations, 2008 during the year. As per clause 65 of these regulations a closed end fund shall, upon expiry of every 5 years from November 21, 2007, hold a meeting of certificate holders to seek the approval of the certificate holders (by special resolution) to convert into an open end scheme or revoke the closed end scheme.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.2 Amendments to published accounting standards effective in the current period

During the year ended June 30, 2009, IFRS 7 'Financial Instruments: Disclosures' became effective. IFRS 7 has superseded IAS 30 and disclosure requirements of IAS 32. Adoption of this standard has resulted in additional disclosures.

There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2008 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

2.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

IAS 1 (Revised), Presentation of financial statements (effective for annual periods beginning on or after January 1, 2009), was issued in September 2007. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) will be required to be presented separately from owner changes in equity, either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). When the entity applies an accounting policy retrospectively or makes retrospective restatement or reclassifies items in the financial statements, they will be required to present a restated financial position (balance sheet) as at beginning of the comparative period in addition to the current requirement to present the balance sheet as at the end of the current and the comparative period. The adoption of this standard is not expected to have a significant impact on the presentation of the financial statements.



IAS 32 (Amendment), Financial Instruments: Presentation, and IAS 1 (Amendment), Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation (effective from January 1, 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. This amendment is not expected to have a significant effect on the financial statements of the Fund.

IFRS 7 (Amendment), 'Financial Instruments: Disclosure'. There are a number of minor amendments to IFRS 7 in respect of enhanced disclosures about liquidity risk and fair value measurements. These amendments are unlikely to have an impact on the Fund's financial statements and have therefore not been analysed in detail.

IAS 38 (Amendment), 'Intangible assets' (effective from January 1, 2009). The amended standard states that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access of goods or receipt of services. This amendment is not expected to have a significant effect on the Fund's financial statements.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2009 but are considered not to be relevant or to have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on management experience and various other factors which are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The significant accounting area where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies relate to classification and valuation of investments (note 5).

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

2.6 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of Fund for the year ended 30th June 2009.

		Unaudited 30th Sep 2009	Audited 30th June 2009
-----Rupees-----			
4	SHORT-TERM INVESTMENTS		
	'Financial assets at fair value through profit and loss' - held for trading		
	- Quoted equity securities - regular market trade	4.1 571,784,383	486,332,839
	- Derivative financial instruments	1,341,538	-
	Available for sale		
	- Quoted equity securities	4.2 48,393,388	17,184,610
	Loans and receivables		
	- Fixed income and other debt securities	4.5 52,500,000	122,000,000
		<u>674,019,309</u>	<u>625,517,449</u>

4.1 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	Number of shares				Balance as at Sep 30, 2009				Percentage in relation to			
	As at July 01, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at Sep 30, 2009	Cost	Carrying cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments
Rupees												
MODARABAS												
Al-Zamin Leasing Modaraba	100,500	500	-	-	101,000	861,375	403,750	313,100	(90,650)	0.035%	0.327%	0.046%
B.R.R Guardian Modaraba	1,231,500	2,500	-	-	1,234,000	8,302,587	3,332,225	4,059,860	727,635	0.456%	1.581%	0.602%
	1,332,000	3,000	-	-	1,335,000	9,163,962	3,735,975	4,372,960	636,985	0.491%	1.908%	0.649%
LEASING COMPANIES												
Al-Zamin Leasing Corporation	25,214	-	-	-	25,214	177,037	47,150	72,616	25,466	0.008%	0.051%	0.011%
Orix Leasing Pakistan Limited	341,000	6,050	-	-	347,050	7,728,044	2,776,179	3,012,394	236,215	0.338%	0.434%	0.447%
	366,214	6,050	-	-	372,264	7,905,081	2,823,329	3,085,010	261,681	0.346%	0.485%	0.458%
INVESTMENT BANKS / COMPANIES / SECURITIES												
Arif Habib Limited	64,900	7,000	14,250	23,150	63,000	7,655,983	3,450,197	4,818,870	1,368,673	0.541%	0.168%	0.715%
Arif Habib Securities Limited	195,400	60,000	-	185,400	70,000	2,437,356	2,202,779	3,008,600	805,821	0.338%	0.019%	0.446%
Escorts Investment Bank Limited	607,500	1,326	-	-	608,826	9,118,355	2,428,936	2,155,244	(273,682)	0.242%	1.381%	0.320%
First National Equities Limited	133,205	-	-	-	133,205	8,131,102	1,072,300	2,295,122	1,222,822	0.258%	0.232%	0.341%
Jahangir Siddiqui & Company Limited	126,700	-	-	15,000	111,700	5,214,973	2,590,323	4,280,344	1,690,021	0.480%	0.015%	0.635%
Javed Omer Vohra & Company Limited	44,500	5,000	-	49,500	-	-	-	-	-	0.000%	0.000%	0.000%
JS Global Capital	17,500	-	-	11,500	6,000	659,510	411,060	677,160	266,100	0.076%	0.012%	0.100%
JS Investments Limited	23,000	10,000	-	5,000	28,000	983,932	449,375	560,280	110,905	0.063%	0.028%	0.083%
	1,212,705	83,326	14,250	289,550	1,020,731	34,201,211	12,604,970	17,795,620	5,190,650	1.998%	1.855%	2.640%
COMMERCIAL BANKS												
Allied Bank Limited	38,800	13,800	-	42,600	10,000	460,568	407,621	471,100	63,479	0.053%	0.001%	0.070%
Arif Habib Bank Limited	300,000	-	-	10,000	290,000	2,197,334	2,027,100	2,090,900	63,800	0.235%	0.058%	0.310%
Askari Commercial Bank Limited	317,700	-	-	87,700	230,000	9,010,356	3,514,400	5,117,500	1,603,100	0.574%	0.045%	0.759%
Bank Al-Falah Limited	241,100	40,000	-	-	281,100	5,596,181	3,049,877	3,533,427	483,550	0.397%	0.021%	0.524%
Bank Islami Pakistan Limited	167,000	-	-	-	167,000	1,934,784	1,063,790	1,052,100	(11,690)	0.118%	0.032%	0.156%
Bank of Punjab	596,700	10,000	-	10,000	596,700	16,064,688	6,569,666	9,117,576	2,547,910	1.023%	0.113%	1.353%
Faysal Bank Limited	113,000	-	-	5,000	108,000	3,192,325	1,045,440	1,411,560	366,120	0.158%	0.018%	0.209%
Habib Bank Limited	9,000	82,500	-	76,500	15,000	1,887,639	1,840,350	1,840,350	(47,289)	0.207%	0.002%	0.273%
Habib Metropolitan Bank Limited	47,900	-	-	-	47,900	2,301,104	1,188,399	1,481,068	292,669	0.166%	0.006%	0.222%
JS Bank Limited	419,500	-	-	-	419,500	3,683,376	2,529,585	2,718,360	188,775	0.305%	0.068%	0.403%
MCB Bank Limited	-	262,400	-	207,400	55,000	12,196,662	12,196,662	12,159,400	(37,262)	1.365%	0.008%	1.804%
National Bank of Pakistan Limited	516,600	82,500	-	209,100	390,000	38,657,951	26,695,659	32,553,300	5,857,641	3.654%	0.036%	4.830%

* Calculated as the fund's shareholding divided by the paid up capital of the investee.



NAMCO BALANCED FUND

Name of investee	Number of shares					Balance as at Sep 30, 2009				Percentage in relation to		
	As at July 01, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at Sep 30, 2009	Cost	Carrying cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments
Rupees												
NIB Bank Limited	1,324,000	-	-	10,000	1,314,000	11,400,249	6,241,500	7,384,680	1,143,180	0.829%	0.032%	1.096%
Samba Bank Limited	-	75,000	-	-	75,000	262,500	262,500	277,500	15,000	0.031%	0.000%	0.041%
SILK Bank Limited	150,000	-	-	20,000	130,000	840,562	703,300	720,200	16,900	0.081%	0.014%	0.107%
Sonari Bank Limited	85,400	-	-	-	85,400	3,321,355	935,984	942,816	6,832	0.106%	0.017%	0.140%
Standard Chartered Bank Pakistan Limited	66,600	-	-	-	66,600	3,057,777	565,434	651,348	85,914	0.073%	0.002%	0.097%
United Bank Limited	215,600	-	-	175,600	40,000	2,581,725	1,531,600	2,388,800	857,200	0.268%	0.004%	0.354%
	4,608,900	566,200	-	853,900	4,321,200	18,647,136	72,416,156	85,911,985	13,495,829	9.643%	0.477%	12.746%
INSURANCE												
Adamiye Insurance Company Limited	166,500	41,000	-	72,500	135,000	15,333,355	12,088,452	14,898,600	2,810,148	1.672%	0.120%	2.210%
Askari General Insurance Company Limited	60,300	8,502	-	-	68,802	3,635,445	1,655,369	1,354,711	(300,658)	0.152%	0.338%	0.201%
EFU General Insurance Limited	30,600	13,000	-	18,600	25,000	3,301,639	2,390,529	2,621,500	230,971	0.294%	0.022%	0.389%
Habib Insurance Company Limited	74,975	-	-	-	74,975	3,215,797	1,049,650	1,191,353	141,703	0.134%	0.094%	0.177%
Pakistan Reinsurance Limited	64,000	57,500	-	6,500	115,000	4,522,624	3,971,130	3,835,250	(135,880)	0.430%	0.038%	0.563%
	396,375	120,002	-	97,600	418,777	30,008,660	21,155,130	23,901,414	2,746,284	2.683%	0.612%	3.546%
TEXTILE WEAVING												
Sarmin Textile Mills Limited	80,000	-	-	5,000	75,000	749,733	425,250	1,023,750	598,500	0.115%	0.561%	0.152%
TEXTILE COMPOSITE												
Azgard Nine Limited	4,000	266,234	-	140,234	130,000	3,698,175	3,698,175	3,585,400	(112,775)	0.402%	0.029%	0.532%
Kohinoor Textile Mills Limited	154,500	-	-	-	154,500	2,562,360	682,890	1,511,010	828,120	0.170%	0.106%	0.224%
Nishat (Chunian) Limited	386,000	54	-	46,054	340,000	8,684,377	2,927,442	5,423,000	2,495,558	0.609%	0.411%	0.805%
Nishat Mills Limited	270,000	61,900	-	241,900	90,000	4,032,758	3,857,256	5,985,900	2,128,644	0.672%	0.037%	0.888%
	814,500	328,188	-	428,188	714,500	18,977,670	11,165,763	16,505,310	5,339,547	1.853%	0.583%	2.443%
SUGAR & ALLIED INDUSTRIES												
Shakarganj Mills Limited	107,500	-	-	-	107,500	1,954,778	548,250	872,900	324,650	0.098%	0.155%	0.130%
CEMENT												
Attock Cement Pakistan Limited	87,500	5,000	-	7,500	85,000	9,070,194	6,030,100	7,324,450	1,294,350	0.822%	0.098%	1.087%
D.G. Khan Cement Limited	353,800	80,000	-	113,800	320,000	525,294	382,250	11,033,600	10,651,350	1.239%	0.105%	1.637%
Dewan Cement Limited	149,000	-	-	10,000	139,000	11,753,822	9,961,863	419,780	(9,542,083)	0.047%	0.039%	0.062%
Fauji Cement Company Limited	517,000	35,000	-	5,000	547,000	6,736,572	3,642,590	4,266,600	624,020	0.479%	0.079%	0.633%
Lucky Cement Limited	5,000	143,000	-	86,000	62,000	4,669,482	4,669,482	4,646,280	(23,202)	0.522%	0.019%	0.689%

* Calculated as the fund's shareholding divided by the paid up capital of the investee.



NAMCO BALANCED FUND

Name of investee	Number of shares					Balance as at Sep 30, 2009					Percentage in relation to		
	As at July 01, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at Sep 30, 2009	Cost	Carrying cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments	
Rupees													
NIB Bank Limited	1,324,000	-	-	10,000	1,314,000	11,400,249	6,241,500	7,384,680	1,143,180	0.829%	0.032%	1.096%	
Samba Bank Limited	-	75,000	-	-	75,000	262,500	262,500	277,500	15,000	0.031%	0.000%	0.041%	
SILK Bank Limited	150,000	-	-	20,000	130,000	840,562	703,300	720,200	16,900	0.081%	0.014%	0.107%	
Soneri Bank Limited	85,400	-	-	-	85,400	3,321,355	935,984	942,816	6,832	0.106%	0.017%	0.140%	
Standard Chartered Bank Pakistan Limited	66,600	-	-	-	66,600	3,057,777	565,434	651,348	85,914	0.073%	0.002%	0.097%	
United Bank Limited	215,600	-	-	175,600	40,000	2,581,725	1,531,600	2,388,800	857,200	0.268%	0.004%	0.354%	
	4,608,900	566,200	-	853,900	4,321,200	118,647,136	72,416,156	85,911,985	13,495,829	9.643%	0.477%	12.746%	
INSURANCE													
Adanjee Insurance Company Limited	166,500	41,000	-	72,500	135,000	15,333,355	12,088,452	14,898,600	2,810,148	1.672%	0.120%	2.210%	
Askari General Insurance Company Limited	60,300	8,502	-	-	68,802	3,635,445	1,655,369	1,354,711	(300,658)	0.152%	0.338%	0.201%	
EFU General Insurance Limited	30,600	13,000	-	18,600	25,000	3,301,639	2,390,529	2,621,500	230,971	0.294%	0.022%	0.389%	
Habib Insurance Company Limited	74,975	-	-	-	74,975	3,215,797	1,049,650	1,191,353	141,703	0.134%	0.094%	0.177%	
Pakistan Reinsurance Limited	64,000	57,500	-	6,500	115,000	4,522,624	3,971,130	3,835,250	(135,880)	0.430%	0.038%	0.569%	
	396,375	120,002	-	97,600	418,777	30,008,860	21,155,130	23,901,414	2,746,284	2.683%	0.612%	3.546%	
TEXTILE WEAVING													
Samin Textile Mills Limited	80,000	-	-	5,000	75,000	749,733	425,250	1,023,750	598,500	0.115%	0.561%	0.152%	
TEXTILE COMPOSITE													
Azgard Nine Limited	4,000	266,234	-	140,234	130,000	3,698,175	3,698,175	3,585,400	(112,775)	0.402%	0.029%	0.532%	
Kohinoor Textile Mills Limited	154,500	-	-	-	154,500	2,562,360	682,890	1,511,010	828,120	0.170%	0.106%	0.224%	
Nishat (Chunian) Limited	386,000	54	-	46,054	340,000	8,684,377	2,927,442	5,423,000	2,495,558	6.009%	0.411%	8.005%	
Nishat Mills Limited	270,000	61,900	-	241,900	90,000	4,032,758	3,857,256	5,985,900	2,128,644	6.672%	0.037%	0.888%	
	814,500	328,188	-	428,188	714,500	18,977,670	11,165,763	16,505,310	5,339,547	1.853%	0.583%	2.449%	
SUGAR & ALLIED INDUSTRIES													
Shakarganj Mills Limited	107,500	-	-	-	107,500	1,954,778	548,250	872,900	324,650	0.098%	0.155%	0.130%	
CEMENT													
Attock Cement Pakistan Limited	87,500	5,000	-	7,500	85,000	9,070,194	6,030,100	7,324,450	1,294,350	0.822%	0.098%	1.087%	
D.G. Khan Cement Limited	353,800	80,000	-	113,800	320,000	525,294	382,250	11,033,600	10,651,350	1.239%	0.105%	1.637%	
Dewan Cement Limited	149,000	-	-	10,000	139,000	11,753,822	9,961,863	419,780	(9,542,083)	0.047%	0.039%	0.062%	
Fauji Cement Company Limited	517,000	35,000	-	5,000	547,000	67,365,572	3,642,580	4,266,600	624,020	0.479%	0.079%	0.633%	
Lucky Cement Limited	5,000	143,000	-	86,000	62,000	4,669,482	4,669,482	4,646,280	(23,202)	0.522%	0.019%	0.689%	

* Calculated as the fund's shareholding divided by the paid up capital of the investee.



NAMCO BALANCED FUND

Name of investee	Number of shares ¹					Balance as at Sep 30, 2009				Percentage in relation to		
	As at July 01, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at Sep 30, 2009	Cost	Carrying cost	Market value	Appreciation/ (diminution)	Market value as a percentage of net assets	Investee paid-up capital ²	Total investments
Rupees												
Maple Leaf Cement Limited	230,500	-	-	20,500	210,000	2,250,966	894,600	993,300	99,700	0.111%	0.056%	0.147%
Lataje Cement Limited	659,000	-	-	-	659,000	4,976,057	1,779,300	1,838,610	59,310	0.206%	0.050%	0.273%
	2,001,800	263,000	-	242,800	2,022,000	39,982,387	27,360,175	30,522,620	3,162,445	3.426%	0.446%	4.528%
REFINERY												
Attock Refinery Limited	-	2,000	-	2,000	-	-	-	-	-	0.000%	0.000%	0.000%
Boscor Pakistan Limited	367,500	-	-	10,000	357,500	4,176,970	2,488,200	2,731,300	243,100	0.307%	0.091%	0.405%
National Refinery Limited	507,700	1,000	-	5,700	46,000	16,341,494	10,119,050	10,581,380	462,330	1.188%	0.058%	1.570%
Pakistan Refinery Limited	17,500	18,500	-	36,000	-	-	-	-	-	0.000%	0.000%	0.000%
	435,700	21,500	-	53,700	403,500	20,518,464	12,607,250	13,312,680	705,430	1.494%	0.149%	1.975%
POWER GENERATION & DISTRIBUTION												
Hub Power Company	602,500	56,600	-	55,100	604,000	16,232,733	16,599,709	18,959,560	2,369,851	2.128%	0.052%	2.813%
Kot Addu Power Company	210,500	11,057	-	54,774	166,783	6,988,989	7,142,973	8,929,562	1,786,589	1.002%	0.019%	1.325%
	813,000	67,657	-	109,874	770,783	23,221,722	23,732,682	27,889,122	4,156,440	3.131%	0.071%	4.138%
OIL & GAS MARKETING COMPANIES												
Attock Petroleum Limited	30,600	38,035	-	49,885	18,750	6,782,792	6,782,792	6,768,188	(14,604)	0.760%	0.033%	1.004%
Pakistan State Oil Company Limited	199,000	96,906	-	159,906	136,000	37,873,800	34,218,230	42,582,960	8,364,730	4.780%	0.079%	6.318%
Shell Pakistan Limited	10,600	1,600	-	2,600	9,600	2,626,356	2,239,200	2,544,480	305,280	0.286%	0.014%	0.378%
Sui Northern Gas Pakistan Limited	76,800	54,200	-	-	131,000	4,916,662	4,079,845	3,673,240	(406,605)	0.412%	0.024%	0.545%
Sui Southern Gas Co. Limited	52,500	2,900	-	-	55,400	753,731	773,570	763,966	(9,604)	0.086%	0.008%	0.113%
	369,500	193,641	-	212,391	350,750	52,953,341	48,093,637	56,332,834	8,239,197	6.323%	0.158%	8.358%
OIL & GAS EXPLORATION COMPANIES												
Mari Gas Company	-	10,240	-	10,240	-	-	-	-	-	0.000%	0.000%	0.000%
Oil & Gas Development Corporation Limited	545,200	64,700	-	200,991	408,909	36,964,192	33,826,831	43,908,648	10,081,817	4.929%	0.010%	6.514%
Pakistan Oilfields Limited	361,200	107,905	-	100,200	368,905	78,539,161	59,432,190	76,957,272	17,525,082	8.638%	0.156%	11.418%
Pakistan Petroleum Limited	205,000	69,500	45,000	52,000	267,500	45,971,515	43,966,881	50,554,825	6,587,944	5.675%	0.027%	7.501%
	1,111,400	252,345	45,000	363,431	1,045,314	161,474,868	137,225,902	171,420,745	34,194,843	19.242%	0.193%	25.433%
ENGINEERING												
Crescent Steel and Allied Products Limited	102,600	100	-	-	102,700	4,191,148	1,846,082	2,792,413	946,331	0.313%	0.182%	0.414%
Dost Steels Limited	52,500	-	-	-	52,500	1,697,554	280,350	355,425	75,075	0.040%	0.078%	0.053%
	155,100	100	-	-	155,200	5,888,702	2,126,432	3,147,838	1,021,406	0.353%	0.260%	0.467%
AUTOMOBILE ASSEMBLER												
Indus Motor Company Limited	-	50,119	-	22,389	27,730	4,740,801	4,740,801	4,859,405	118,604	0.545%	0.035%	0.721%
Pak Suzuki Motor Company Limited	113,900	33,000	-	59,900	87,000	16,784,457	6,512,997	7,572,480	1,059,483	0.850%	0.106%	1.123%
	113,900	83,119	-	82,289	114,730	21,525,258	11,263,798	12,431,885	1,178,087	1.395%	0.141%	1.844%

¹ Calculated as the fund's shareholding divided by the paid up capital of the investee.



NAMCO BALANCED FUND

Name of investee	Number of shares ¹				Balance as at Sep 30, 2009				Percentage in relation to			
	As at July 01, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at Sep 30, 2009	Cost	Carrying cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital*	Total investments
----- Rupees -----												
TRANSPORT												
Pakistan International Airlines Corporation	613,000	-	-	13,000	600,000	4,036,142	1,992,000	1,722,000	(270,000)	0.193%	0.028%	0.255%
TECHNOLOGY & COMMUNICATION												
Nesol Technologies Pakistan Telecommunication Company Limited	264,400	64,500	-	143,900	185,000	6,804,414	3,654,302	4,256,850	602,548	0.478%	0.237%	0.632%
The Resource Group Pakistan WorldCall Telecom Limited	781,000	120,700	-	191,700	710,000	20,679,004	12,398,143	14,192,900	1,794,757	1.593%	0.019%	2.106%
	675,000	-	-	20,000	655,000	4,076,448	884,250	1,598,200	713,950	0.179%	0.170%	0.237%
	361,500	-	-	56,500	305,000	3,624,068	762,500	1,317,600	555,100	0.148%	0.035%	0.195%
	2,081,900	185,200	-	412,100	1,855,000	35,183,934	17,699,195	21,365,550	3,666,355	2.398%	0.461%	3.170%
FERTILIZER												
Engro Chemical Pakistan Limited Fauji Fertilizer Bin Qasim Limited Fauji Fertilizer Company Limited	190,600	93,700	-	71,300	213,000	32,138,883	29,766,232	38,523,180	8,756,948	4.324%	0.071%	5.715%
	743,000	51,500	-	74,500	720,000	22,731,644	12,874,861	16,538,400	3,663,539	1.856%	0.077%	2.454%
	145,600	16,000	-	24,500	137,100	11,002,688	12,120,323	14,087,025	1,966,702	1.581%	0.020%	2.090%
	1,079,200	161,200	-	170,300	1,070,100	65,873,215	54,761,416	69,148,605	14,387,189	7.762%	0.168%	10.259%
CHEMICALS												
Sitara Peroxide Limited	30,500	-	-	-	30,500	1,377,202	562,420	615,795	53,375	0.069%	0.055%	0.091%
PAPER & BOARD												
Packages Limited	64,000	4,000	-	4,000	64,000	17,608,988	10,046,895	10,405,760	358,865	1.168%	0.076%	1.544%
TOTAL INVESTMENTS	17,787,194	2,338,528	59,250	3,338,123	16,846,849	671,252,654	472,335,625	571,784,383	99,447,758	64.182%		84.832%

* Calculated as the fund's shareholding divided by the paid up capital of the investee.



NAMCO BALANCED FUND

4.2 Available for sale - Quoted equity securities

Name of investee	No of shares				Balance as at Sep 30, 2009				Percentage in relation to		
	As at July 01, 2009	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at Sep 30, 2009	Cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Investee paid-up capital *	Total investments
-----Rupees-----											
LEASING COMPANIES											
SME Leasing Limited	456,675	-	-	-	456,675	2,283,375	4,534,783	2,251,408	0.509%	1.427%	0.673%
INVESTMENT BANKS / COMPANIES / SECURITIES											
First National Equities Limited	634,500	43,689	-	-	678,189	5,713,857	11,685,196	5,971,339	1.312%	1.179%	1.734%
Jahangir Siddiqui & Company Limited	155,000	78,663	-	-	233,663	5,764,438	8,953,966	3,189,528	1.005%	0.031%	1.328%
JS Global Capital Limited	15,500	8,000	-	-	23,500	1,961,065	2,652,210	691,145	0.298%	0.047%	0.393%
	805,000	130,352	-	-	935,352	13,439,360	23,291,372	9,852,012	2.614%	1.257%	3.456%
COMMERCIAL BANKS											
United Bank Limited	95,500	226,650	-	-	322,150	16,076,495	19,238,798	3,162,303	2.160%	0.029%	2.854%
CEMENT											
Pioneer Cement Limited	60,000	-	-	-	60,000	814,800	753,000	(61,800)	0.085%	0.030%	0.112%
TRANSPORT											
Pakistan International Airlines Corporation	200,500	-	-	-	200,500	665,660	575,435	(90,225)	0.065%	0.009%	0.085%
TOTAL INVESTMENTS	1,617,675	357,002	-	-	1,974,677	33,279,690	48,393,388	15,113,698	5.432%		7.180%

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



NAMCO BALANCED FUND

	Unaudited 30th Sep 2009	Audited 30th June 2009
	-----Rupees-----	
4.3 Net unrealised diminution on re-measurement of investments classified as 'financial assets through profit or loss' - net		
Market value of securities	571,784,383	486,332,839
Less: carrying cost of securities	472,336,625	663,911,858
	<u>99,447,758</u>	<u>(177,579,019)</u>
4.4 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' - net		
Market value of securities	48,393,388	17,184,610
Less: carrying value of securities	33,279,690	77,997,134
	<u>15,113,698</u>	<u>(60,812,524)</u>
Less: transferred to income statement	-	60,812,524
	<u>15,113,698</u>	<u>-</u>
4.5 Loans and receivables		
Certificates of Musharaka	20,000,000	20,000,000
Certificates of Investment	32,500,000	102,000,000
	<u>52,500,000</u>	<u>122,000,000</u>
5 Long Term Investment		
Held to maturity		
Sukuk Bonds	10,000,000	10,000,000
Loans and receivables		
Certificate of Investment	58,000,000	60,000,000
	<u>68,000,000</u>	<u>70,000,000</u>
6 DIVIDEND AND OTHER RECEIVABLES		
Dividend receivable	3,581,573	1,835,200
Profit receivable on Certificates of Musharaka	1,114,521	207,124
Profit receivable on Sukuk Bonds	320,910	803,858
Profit receivable on Certificates of Investments	1,685,349	2,521,921
Profit receivable on balances with banks	1,522,233	380,096
	<u>8,224,586</u>	<u>5,748,199</u>
7 PREPAYMENTS AND SECURITY DEPOSITS		
Security Deposits		
- National Clearing Company of Pakistan Limited	3,500,000	3,500,000
- Central Depository Company of Pakistan Limited	175,000	175,000
	<u>3,675,000</u>	<u>3,675,000</u>
8 ACCRUED EXPENSES		
Brokerage payable on CFS transactions	36,646	36,646
Brokerage payable on regular market trade	294,709	38,765
Auditors' remuneration	425,883	318,761
Legal and professional charges	78,028	55,302
	<u>835,266</u>	<u>449,474</u>



9 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Among others, connected persons include National Asset Management Company Limited being the Management Company, First Dawood Investment Bank Limited being the trustee of the Fund and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Details of transactions and balances with connected persons are as follows:

	Un-audited Sep 30, 2009	Un-audited Sep 30, 2008
	----- Rupees -----	
9.1 Transactions during the year		
National Asset Management Company Limited - Management Company		
Management fee	6,097,857	6,632,654
Preliminary expenses and floatation costs incurred	-	-
Certificates issued [No. of certificates 87,209 (2008: Nil)]	872,090	-
First National Equities Limited		
Brokerage	71,586	39,993
Purchase transactions of marketable securities	54,834,804	43,384,700
Sale transactions of marketable securities	67,014,943	35,535,318
First Pakistan Securities		
Brokerage	-	-
Purchase transactions of marketable securities	-	-
Switch Securities Limited		
Brokerage	-	60
Purchase transactions of marketable securities	-	7,350
Sale transactions of marketable securities	-	7,500
First Dawood Investment Bank Limited - Trustee		
Trustee fee	177,247	186,161
Executives of the Management Company		
Certificates issued [No. of certificates Nil (2008: Nil)]	-	-
9.2 Transactions outstanding at the year end		
National Asset Management Company Limited - Management Company		
Management fee payable	2,145,413	2,004,582
Balance payable in respect of preliminary expenses and floatation costs	5,405,958	5,405,958
Certificates in issue [No. of certificates 10,550,209 (2008: 100,000,000)]	105,502,090	100,000,000
First National Equities Limited		
Brokerage payable	31,148	-
Certificates in issue [No. of certificates 208,000 (2008: 2,000,000)]	2,080,000	20,000,000
First Pakistan Securities		
Brokerage payable	1,169	1,169
Certificates in issue (No. of certificates 1,512,000)	15,120,000	15,000,000
Switch Securities Limited		
Brokerage payable	3,299	3,299
Certificates in issue (No. of certificates 2,000,000)	20,000,000	-



NAMCO BALANCED FUND

	Un-audited Sep 30, 2009	Un-audited Sep 30, 2008
	----- Rupees -----	
First Dawood Investment Bank Limited - Trustee		
Trustee fee payable	60,414	58,068
Certificates in issue [No. of certificates 1,440,800 (2008: Nil)]	14,408,000	-
Executives of the Management Company		
Certificates in issue [No. of certificates 24,500 (2008: 7,500)]	245,000	75,000

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

Chief Executive

Director