



CONTENTS

Vision & Mission	02
Organization	03
Report of the Directors of Investment Adviser	04
Statement of Compliance with the Code of Corporate Governance	06
Report of the Trustee	08
Review Report to the Certificate Holders on Statement of Compliance with the Best Practices of the Code of Corporate Governance	09
Independent Auditors' Report to the Certificate Holders	10
Statement of Assets and Liabilities	11
Income Statement	12
Distribution Statement	13
Statement of Changes in Equity	14
Statement of Movement in Net Assets	15
Cash Flow Statement	16
Notes to the Financial Statements	17
Pattern of Certificate Holding	41
Catagories of Certificate Holders	42
Pattern of Certificates Holdings As Per Requirements of Code of Corporate Governance	43
Statement of Income & Expenditure of Investment Adviser in Relation to the Fund	44



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



ORGANIZATION

Investment Adviser

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

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

CFO & Company Secretary

Mr. M. Ahsan Hashmi

Audit Committee

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

Auditors

A. F. Ferguson & Co. - Chartered Accountants
State Life Building 1-C, Off: I. I. Chundrigar Road,
P.O. Box 4716, Karachi.

Legal Advisors

Bawaney & Partners
404, 4th Floor, Beaumont Plaza,
6-CL-10, Beaumont Road, Civil Lines, Karachi.

Bankers

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 INVESTMENT ADVISER

The Board of Directors of National Asset Management Company Limited, the Management Company of NAMCO Balanced Fund, is pleased to present the audited annual accounts of NAMCO Balanced Fund (NBF) for the year ended June 30, 2008.

Market Review

The financial year 2007-08 was not good for the stock market keeping in view the performance of last few years. The KSE 100 Index which was at 13,772 points at the commencement of financial year and touched the level of 15,700 during the year, closed at 12,289 points on June 30, 2008. The upward inflationary pressure resulting in hike of discounts rates, widening fiscal and trade gaps, unpredicted surge in oil prices, weakening of Pak rupee and the political uncertainty were the major causes of this steep decline.

Fund Performance

For the year ended June 30, 2008, your Fund earned a gross revenue of Rs.143.8 million comprising of realized capital gain Rs. 70.1 million, dividend income Rs. 29.0 million, profit on deposits with banks Rs. 16.5 million and from other sources Rs. 28.2 million. The steep market decline culminated into the diminution of Rs. 126.9 million in the value of investments in equities, thus, reduced the gross revenue of Rs. 143.8 million to Rs. 16.8 million.

Operating expenses during the same period were Rs. 42.0 million. Earning per certificate for the period under review was Rs. 1.02 without unrealized diminution and Rs. (0.25) with unrealized diminution. Net asset value per certificate on June 30, 2008 was Rs. 10.19.

For the most part we remained focused on the stocks that offer value, with emphasis on the E&P stocks as they offered value at current level in the wake of escalating oil prices. We booked profits on steep rises, however, the banking sector and stocks of high leveraged companies suffered a set back due to increase in discount rates. Going forward, we shall remain focused on fertilizer and energy sectors on the back of growth potential and good payout history.

Future Outlook

The future outlook for the stock market is cautiously positive. The KSE market has seen the worst fall in the recent period despite better expected corporate earnings. The price earning multiples have reached attractive levels and thus lend a good investment opportunity. Improvement in law & order, political stability, load shedding and other macro economic factors, however, are prerequisite for putting the economy back on track.

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 Investment Advisor for 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.



Compliance with Code of Corporate Governance

In compliance with the Code of Corporate Governance, the Board of Directors declares that;

- These financial statements present fairly the state of affairs of the Fund, the result of its operations, cash flows and changes in equity.
- The Fund has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and financial statements are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Fund's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Karachi Stock Exchange listing regulations.
- There were no transactions during the period in certificates of the Fund carried out by the directors, CEO, CFO and Company Secretary of the Fund including their spouses and minor children except as disclosed in these financial statements.
- Pattern of certificate holdings is given on page 42 of the Annual Report.

Board Meetings

During the year four board meetings of the Investment Advisor of the Fund were held. The details of the attendance by each director in the board meetings are given on page 40 as note 33 to the accounts.

Auditors

The present auditors, Messrs. A. F. Ferguson & Co. Chartered Accountants, retire and being eligible, offer themselves for reappointment. The audit committee of the investment advisor in its meeting held on September 01, 2008 recommended their reappointment as auditors of the Fund for the year to be ended June 30, 2009.

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.

September 01, 2008

ALI A. MALIK
Chairman



Statement of Compliance with the Code of Corporate Governance
NATIONAL ASSET MANAGEMENT COMPANY LIMITED
INVESTMENT ADVISER
For the year ended June 30, 2008

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 Chapter XI of listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed collected investment scheme is managed in compliance with the best practices of corporate governance.

The Investment Adviser has applied the principles contained in the Code in the following manner:

1. The Investment Adviser encourages representation of independent non-executive directors on its Board. At present the Board includes four independent non-executive directors, whereas total number of directors is five.
2. The directors of the Investment Adviser have confirmed that none of them is serving as a director in more than ten listed companies, including the Investment Adviser.
3. All the resident directors of the Investment Adviser are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the period under review.
5. The Investment Adviser has prepared a 'Statement of Ethics & Business Practices', which has been signed by all the directors and employees of the Investment Adviser.
6. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Investment Adviser. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meeting, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. During the year, the directors were apprised of their role and responsibilities as director and Asset Management Code of Professional Conduct.
10. The Board has approved the appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment, as determined by the CEO. The function of internal audit has been outsourced.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Fund other than that disclosed in the pattern of certificate-holding.



14. The Investment Adviser has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises three members all of whom are non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Fund, as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has outsourced the internal audit function to Messrs Avais Hyder Liaquat Nauman, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Investment Adviser and they are involved in the internal audit function on a full time basis.
18. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

September 01, 2008

ETRAT H. RIZVI
Chief Executive



REPORT OF THE TRUSTEE TO THE CERTIFICATE HOLDERS

Report of the Trustee Pursuant to Regulation 58(1) and Clause 9 of Schedule IV of the Non-Banking Finance Companies and Notified Entities Regulations, 2007 during the Period Ended June 30, 2008

NAMCO Balanced Fund, a closed-end scheme was established under a Trust Deed executed between National Asset Management Company Limited as the Investment Adviser and First Dawood Investment Bank Limited as Trustee on April 17, 2006. The Scheme was authorized by the Securities and Exchange Commission of Pakistan on May 03, 2006.

In our opinion, National Asset Management Company Limited, the Investment Adviser of NAMCO Balanced Fund has in all material respects managed NAMCO Balanced Fund during the period ended June 30, 2008 in accordance with the provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Non Banking Finance Companies and Notified Entities Regulation, 2007 and the constitutive documents. We are not aware of any material shortcoming that may have an impact on the decision of the existing or the potential Certificate Holders remaining or investing in the Fund.

September 01, 2008
Karachi

Rafique Dawood
Chairman & Chief Executive
First Dawood Investment Bank Limited



**REVIEW REPORT TO THE CERTIFICATE HOLDERS ON STATEMENT
OF COMPLIANCE WITH THE BEST PRACTICES OF
THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of National Asset Management Company Limited, Management Company of NAMCO Balanced Fund to comply with the Listing Regulation No. 37 (Chapter XI) of the Karachi Stock Exchange.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the personnel of the Management Company and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal controls cover all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund's compliance, in all material respects with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2008.

A.F.Ferguson & Co.
Chartered Accountants

Karachi
Dated: September 09, 2008



INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the accompanying financial statements of NAMCO Balanced Fund, which comprise the statement of assets and liabilities as at June 30, 2008, and the related income statement, distribution statement, cash flow statement, statement of movements in equity and reserves - per certificate and statement of changes in equity for the year ended June 30, 2008, and a summary of significant accounting policies and other explanatory notes.

Investment Adviser's responsibility for the financial statements

The Investment Adviser of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Investment Adviser, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2008 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2007.

A.F. Ferguson & Co.
Chartered Accountants

Karachi
September 09, 2008



STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2008

	Note	June 30, 2008	June 30, 2007
-----Rupees-----			
ASSETS			
Bank balances	5	33,924,239	228,480,941
Investments	6	837,373,543	911,077,025
Receivable against sale of investments		38,196,234	28,710,420
Receivable against continuous funding system		113,259,104	29,172,730
Dividend and other receivables	7	8,187,469	5,905,220
Prepayments and security deposits	8	5,211,007	1,175,000
Preliminary expenses and floatation costs	9	-	1,900,725
Total assets		1,036,151,596	1,206,422,061
LIABILITIES			
Current liabilities			
Current portion of amount payable to Investment Adviser in respect of preliminary expenses and floatation costs	10	1,801,986	1,801,986
Fee payable to Investment Adviser		2,542,288	22,113,785
Fee payable to trustee		67,028	54,562
Fee payable to Securities and Exchange Commission of Pakistan (SECP)		1,087,247	758,008
Payable against purchase of investments		5,095,590	37,455,814
Accrued expenses	11	1,088,271	458,854
Unclaimed dividend		261,450	-
		11,943,860	62,643,009
Long - term liability			
Preliminary expenses and floatation costs payable to the Investment Adviser	10	5,405,958	7,207,944
Total liabilities		17,349,818	69,850,953
NET ASSETS		1,018,801,778	1,136,571,108
CERTIFICATE CAPITAL AND RESERVES			
Certificate capital	12	1,000,000,000	1,000,000,000
Unrealised appreciation on re-measurement of investments classified as 'available for sale' - net		7,438,358	-
Undistributed income		11,363,420	136,571,108
TOTAL CERTIFICATE HOLDERS' FUNDS		1,018,801,778	1,136,571,108
NET ASSETS VALUE PER CERTIFICATE - RUPEES	13	10.19	11.37
COMMITMENTS	14		

The annexed notes from 1 to 37 form an integral part of these financial statements.

For National Asset Management Company Limited
(Investment Adviser)

Chief Executive Officer

Director

Director



INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

	Note	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
-----Rupees-----			
INCOME			
Capital gain on sale of investments - net	15	70,164,527	79,098,752
Dividend income		29,021,100	5,720,735
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.4	(126,937,571)	22,605,118
Unrealized loss on spread transactions	6.5	(107,029)	-
Unrealised gain - letters of rights	-	1,475,709	-
Unrealised gain - futures contracts	6.6	125,135	-
Income from continuous funding system		7,164,682	5,210,142
Profit on bank deposits		16,508,148	50,655,847
Income from certificates of musharika		4,282,315	3,957,254
Income from certificates of investment		1,428,288	943,151
Income from term deposit receipts		-	1,250,240
Income from term finance certificates		10,736,227	1,806,397
Profit on commercial papers		4,487,036	340,001
Other income		5,841	-
		16,878,699	173,063,346
OPERATING EXPENSES			
Fee to Investment Adviser	16	32,617,431	22,113,785
Remuneration to Central Depository Company of Pakistan Limited (CDC)		390,881	904,999
Fee to trustee	17	844,446	593,273
SECP fee		1,087,248	758,008
Securities transaction cost	18	4,244,292	4,511,686
Auditors' remuneration	19	449,055	364,153
Amortisation of preliminary expenses and floatation costs	9	1,900,725	7,109,205
Annual listing fee		60,000	-
Bank charges		58,400	2,350
Legal and professional charges		110,301	80,000
Other expenses	20	323,608	54,779
		42,086,387	36,492,238
(Loss) / income before taxation		(25,207,688)	136,571,108
Taxation	21	-	-
(Loss) / income after taxation		(25,207,688)	136,571,108
(Loss) / earnings per certificate (Rupees)	22		
With net unrealized (diminution) / appreciation on remeasurement of investments		(0.25)	1.37
Without net unrealized (diminution) / appreciation on remeasurement of investments		1.02	1.12

The annexed notes from 1 to 37 form an integral part of these financial statements.

For National Asset Management Company Limited
(Investment Adviser)

Chief Executive Officer

Director

Director

**DISTRIBUTION STATEMENT**
FOR THE YEAR ENDED JUNE 30, 2008

	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	-----Rupees-----	
Undistributed income brought forward	136,571,108	-
Final cash dividend for the period ended June 30, 2007 declared subsequent to period end - Re 1 per certificate	(100,000,000)	-
(Loss) / income after taxation for the year / period	(25,207,688)	136,571,108
Undistributed income carried forward	<u>11,363,420</u>	<u>136,571,108</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

For National Asset Management Company Limited
(Investment Adviser)

Chief Executive Officer

Director

Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2008

	Certificate capital	Subscription money	Unrealised appreciation on re-measurement of investments classified as available for sale - net	Un-distributed income	Total
	Rupees				
Subscription money received during the period from September 16, 2006 to June 30, 2007	-	1,000,000,000	-	-	1,000,000,000
Issue of certificates	1,000,000,000	(1,000,000,000)	-	-	-
Income for the period ended June 30, 2007	-	-	-	136,571,108	136,571,108
Balance as at June 30, 2007	<u>1,000,000,000</u>	<u>-</u>	<u>-</u>	<u>136,571,108</u>	<u>1,136,571,108</u>
Balance as at July 01, 2007	1,000,000,000	-	-	136,571,108	1,136,571,108
Final cash dividend for the period ended June 30, 2007 declared subsequent to period end - Re 1 per certificate	-	-	-	(100,000,000)	(100,000,000)
Loss for the year ended June 30, 2008	-	-	-	(25,207,688)	(25,207,688)
Unrealised appreciation on re-measurement of investments classified as 'available for sale' - net	-	-	7,438,358	-	7,438,358
Balance as at June 30, 2008	<u>1,000,000,000</u>	<u>-</u>	<u>7,438,358</u>	<u>11,363,420</u>	<u>1,018,801,778</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Director



**STATEMENT OF MOVEMENT IN EQUITY
AND RESERVES - PER CERTIFICATE**
FOR THE YEAR ENDED JUNE 30, 2008

	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	----- Rupees -----	
Net assets value per certificate at the beginning of the year / period	11.37	-
Capital gain on sale of investments - net	0.70	0.79
Dividend income	0.29	0.06
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(1.27)	0.23
Unrealised gain on letter of rights	-	0.01
Income from continuous funding system	0.07	0.05
Profit on bank deposits	0.17	0.51
Income from certificates of musharika	0.04	0.04
Income from certificates of investment	0.01	0.01
Income from term deposit receipts	-	0.01
Income from term finance certificates	0.11	0.02
Profit on commercial papers	0.05	-
	<u>0.17</u>	<u>1.73</u>
Operating expenses	(0.42)	(0.36)
Unrealised appreciation on re-measurement of investments classified as 'available for sale' - net	0.07	-
Issue of certificates during the year / period	-	10.00
Final cash dividend for the period ended June 30, 2007 declared subsequent to period end - Re 1 per certificate	(1.00)	-
Net assets value per certificate at the end of the year / period	<u><u>10.19</u></u>	<u><u>11.37</u></u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

For National Asset Management Company Limited
(Investment Adviser)

Chief Executive Officer

Director

Director



CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

	Note	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before taxation		(25,207,688)	136,571,108
Adjustments for non-cash changes and other items:			
Fee to Investment Adviser		32,617,431	22,113,785
Fee to trustee		844,446	593,273
Dividend income		(29,021,100)	(5,720,735)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		126,937,571	(22,605,118)
Unrealised gain - letters of rights		-	(1,475,709)
Unrealised loss on spread transactions		107,029	-
Unrealised gain - futures contracts		(125,135)	-
Amortisation of preliminary expenses and floatation costs		1,900,725	7,109,205
Operating cash inflow before working capital changes		108,053,279	136,585,809
(Increase) / decrease in assets			
Investments - net		(45,777,625)	(886,996,198)
Receivable against sale of investments		(9,485,814)	(28,710,420)
Receivable against continuous funding system		(84,086,374)	(29,172,730)
Prepayments and security deposits		(4,036,007)	(1,175,000)
Other receivables		(814,724)	(4,406,720)
		(144,200,544)	(950,461,068)
Increase / (decrease) in liabilities			
Fee payable to SECP		329,239	758,008
Payable against purchase of investments		(32,360,224)	37,455,814
Accrued expenses		629,417	458,854
		(31,401,568)	38,672,676
Fee paid to the Investment Adviser		(52,188,928)	-
Fee paid to the trustee		(831,980)	(538,711)
Preliminary expenses and floatation costs paid		(1,801,986)	-
Net cash used in operating activities		(122,371,727)	(775,741,294)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend received		27,553,575	4,222,235
Net cash inflow from investing activities		27,553,575	4,222,235
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of certificates		-	1,000,000,000
Dividend paid		(99,738,550)	-
Net cash (used in) / generated from financing activities		(99,738,550)	1,000,000,000
Net (decrease) / increase in cash and cash equivalents		(194,556,702)	228,480,941
Cash and cash equivalents at the beginning of the year / period		228,480,941	-
Cash and cash equivalents at the end of the year / period	23	33,924,239	228,480,941

The annexed notes from 1 to 37 form an integral part of these financial statements.

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

Chief Executive Officer

Director

Director



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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 Investment Adviser and First Dawood Investment Bank Limited 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.

- 1.1 On November 21, 2007 the Securities and Exchange Commission of Pakistan (SECP) notified the revised NBFC Regulations. Regulation 75 of these Regulations requires that an Investment Adviser managing a closed-end fund shall, upon expiry of five years from the date of launch of the Fund, hold a meeting of the certificate holders of the Fund to seek approval of the certificate holders (by special resolution) to continue as a closed-end fund or convert into an open-ended scheme or wind up the closed-end fund.

2 STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with the 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, 2007 (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 shall prevail.

2.2 Amendments to published accounting standards effective in the current period

Amendments to IAS 1 - "Presentation of Financial Statements - Capital Disclosures", introduces certain new disclosures about the level of and the management of the Fund's capital. Adoption of this amendment has only resulted in additional disclosures which have been set out in note 28 to these financial statements.

Other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2007 which are not considered relevant or do not have any significant effect on the Fund's operations are not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved IFRS that are not yet effective

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning from the dates specified below are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain increased disclosures in certain cases:

IAS 1 - Presentation of Financial Statements (Revised September 2007)	effective from January 1, 2009
IAS 23 - Borrowing Costs (Revised March 2007)	effective from January 1, 2009
IAS 27 (Revised) - Consolidation and Separate Financial Statements (Revised) - Business Combinations	effective from July 1, 2009 IFRS 3 effective from July 1, 2009



IFRS 7 - Financial Instrument: Disclosure	effective from April 28, 2008
IFRS 8 - Operating Segments	effective from January 1, 2009
IFRIC 12 - Service Concession Arrangements	effective from January 1, 2008
IFRIC 13 - Customer Loyalty Programmes	effective from July 1, 2008
IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Assets, Minimum Funding Requirement and their Interaction	effective from January 1, 2008
IFRIC 15 - Agreements for the Construction of Real Estate	effective from January 1, 2009
IFRIC 16 - Hedges of a Net Investment in a Foreign Operation	effective from October 1, 2008

3 BASIS OF PREPARATION

- 3.1 These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.
- 3.2 The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3.3 Critical accounting estimates and judgements

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 judgement 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 areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- i. Classification and valuation of investments (notes 4.2 and 6)
- ii. Amortisation of preliminary expenses and floatation costs (notes 4.7 and 9)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise of bank balances, certificates of musharika and certificates of investment with original maturities of three months or less.

4.2 Investments

The Investment Adviser determines the appropriate classification of the Fund's investments in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement', at the time of purchase and re-evaluates this classification on a regular basis. All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell the assets.

Investments of the Fund are categorised as follows:

a) Financial assets at fair value through profit or loss

Investments that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category. These investments are initially recognised at fair value and the transaction cost associated with the investments are taken directly to income statement. Subsequent to the initial recognition, these investments are marked to market using the closing market rates and are carried on the statement of assets and liabilities at fair value. The fair value of financial instruments traded in active market is based on quoted market prices. Net gains and losses arising from the changes in fair values of these investments are taken to the income statement in the year in which they arise.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at fair value. Subsequently these investments are carried at amortised cost.

c) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity.

These investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequently to initial recognition these investments are carried at amortised cost.

d) Available for sale

These are non-derivative financial assets that are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit and loss.

Investments categorised as available for sale are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Subsequent to initial recognition, these investments are measured at fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity until the available for sale investment is derecognised. At this time, the cumulative gain or loss previously recognised directly in equity is transferred to the income statement.

Investments are de-recognized when the rights to receive the cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of investments is recognised when there is a permanent diminution in their value.

4.3 Derivatives

Derivative instruments are carried at fair value. The resultant gain or loss is recognised in the income statement.

4.4 Spread transactions (Ready-Future Transactions)

The Fund enters into certain transactions involving purchase of a security in the ready market and their simultaneous sale in the futures market (spread transactions). Securities purchased by the Fund in the ready market are carried on the statement of assets and liabilities till their eventual disposal, and the forward sale of securities in the futures market is accounted for separately.



4.5 Short-term liabilities and other payables

Short-term liabilities and other payables are initially recognised at fair value and subsequently carried at amortised cost.

4.6 Securities under resale agreements – Continuous Funding System (CFS) transactions

Securities purchased under an agreement to resell (reverse repo) are included as receivable against CFS transactions at the fair value of the consideration given. The CFS transactions are accounted for on the settlement date. The difference between the purchase and sale price is treated as income from CFS transactions in the income statement and is recognised over the term of the respective transactions.

4.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of one year.

4.8 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.9 Dividend distribution and transfer between reserves

Dividends declared and transfers between reserves made subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividends are declared / transfers are made.

4.10 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to avail the tax exemption under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its certificate holders every year.

4.11 Impairment

The carrying amounts of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of such asset is estimated and impairment losses are recognised in the income statement.



4.12 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.
- Income on continuous funding system transactions is recognised on an accrual basis.
- Income from certificates of musharika, certificates of investments, term finance certificates and commercial papers is recognised on an accrual basis.
- Unrealised gains / losses arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Profit on bank deposits is recognised on an accrual basis.

4.13 Financial assets and financial liabilities

Financial assets carried on the statement of assets and liabilities include bank balances, receivable against continuous funding system transactions, investments, receivable against sale of investments, dividend and other receivables and security deposits.

Financial liabilities carried on the statement of assets and liabilities include fee payable to Investment Adviser, fee payable to trustee, annual fee payable to Securities and Exchange Commission of Pakistan, payable against purchase of investments, accrued expenses and preliminary expenses and floatation costs payable to the Investment Adviser.

At the time of initial recognition, all financial assets and financial liabilities are measured at the fair value. The particular recognition methods adopted for subsequent re-measurement of significant financial assets and financial liabilities are disclosed in the individual policy statements associated with each item.

4.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on the net basis, or realise an asset and settle liability simultaneously.

	Note	June 30, 2008	June 30, 2007
-----Rpees-----			
5 BANK BALANCES			
Balance in PLS accounts		<u>33,924,239</u>	<u>228,480,941</u>
6 INVESTMENTS			
Financial assets at fair value through profit and loss - held for trading			
- Quoted equity securities - regular market trade	6.1	612,732,186	727,211,322
- Quoted equity securities - spread transactions	6.2	5,827,745	-
- Derivative financial instruments	6.6	125,135	1,475,709
Available for sale			
- Equity securities	6.3	78,722,647	-
Loans and receivables			
- Fixed income and other debt securities	6.8	110,000,000	35,000,000
Held to maturity			
- Fixed income and other debt securities	6.9	<u>29,965,830</u>	<u>147,389,994</u>
		<u>837,373,543</u>	<u>911,077,025</u>

6.1 Financial assets at fair value through profit or loss - held for trading (Quoted equity securities - regular market trade)

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

Name of Investee	No of shares					Balance as at June 30, 2008				Percentage in relation to		
	As at July 01, 2007	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at June 30, 2008	Cost	Carrying cost	Market value	Appreciation/diminution	Market value as a percentage of net assets	Investee paid-up capital *	Total investments
-----Rupees-----												
6.1.1 COLLECTIVE INVESTMENT SCHEMES												
OPEN-END MUTUAL FUNDS												
Dawood Islamic Fund	-	200,000	-	-	200,000	-	-	-	-	-	-	-
6.1.2 OTHER EQUITY SECURITIES												
MODARABAS												
AlZamin Leasing Modaraba	60,500	26,000	-	-	86,500	776,730	778,480	699,785	(78,695)	0.069%	0.340%	0.084%
B.R.R Guardian Modaraba	1,004,000	260,000	-	64,000	1,286,500	8,196,837	10,296,308	8,556,000	(1,740,308)	0.840%	1.538%	1.022%
	1,064,500	286,000	-	64,000	1,286,500	8,973,567	11,074,788	9,255,785	(1,819,003)	0.909%	1.878%	1.106%
LEASING COMPANIES												
AlZamin Leasing Corporation	-	23,214	-	-	23,214	171,387	171,387	85,892	(85,495)	0.008%	0.047%	0.010%
Crescent Leasing Corporation Limited	12,214	10,500	-	22,714	268,000	7,299,445	8,071,928	6,697,320	(1,374,608)	0.657%	0.386%	0.800%
Ortex Leasing Pakistan Limited	240,500	124,000	-	500	268,000	7,299,445	8,071,928	6,697,320	(1,374,608)	0.657%	0.386%	0.800%
SME Leasing Limited	252,714	158,214	-	119,714	291,214	7,470,832	8,243,315	6,783,212	(1,460,103)	0.665%	0.433%	0.810%
INVESTMENT BANKS/COMPANIES/SECURITIES												
Arif Habib Limited	-	153,300	-	121,300	32,000	9,569,600	9,569,600	7,903,680	(1,666,010)	0.776%	0.133%	0.944%
Arif Habib Securities Limited	65,000	491,600	-	536,600	20,000	3,175,125	3,175,125	3,229,600	54,475	0.317%	0.007%	0.386%
Escorts Investment Bank Limited	517,000	311,500	-	234,500	594,000	9,018,889	9,496,195	7,531,920	(1,964,275)	0.739%	1.347%	0.899%
First National Equities Limited	-	108,000	-	-	108,000	7,212,290	7,212,290	9,088,200	1,875,910	0.892%	0.188%	1.085%
IGI Investment Bank Limited	-	30,000	-	30,000	11,500	5,952,556	5,952,556	6,096,725	144,169	0.598%	0.006%	0.728%
Jahangir Siddiqui & Company Limited	-	58,900	-	47,400	6,000	606,486	606,486	320,280	(286,206)	0.031%	0.013%	0.038%
Javed Omar Vohra & Company Limited	-	81,100	6,400	81,500	7,500	706,680	706,680	713,025	6,345	0.070%	0.008%	0.085%
JS Global Capital Limited	-	214,900	-	5,000	7,500	706,680	706,680	713,025	6,345	0.070%	0.008%	0.085%
JS Investments Limited	-	33,500	-	33,500	779,000	36,241,716	36,719,022	34,883,430	(1,835,592)	3.423%	1.702%	4.165%
Pervez Ahmed Securities Limited	582,000	1,487,800	6,400	1,297,200	779,000	36,241,716	36,719,022	34,883,430	(1,835,592)	3.423%	1.702%	4.165%
COMMERCIAL BANKS												
Allied Bank Limited	-	69,000	4,200	66,200	7,000	624,375	624,375	596,890	(27,485)	0.059%	0.001%	0.071%
Arif Habib Bank Limited	282,000	210,050	-	257,000	25,000	481,250	481,250	479,500	(1,750)	0.047%	0.006%	0.057%
Askari Commercial Bank Limited	100,000	180,000	50,750	155,000	205,800	14,236,342	14,519,405	8,271,102	(6,248,303)	0.812%	0.051%	0.988%
Bank Al-Falah Limited	93,500	26,000	33,350	283,350	110,000	5,057,594	5,341,794	4,516,600	(825,194)	0.443%	0.014%	0.539%
Bank Al-Habib Limited	-	292,000	-	19,500	100,000	1,540,526	1,540,526	1,481,000	(59,526)	0.145%	0.024%	0.177%
Bank Islami Pakistan Limited	200,000	656,100	94,750	426,950	523,900	29,250,485	29,250,485	16,309,007	(13,216,557)	1.601%	0.099%	1.948%
Bank of Punjab Limited	75,000	27,500	-	102,500	55,000	3,003,324	3,003,324	1,927,200	(1,076,124)	0.189%	0.010%	0.230%
Crescent Commercial Bank Limited	199,000	156,500	-	300,500	55,000	3,003,324	3,003,324	1,927,200	(1,076,124)	0.189%	0.010%	0.230%
Habib Bank Limited	-	61,300	-	61,300	36,000	2,298,627	2,298,627	1,482,120	(814,757)	0.145%	0.006%	0.177%
Habib Metropolitan Bank Limited	59,100	15,900	8,000	47,000	210,000	3,226,580	3,226,580	2,885,400	(341,180)	0.283%	0.041%	0.345%
JS Bank Limited	270,000	450,000	119,500	629,500	21,000	6,530,605	6,530,605	6,853,980	323,375	0.673%	0.003%	0.819%
MCB Bank Limited	30,000	457,000	-	466,000	21,000	6,530,605	6,530,605	6,853,980	323,375	0.673%	0.003%	0.819%
MyBank Limited	55,000	2,500	15,000	72,500	276,900	53,873,230	54,183,256	40,842,750	(13,340,506)	4.009%	0.031%	4.877%
National Bank of Pakistan limited	215,000	516,900	20,400	475,400	276,900	53,873,230	54,183,256	40,842,750	(13,340,506)	4.009%	0.031%	4.877%

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

Name of Investee	No of shares						Balance as at June 30, 2008				Percentage in relation to		
	As at July 01, 2007	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at June 30, 2008	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	30,000	735,000	-	340,000	425,000	6,630,443	6,630,443	4,832,250	(1,798,193)	0.474%	0.015%	0.577%	
PICIC Commercial Bank Limited	-	57,500	-	57,500	70,000	1,023,600	1,023,600	1,060,500	36,900	0.104%	0.014%	0.127%	
Saudi Pak Commercial Bank limited	180,000	187,500	-	297,500	75,000	3,560,350	3,486,350	1,863,000	(1,623,350)	0.183%	0.018%	0.222%	
Soneri Bank Limited	50,000	15,000	10,000	-	61,000	3,060,793	3,040,627	1,434,110	(1,596,517)	0.141%	0.002%	0.171%	
Standard Chartered Bank Pakistan Limited	65,000	31,000	-	35,000	176,000	22,837,281	22,896,439	14,975,840	(7,920,599)	1.470%	0.017%	1.788%	
United Bank Limited	35,000	275,750	26,250	161,000	176,000	157,235,405	158,341,015	109,811,249	(48,529,766)	10.778%	0.352%	13.113%	
1,836,600	4,704,500	382,200	4,545,700	2,377,600	4,545,700	26,363,442	26,363,442	24,635,520	(1,727,922)	2.418%	0.089%	2.942%	
INSURANCE	45,000	405,300	-	359,300	60,300	3,540,167	3,526,016	2,489,787	(1,056,220)	0.244%	0.296%	0.297%	
Adamiq Insurance Company Limited	21,000	78,600	12,960	112,300	4,000	1,455,000	1,455,000	1,443,440	(11,560)	0.142%	0.003%	0.172%	
Askari General Insurance Company Limited	57,700	9,900	-	9,900	56,000	2,965,867	3,326,440	3,842,160	515,720	0.377%	0.157%	0.459%	
EFU General Insurance Limited	82,200	22,600	10,040	58,800	94,002	5,936,019	5,936,019	8,160,314	2,224,295	0.801%	0.031%	0.975%	
EFU Life Assurance Limited	34,500	36,500	159,442	198,232	305,302	40,260,495	40,606,917	40,571,221	(35,696)	3.982%	0.576%	4.845%	
New Jubilee Life Insurance Company Limited	20,000	112,802	182,442	810,642	-	-	-	-	-	-	-	-	
Pakistan Reinsurance Limited	240,400	695,102	-	47,500	-	-	-	-	-	-	-	-	
TEXTILE SPINNING	-	47,500	-	47,500	-	-	-	-	-	-	-	-	
D:S Industries Limited	-	-	-	-	-	-	-	-	-	-	-	-	
TEXTILE WEAVING	-	26,500	-	20,000	6,500	179,030	179,030	180,180	1,150	0.018%	0.049%	0.022%	
Samin Textile Mills limited	-	-	-	-	-	-	-	-	-	-	-	-	
TEXTILE COMPOSITE	-	97,540	3,160	100,700	10,000	603,269	603,269	615,600	12,331	0.060%	0.003%	0.074%	
Artistic Denim Mills Limited	-	257,000	-	247,000	132,000	2,438,728	2,784,400	1,830,840	(953,560)	0.180%	0.091%	0.219%	
Azgard Nine Limited	100,000	106,000	-	74,000	250,000	8,807,441	8,772,650	6,002,500	(2,770,150)	0.589%	0.332%	0.717%	
Kohinoor Textile Mills Limited	210,000	153,000	-	113,000	97,000	8,971,000	8,972,492	8,339,090	(633,402)	0.819%	0.061%	0.996%	
Nishat (Chunian) Limited	190,000	603,800	-	696,800	489,000	20,820,438	21,132,811	16,788,030	(4,344,781)	1.648%	0.487%	2.006%	
Nishat Mills Limited	500,000	1,217,340	3,160	1,231,500	489,000	20,820,438	21,132,811	16,788,030	(4,344,781)	1.648%	0.487%	2.006%	
JUTE	19,600	2,900	6,630	29,130	-	-	-	-	-	-	-	-	
Thal Limited (Face value Rs. 5 each)	-	-	-	-	-	-	-	-	-	-	-	-	
SUGAR & ALLIED INDUSTRIES	24,000	5,000	-	29,000	-	-	-	-	-	-	-	-	
Habib Sugar Mills (Face value Rs. 5 each)	56,100	1,520	2,580	60,200	55,000	1,956,981	1,983,636	1,051,600	(932,036)	0.103%	0.079%	0.126%	
J.D.W. Sugar	15,000	38,500	5,000	3,500	55,000	1,956,981	1,983,636	1,051,600	(932,036)	0.103%	0.079%	0.126%	
Shakarganj Mills Limited	68,500	-	46,661	115,161	55,000	1,956,981	1,983,636	1,051,600	(932,036)	0.103%	0.079%	0.126%	
Tandianwala Sugar Mills Limited	163,600	45,020	54,241	207,861	55,000	1,956,981	1,983,636	1,051,600	(932,036)	0.103%	0.079%	0.126%	
CEMENT	73,700	65,000	-	65,000	89,400	9,842,825	10,248,814	6,895,422	(3,353,392)	0.677%	0.124%	0.823%	
Attock Cement Pakistan Limited	170,000	450,100	-	459,800	160,300	15,823,787	15,901,150	10,762,542	(5,138,608)	1.056%	0.063%	1.285%	
D.G. Khan Cement Limited	-	29,000	-	29,000	317,500	5,734,342	6,024,571	3,213,100	(2,811,471)	0.315%	0.046%	0.384%	
Dewan Cement Limited	445,000	67,750	250	20,000	35,000	3,579,565	3,579,565	3,427,550	(152,015)	0.336%	0.013%	0.409%	
Fauji Cement Company limited	-	20,000	-	20,000	-	-	-	-	-	-	-	-	
Flying Cement limited	-	350,000	-	315,000	-	-	-	-	-	-	-	-	
Lucky Cement Limited	-	-	-	-	-	-	-	-	-	-	-	-	

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



Name of Investee	No of shares						Balance as at June 30, 2008				Percentage in relation to		
	As at July 01, 2007	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at June 30, 2008	Cost	Carrying cost	Market value	Appreciation/diminution	Market value as a percentage of net assets	Investee paid-up capital *	Total investments	
Maple Leaf Cement limited													
Pakistan Cement Company Limited	130,000	80,000	-	85,000	125,000	2,529,734	1,363,750	(1,375,969)	0.134%	0.054%	0.163%		
	300,000	183,000	67,500	182,500	368,000	4,398,351	2,502,400	(2,268,435)	0.246%	0.032%	0.299%		
	1,118,700	1,306,350	67,750	1,397,600	1,095,200	41,908,604	43,264,654	(15,099,890)	2.764%	0.312%	3.363%		
TOBACCO													
Pakistan Tobacco Company Limited	-	20,400	-	6,000	14,400	2,165,464	1,684,800	(480,664)	0.165%	0.006%	0.201%		
REFINERY													
Attock Refinery Limited	40,000	42,500	-	82,500	250,000	4,219,775	4,219,775	(869,775)	0.329%	0.064%	0.400%		
Boscor Pakistan Limited	200,000	324,000	-	274,000	45,000	17,328,217	13,653,873	(3,674,344)	1.340%	0.057%	1.681%		
National Refinery Limited	18,000	94,000	2,000	68,100	9,500	2,240,456	1,438,110	(792,346)	0.141%	0.027%	0.172%		
Pakistan Refinery Limited	26,500	27,900	-	44,900	305,400	25,778,448	18,441,983	(5,336,465)	1.810%	0.148%	2.203%		
	284,500	488,400	2,000	469,500	305,400	25,778,448	18,441,983	(5,336,465)	1.810%	0.148%	2.203%		
POWER GENERATION & DISTRIBUTION													
Tub Power Company	175,000	287,500	-	35,000	427,500	14,457,003	14,547,575	(2,321,075)	1.200%	0.037%	1.460%		
Kor Addu Power Company	50,000	222,000	-	25,500	128,500	6,171,498	6,171,498	(131,998)	0.593%	0.015%	0.721%		
Southern Electric Power Company	225,000	509,500	-	178,500	556,000	20,628,501	20,719,075	(18,266,000)	(2,453,073)	1.793%	0.052%	2.181%	
OIL & GAS MARKETING COMPANIES													
Attock Petroleum Limited	38,000	64,100	3,000	82,500	22,600	11,200,610	11,200,610	(1,431,082)	0.959%	0.047%	1.167%		
Pakistan State Oil Company Limited	74,100	343,100	-	318,200	99,000	45,940,754	45,932,092	(41,306,760)	(4,625,332)	4.054%	0.058%	4.933%	
Shell (Pakistan) Limited	10,000	27,400	-	37,400	60,000	4,376,183	4,277,277	(2,614,200)	(1,663,077)	0.257%	0.011%	0.312%	
Sui Northern Gas Pakistan Limited	60,500	29,500	-	50,000	181,600	61,517,547	61,409,979	(53,690,488)	(7,719,491)	5.270%	0.116%	6.412%	
	182,600	464,100	3,000	468,100	181,600	61,517,547	61,409,979	(53,690,488)	(7,719,491)	5.270%	0.116%	6.412%	
OIL & GAS EXPLORATION COMPANIES													
Mari Gas Company	-	26,800	-	21,800	5,000	1,374,470	1,374,470	(26,820)	0.132%	0.014%	0.161%		
Oil & Gas Development Corporation Limited	421,500	458,700	-	650,200	250,000	31,725,974	31,618,108	(3,090,000)	(528,108)	3.052%	0.006%	3.713%	
Pakistan Oilfields Limited	283,500	378,500	-	463,800	198,200	73,149,722	72,135,551	(7,098,000)	(7,098,000)	7.098%	0.101%	8.635%	
Pakistan Petroleum Limited	205,000	472,200	20,800	487,000	211,000	54,013,604	54,087,422	(2,183,532)	5.095%	0.028%	6.198%		
	910,000	1,336,200	20,800	1,602,800	664,200	160,263,770	159,215,551	(15,652,828)	(2,362,723)	15.377%	0.149%	18.707%	
ENGINEERING													
Crescent Steel and Allied Products Limited	57,000	62,700	5,640	75,240	50,100	4,391,775	4,391,775	(1,299,102)	0.304%	0.098%	0.369%		
Dost Steels Limited	-	95,000	-	45,000	50,000	1,758,800	1,758,800	(666,800)	0.107%	0.074%	0.130%		
International Industries Limited	32,000	8,000	11,550	51,550	100,100	6,150,575	6,150,575	(1,965,902)	0.411%	0.172%	0.499%		
	89,000	165,700	17,190	171,790	100,100	6,150,575	6,150,575	(1,965,902)	0.411%	0.172%	0.499%		
AUTOMOBILE ASSEMBLER													
Honda Atlas Cars Limited	40,000	35,000	-	75,000	2,000	364,429	364,429	(35,671)	0.039%	0.003%	0.048%		
Indus Motor Company Limited	15,000	59,700	-	72,700	115,600	28,377,704	28,604,683	(14,756,959)	1.359%	0.141%	1.654%		
Pak Suzuki Motor Company Limited	23,000	114,600	-	12,500	117,600	28,742,133	28,969,112	(14,721,288)	1.398%	0.144%	1.702%		
Suzuki Motorcycles Pakistan Limited	12,500	209,300	-	182,200	117,600	28,742,133	28,969,112	(14,721,288)	1.398%	0.144%	1.702%		
	90,500	209,300	-	182,200	117,600	28,742,133	28,969,112	(14,721,288)	1.398%	0.144%	1.702%		
AUTOMOBILE PARTS & ACCESSORIES													
Agri Autos Industries Limited (Face value Rs. 5 each)	-	19,900	-	19,900	-	-	-	-	-	-	-		

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



Name of Investee	No of shares					Balance as at June 30, 2008				Percentage in relation to		
	As at July 01, 2007	Purchases during the year	Bonus / rights issue	Sales during the year	Holding as at June 30, 2008	Cost	Carrying cost	Market value	Appreciation/Diminution	Market value as a percentage of net assets	Investee paid-up capital *	Total investments
Rupees												
CABLE & ELECTRICAL GOODS Pak Elektron Limited	20,000	-	-	20,000	-	-	-	-	-	-	-	-
TRANSPORT Pakistan International Airlines Corporation Pakistan National Shipping Corporation	- - -	487,000 19,100 506,100	- - -	- 19,100 19,100	487,000 487,000	3,625,335 3,625,335	3,625,335 3,625,335	2,435,000 2,435,000	(1,190,335) (1,190,335)	0.239% 0.239%	0.023% 0.023%	0.291% 0.291%
TECHNOLOGY & COMMUNICATION Eye Television Network Limited Netsol Technologies Pakistan Telecommunication Company Limited Pak Datacom TRG Pakistan WorldCall Telecom Limited	- 30,000 370,000 - - - 400,000	21,500 115,700 744,000 296,800 48,300 345,000 366,000 1,193,300	- - - - - - -	21,500 74,700 184,800 48,300 10,000 165,000 504,300	- 71,000 482,000 - 335,000 201,000 1,089,000	- 7,407,503 23,076,248 - 3,720,279 3,459,162 37,663,192	- 7,407,503 24,085,701 - 3,720,279 3,459,162 38,672,645	- 6,906,880 18,624,480 - 2,093,750 2,918,520 30,543,630	- (500,623) (5,461,221) - (1,626,529) (540,642) (8,129,015)	- 0.678% 1.828% - 0.206% 0.286% 2.998%	- 0.119% 0.013% - 0.090% 0.023% 0.245%	- 0.825% 2.224% - 0.250% 0.349% 3.648%
FERTILIZER Enro Chemical Pakistan Limited Fauji Fertilizer Bin Qasim Limited Fauji Fertilizer Company	64,000 150,000 210,000 424,000	523,500 744,000 183,600 1,431,100	15,700 - - 15,700	509,200 391,000 341,600 1,241,800	94,000 503,000 52,000 649,000	26,203,042 21,244,625 7,272,038 54,719,705	26,203,042 21,244,625 7,272,038 54,719,705	26,396,140 18,092,910 6,880,640 51,369,690	193,098 (3,151,715) (391,398) (3,350,015)	2.591% 1.776% 0.675% 5.042%	0.049% 0.054% 0.011% 0.114%	3.152% 2.161% 0.822% 6.135%
PHARMACEUTICALS Hightoon Laboratories	-	11,100	1,110	12,210	-	-	-	-	-	-	-	-
CHEMICALS BOC Pakistan Limited ICI Pakistan Limited Sitara Peroxide Limited	6,500 50,000 -	15,400 64,500 85,000 164,900	- - - -	21,900 114,500 60,000 196,400	- 25,000 25,000	- 1,433,365 1,433,365	- 1,433,365 1,433,365	- 1,358,000 1,358,000	- (75,365) (75,365)	- 0.133% 0.133%	- 0.045% 0.045%	- 0.162% -
PAPER & BOARD Packages Limited	31,100	134,550	4,050	120,600	49,100	17,265,317	17,265,317	12,367,799	(4,897,518)	1.214%	0.058%	1.477%
GLASS & CERAMICS Ghani Glass Limited	22,700	5,105	1,105	28,910	-	-	-	-	-	-	-	-
MISCELLANEOUS Pace (Pakistan) Siddiqsons Tin Plate Limited	- 50,000 50,000	- 135,000 146,500	- - -	- 135,000 196,500	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
TOTAL INVESTMENTS	8,564,014	17,001,381	767,778	15,409,457	10,923,716	733,000,420	739,669,757	612,732,186	(126,937,571)	60.140%	7.140%	73.012%

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

6.2 Financial assets at fair value through profit or loss - held for trading (Quoted equity securities - spread transactions)

Name of Investee	No of shares ^a					Balance as at June 30, 2008					Percentage in relation to		
	As at July 01, 2007	Purchases during the period	Bonus / rights issue	Sales during the period	Holding as at June 30, 2008	Cost	Market value	Appreciation/diminution	Market value as a percentage of net assets	Investee paid-up capital *	Total investments		
INVESTMENT BANKS/COMPANIES/SECURITIES													
Jahangir Siddiqui & Company													
COMMERCIAL BANKS													
Askari Bank Limited	-	7,500	-	7,500	-	-	-	-	-	-	-	-	
Bank Al-Falah Limited	-	1,500	-	1,500	-	-	-	-	-	-	-	-	
JS Bank Limited	-	112,000	-	36,000	76,000	3,176,474	3,120,560	(55,914)	0.306%	0.010%	0.373%	-	
National Bank of Pakistan	-	59,000	-	59,000	-	-	-	-	-	-	-	-	
NIB Bank	-	229,500	-	129,500	100,000	1,168,490	1,137,000	(31,490)	0.112%	0.004%	0.136%	-	
	-	414,000	-	238,000	176,000	4,344,964	4,257,560	(87,404)	0.418%	0.014%	0.509%	-	
INSURANCE													
Adamjee Insurance Company Limited	-	1,500	-	1,500	-	-	-	-	-	-	-	-	
TEXTILE COMPOSITE													
Azgard Nine Limited	-	125,500	-	125,500	-	-	-	-	-	-	-	-	
Nishat Mills Limited	-	1,000	-	1,000	-	-	-	-	-	-	-	-	
	-	126,500	-	126,500	-	-	-	-	-	-	-	-	
CEMENT													
D.G. Khan Cement	-	4,500	-	4,500	-	-	-	-	-	-	-	-	
POWER GENERATION & DISTRIBUTION													
Hub Power Company	-	88,000	-	46,000	42,000	1,222,660	1,201,200	(21,460)	0.118%	0.004%	0.143%	-	
Kot Addu Power Company	-	5,500	-	5,500	-	-	-	-	-	-	-	-	
	-	93,500	-	51,500	42,000	1,222,660	1,201,200	(21,460)	0.118%	0.004%	0.143%	-	
OIL & GAS EXPLORATION COMPANIES													
Oil & Gas Development Corporation	-	38,500	-	38,500	-	-	-	-	-	-	-	-	
Pakistan Oilfields Limited	-	17,500	-	17,500	-	-	-	-	-	-	-	-	
Pakistan Petroleum Limited	-	27,000	-	25,500	1,500	367,150	368,985	1,835	0.036%	0.000%	0.044%	-	
	-	83,000	-	81,500	1,500	367,150	368,985	1,835	0.036%	0.000%	0.044%	-	
TECHNOLOGY & COMMUNICATION													
WorldCall Telecom Limited	-	1,000	-	1,000	-	-	-	-	-	-	-	-	
FERTILIZER													
Engro Chemical	-	10,000	-	10,000	-	-	-	-	-	-	-	-	
Fauji Fertilizer Bin Qasim Limited	-	25,000	-	25,000	-	-	-	-	-	-	-	-	
	-	35,000	-	35,000	-	-	-	-	-	-	-	-	
CHEMICALS													
Sitara Peroxide Limited	-	3,500	-	3,500	-	-	-	-	-	-	-	-	
	-	770,000	-	550,500	219,500	5,934,774	5,827,745	(107,029)	0.572%	0.018%	0.696%	-	

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

6.3 Available for sale - Quoted equity securities

Name of Investee	No of shares ¹					Balance as at June 30, 2008				Percentage in relation to		
	As at July 01, 2007	Purchases during the period	Bonus / rights issue	Sales during the period	Holding as at June 30, 2008	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	-	457,675	-	1,000	456,675	5,072,343	6,393,450	1,321,107	0.628%	0.657%	0.764%	
INVESTMENT BANKS / COMPANIES / SECURITIES												
First National Equities Limited	-	594,500	-	-	594,500	37,532,795	50,027,175	12,494,380	4.910%	1.034%	5.974%	
Jahangir Siddiqui & Company Limited	-	23,410	5,590	2,500	26,500	15,803,971	14,048,975	(1,754,996)	1.379%	0.013%	1.678%	
JS Global Capital Limited	-	4,600	-	-	4,600	1,950,735	1,435,982	(514,753)	0.141%	0.013%	0.171%	
	-	622,510	5,590	2,500	625,600	55,287,501	65,512,132	10,224,631	6.430%	1.060%	7.823%	
COMMERCIAL BANKS												
United Bank Limited	-	42,250	6,250	-	48,500	7,700,820	4,126,865	(3,573,955)	0.405%	0.005%	0.493%	
CEMENT												
Pioneer Cement Limited	-	60,000	-	-	60,000	1,855,400	1,690,200	(165,200)	0.166%	0.030%	0.202%	
TRANSPORT												
Pakistan International Airlines Corporation	-	200,000	-	-	200,000	1,368,225	1,000,000	(368,225)	0.098%	0.010%	0.119%	
TOTAL INVESTMENTS	-	1,382,435	11,840	3,500	1,390,775	71,284,289	78,722,647	7,438,358	7.727%	1.762%	9.401%	

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



NAMCO BALANCED FUND

	June 30, 2008	June 30, 2007
	-----Rupees-----	
6.4 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets through profit or loss' - net		
Market value of securities	612,732,186	727,211,322
Less: carrying value of securities	<u>739,669,757</u>	<u>704,606,204</u>
	<u>(126,937,571)</u>	<u>22,605,118</u>
6.5 Net unrealised diminution on re-measurement of investments classified as 'financial asset through profit or loss' sold under futures contracts		
Market value of securities	5,827,745	-
Less: carrying cost of securities	<u>5,934,774</u>	-
	<u>(107,029)</u>	-
6.6 Derivative financial instruments		
- Unrealised gain on futures contracts	125,135	-
- Unrealised gain on letters of rights	-	1,475,709
	<u>125,135</u>	<u>1,475,709</u>
6.7 Net unrealised appreciation on re-measurement of investments classified as 'available for sale' - net		
Market value of securities	78,722,647	-
Less: carrying value of securities	<u>71,284,289</u>	-
	<u>7,438,358</u>	-
6.8 Loans and receivables		
Certificates of musharika	6.8.1 & 6.8.2 35,000,000	35,000,000
Certificates of investment	6.8.1 & 6.8.2 <u>75,000,000</u>	-
	<u>110,000,000</u>	<u>35,000,000</u>

6.8.1 Certificates of musharika and certificate of investment

Name of investee company	Number of certificates				Carrying value	% of net assets
	Opening balance	Purchased during the year	Matured during the year	Closing balance		
Certificates of musharika	7	9	9	7	35,000,000	3.44%
Certificates of investment	-	2	-	2	75,000,000	7.36%

6.8.2 Significant terms and conditions of certificates of musharika and certificates of investment are as follows:

Name of the investee company	Principal value	Mark-up rate (Per annum)	Maturity date
Certificates of musharika			
	Rupees		
Al-Zamin Leasing Modaraba	25,000,000	12.25%	December 07, 2008
Al-Zamin Leasing Modaraba	<u>10,000,000</u>	12.10%	September 09, 2008
	<u>35,000,000</u>		
Certificates of investment			
Al-Zamin Leasing Modaraba	15,000,000	10.50%	July 25, 2008
First Dawood Investment Bank	<u>60,000,000</u>	11.00%	April 29, 2009
	<u>75,000,000</u>		



6.9 Held to maturity

	Note	June 30, 2008	June 30, 2007
		-----Rupees-----	
Term finance certificates	6.9.1	-	119,750,000
Commercial papers	6.9.2 & 6.9.3	<u>29,965,830</u>	<u>27,639,994</u>
		<u>29,965,830</u>	<u>147,389,994</u>

6.9.1 Term finance certificates

Name of investee company	Profit / mark-up rate	Opening balance	Purchases during the year	Matured during the year	As at June 30, 2008	Carrying value	% of net assets
--------------------------	-----------------------	-----------------	---------------------------	-------------------------	---------------------	----------------	-----------------

-----Number of certificates----- (Rupees)

Term Finance Certificates

Shahmurad Sugar Mills Limited	13.35%	6,000	-	6,000	-	-	-
Prime Electrics Securitization Company Limited	12.59% - 12.70%	8,000	-	8,000	-	-	-
Three Star Cement Private Limited	12.47% - 12.75%	500	-	500	-	-	-

6.9.2 Commercial papers

Name of investee company	Opening balance	Purchases during the year	Matured during the year	As at June 30, 2008	Amortised cost	"% of net assets"
--------------------------	-----------------	---------------------------	-------------------------	---------------------	----------------	-------------------

-----Number of certificates----- (Rupees)

Azgard Nine Limited (Face value 10 million each)	3	-	3	-	-	-
Pak American Fertilizer (Face value 10 million each)	-	3	-	3	29,965,830	2.94%

6.9.3 Significant terms and conditions of commercial papers are as follows:

Name of investee company	Profit / mark-up rate	Opening balance	Purchases during the year	Amortised during the year	Matured during the year	As at June 30, 2008	"% of net assets"
--------------------------	-----------------------	-----------------	---------------------------	---------------------------	-------------------------	---------------------	-------------------

-----Rupees-----

Commercial paper

Azgard Nine Limited	13.37%	27,639,994	-	2,360,006	30,000,000	-	-
Pak American Fertilizer	11.20%	-	27,838,800	2,127,030	-	<u>29,965,830</u>	2.94%
						<u>29,965,830</u>	

**June 30,
2008** **June 30,
2007**

-----Rupees-----

7 DIVIDEND AND OTHER RECEIVABLES

Dividend receivable	<u>2,966,025</u>	1,498,500
Income accrued on lending in continuous funding system transactions	<u>688,342</u>	270,680
Income receivable on certificates of musharika	<u>2,103,028</u>	268,596
Income receivable on investment in term finance certificates	-	1,806,397
Income receivable on investment in certificates of investments	<u>1,428,288</u>	-
Profit receivable on bank deposits	<u>1,001,786</u>	2,061,047
	<u>8,187,469</u>	<u>5,905,220</u>



NAMCO BALANCED FUND

	Note	June 30, 2008	June 30, 2007
		-----Rupees-----	
8 PREPAYMENTS AND SECURITY DEPOSITS			
Prepayments			
- Annual Fee to National Clearing Company of Pakistan Limited (NCCPL)		847,028	-
Security Deposits			
- National Clearing Company of Pakistan Limited		3,500,000	1,000,000
- Central Depository Company of Pakistan Limited		175,000	175,000
- Margin against CFS MK-II		688,979	-
		<u>5,211,007</u>	<u>1,175,000</u>
9 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance	9.1	1,900,725	9,009,930
Less: amortisation during the year / period		<u>1,900,725</u>	<u>7,109,205</u>
		<u>-</u>	<u>1,900,725</u>
9.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These expenditures were amortised over a period of 1 year commencing from September 16, 2006 as per the requirement of the Trust Deed of the Fund.			
10 PRELIMINARY EXPENSES AND FLOATATION COSTS PAYABLE TO INVESTMENT ADVISER			
Opening balance		9,009,930	-
Cost incurred during the year / period		-	9,009,930
Less : paid during the year / period		<u>1,801,986</u>	<u>-</u>
Closing balance		7,207,944	9,009,930
Less: current portion of preliminary expenses and floatation costs payable to Investment Adviser	10.1	<u>1,801,986</u>	<u>1,801,986</u>
		<u>5,405,958</u>	<u>7,207,944</u>
10.1 These costs have been incurred by the Fund's Investment Adviser. The Fund is required to settle the liability in respect of these costs in five equal yearly installments of Rs 1,801,986.			
11 ACCRUED EXPENSES			
Brokerage payable on continuous funding system		61,368	163,854
Brokerage payable on regular market trade		608,466	-
Auditors' remuneration		318,760	240,000
Legal and professional charges		60,302	55,000
Payable to CDC		39,375	-
		<u>1,088,271</u>	<u>458,854</u>
12 CERTIFICATE CAPITAL	Note	June 30, 2008	June 30, 2007
		-----Rupees-----	
Issued, subscribed and paid-up certificate capital certificates of			
2008	2007		
Number of certificates	Fully paid ordinary certificates of Rs 10 each		
<u>100,000,000</u>	<u>100,000,000</u>	Issued for cash	12.1
		<u>1,000,000,000</u>	<u>1,000,000,000</u>



12.1 National Asset Management Company Limited (NAMCO) and First National Equities Limited hold 10,000,000 (June 30,2007: 10,000,000) and 2,000,000 (June 30,2007: 2,000,000) certificates respectively of Rs10 each as at June 30, 2008.

12.2 Pattern of certificate holding of the Fund as at June 30, 2008 is as follows:

Category	Certificate Holding		
	Certificate holders	Number of certificates	Percentage
Individuals	250	1,191,000	1.19
Insurance companies	-	-	-
Banks, Development Financial Institutions and Non-Banking Financial Institutions	15	36,237,267	36.24
Modaraba	2	7,300,000	7.30
Directors, CEO & their spouses & minor children	1	12,500	0.01
Associated companies	4	18,760,833	18.76
Others	25	36,498,400	36.50
	<u>297</u>	<u>100,000,000</u>	<u>100</u>

12.3 Pattern of certificate holding of the Fund as at June 30, 2007 was as follows:

Category	Certificate Holding		
	Certificate holders	Number of certificates	Percentage
Individuals	558	2,521,967	2.52
Insurance companies	1	95,000	0.1
Banks, Development Financial Institutions and Non-Banking Financial Institutions	14	36,845,367	36.85
Modaraba	2	7,400,000	7.4
Directors, CEO & their spouses & minor children	2	12,500	0.01
Associated companies	4	20,367,333	20.37
Others	24	32,757,833	32.76
	<u>605</u>	<u>100,000,000</u>	<u>100</u>

13 NET ASSET VALUE PER CERTIFICATE

	June 30, 2008	June 30, 2007
	-----Rupees-----	
Total net assets	<u>1,018,801,778</u>	<u>1,136,571,108</u>
Total certificates in issue	<u>100,000,000</u>	<u>100,000,000</u>
Net asset value per certificate - Rupees	<u>10.19</u>	<u>11.37</u>

14 COMMITMENTS

Continuous Funding System (CFS) transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at year end	<u>646,380</u>	-
Spread transactions (including transactions to be rolled over) entered into by the Fund in respect of which the sale transactions have not been settled as at year end	<u>6,041,980</u>	-

**NAMCO BALANCED FUND**

	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	-----Rupees-----	
15 CAPITAL GAIN ON SALE OF INVESTMENTS		
Securities classified as 'financial assets at fair value through profit or loss' - net	69,045,386	78,972,067
Securities classified as 'available for sale' - net	181,701	-
Spread transactions	565,490	126,685
Letters of rights	371,950	-
	<u>70,164,527</u>	<u>79,098,752</u>

16 FEE TO INVESTMENT ADVISER

Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2007, the Investment Adviser of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. In the current year, the Investment Adviser has charged remuneration at the rate of three percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

17 FEE TO TRUSTEE

The Trustee of the Fund is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and offering document as per the tariff specified therein, based on the daily net asset value of the Fund. Based on the Trust Deed and offering document the tariff structure applicable to the Fund in respect of the trust fee as at June 30, 2008 is Rs. 550,000 plus 0.05% per annum on the net assets value of the Fund exceeding Rs. 500 million.

	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	-----Rupees-----	
18 SECURITIES TRANSACTION COSTS		
Transaction cost associated with initial recognition of financial asset	2,308,368	3,312,060
Transaction cost associated with derecognition of financial asset	1,935,924	1,199,626
	<u>4,244,292</u>	<u>4,511,686</u>

19 AUDITORS' REMUNERATION

Annual statutory audit fee	250,000	200,000
Fee for half yearly review	100,000	75,000
Fee for the review of statement of compliance of code of corporate governance	50,000	40,000
Fee for certification of Pre-IPO certificates	-	40,000
Out of pocket expenses	49,055	9,153
	<u>449,055</u>	<u>364,153</u>

20 OTHER EXPENSES

CFS MK-II charges	93,779	-
Fee to NCCPL	229,829	54,779
	<u>323,608</u>	<u>54,779</u>

21 TAXATION

The Fund is exempt from tax under clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed among its certificate holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11 of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.



	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	-----Rupees-----	
22 EARNINGS PER CERTIFICATE		
Net (loss) / income after taxation (with net unrealised appreciation / (diminution) on investments classified as held for trading)	<u>(25,207,688)</u>	<u>136,571,108</u>
Net income after taxation (without net unrealised appreciation / (diminution) on investments classified as held for trading)	<u>101,711,777</u>	<u>112,490,281</u>
Weighted average number of certificates	<u>100,000,000</u>	<u>100,000,000</u>
Basic (loss) / earnings per certificate (with net unrealised appreciation / (diminution) on investments classified as held for trading)	<u>(0.25)</u>	<u>1.37</u>
Basic earnings per certificate (without net unrealised appreciation / (diminution) on investments classified as held for trading)	<u>1.02</u>	<u>1.12</u>

22.1 There were no convertible dilutive potential ordinary certificates in issue as at June 30, 2008 and 2007.

23 CASH AND CASH EQUIVALENTS

Bank balances	<u>33,924,239</u>	<u>228,480,941</u>
---------------	-------------------	--------------------

24 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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:

	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	-----Rupees-----	
24.1 Transactions during the period		
National Asset Management Company Limited - Investment Adviser		
Investment Adviser fee	32,617,431	22,113,785
Preliminary expenses and floatation costs incurred	-	9,009,930
Certificates issued (No. of certificates 10,000,000)	-	100,000,000
First National Equities Limited		
Brokerage	433,364	141,640
Purchase transactions of marketable securities	488,583,703	180,449,445
Sale transactions of marketable securities	484,771,552	121,836,773
Certificates issued (No. of certificates 2,000,000)	-	20,000,000
First Pakistan Securities		
Brokerage	900	33,975
Purchase transactions of marketable securities	1,344,500	44,552,917
Sale transactions of marketable securities	-	22,342,120
Certificates issued (No. of certificates 1,500,000)	-	15,000,000


NAMCO BALANCED FUND

	For the year ended June 30, 2008	For the period from September 16, 2006 to June 30, 2007
	-----Rupees-----	
Switch Securities Limited		
Brokerage	26,199	-
Purchase transactions of marketable securities	13,378,650	-
Sale transactions of marketable securities	6,049,225	-
The Bank of Khyber		
Certificates issued (No. of certificates 6,867,333)	-	68,673,330
First Dawood Investment Bank Limited - Trustee		
Fee charged	844,446	593,273
Executives of the Investment Adviser		
Certificates issued (No. of certificates 7,500)	-	75,000
	June 30, 2008	June 30, 2007
	-----Rupees-----	
24.2 Transactions outstanding at the year end		
National Asset Management Company Limited - Investment Adviser		
Fee payable	2,542,288	22,113,785
Balance payable in respect of preliminary expenses and floatation costs	7,207,944	9,009,930
Certificates in issue (No. of certificates 10,000,000)	100,000,000	100,000,000
First National Equities Limited		
Brokerage payable	86,407	95
Certificates in issue (No. of certificates 2,000,000)	20,000,000	20,000,000
First Pakistan Securities		
Brokerage payable	1,169	-
Certificates in issue (No. of certificates 1,500,000)	15,000,000	15,000,000
Switch Securities Limited		
Brokerage payable	3,237	-
The Bank of Khyber		
Certificates in issue (No. of certificates 6,867,333)	68,673,330	68,673,330
First Dawood Investment Bank Limited - Trustee		
Fee payable	67,028	54,562
Executives of the Investment Adviser		
Certificates in issue (No. of certificates 7,500)	75,000	75,000



25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Fund's Market Rate of Return (MROR) sensitivity related to financial assets and financial liabilities as at June 30, 2008 can be determined from the followings:

	Exposed to MROR risk as at June 30,2008				Total
	Exposed to MROR risk				
	Upto three months	More than three months and upto one year	More than one year	Not exposed to MROR risk	
	-----Rupees-----				
On-balance sheet financial instruments					
Financial assets					
Bank balances	33,924,239	-	-	-	33,924,239
Investments	54,965,830	85,000,000	-	697,407,713	837,373,543
Receivable against sale of investments	-	-	-	38,196,234	38,196,234
Receivable against continuous funding system	113,259,104	-	-	-	113,259,104
Dividend and other receivable	-	-	-	8,187,469	8,187,469
Security deposits	-	-	-	4,363,979	4,363,979
	<u>202,149,173</u>	<u>85,000,000</u>	<u>-</u>	<u>748,155,395</u>	<u>1,035,304,568</u>
Financial liabilities					
Fee payable to Investment Adviser	-	-	-	2,542,288	2,542,288
Fee payable to trustee	-	-	-	67,028	67,028
Payable against purchase of investments	-	-	-	5,095,590	5,095,590
Accrued expenses	-	-	-	1,088,271	1,088,271
Unclaimed dividend	-	-	-	261,450	261,450
Preliminary expense and flotation costs payable	-	-	-	7,207,944	7,207,944
	-	-	-	16,262,571	16,262,571
	<u>202,149,173</u>	<u>85,000,000</u>	<u>-</u>	<u>731,892,824</u>	<u>1,019,041,997</u>
On-balance sheet gap					
Off-balance sheet financial instruments					
CFS transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at June 30, 2008	646,380	-	-	-	646,380
Spread transactions (including transactions to be rolled over) entered into by the Fund in respect of which the sale transaction has not been settled as at June 30, 2008	6,041,980	-	-	-	6,041,980
	<u>6,688,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,688,360</u>
Off-balance sheet gap					



Exposed to MROR risk as at June 30, 2008				
Exposed to MROR risk				
Upto three months	More than three months and upto one year	More than one year	Not exposed to MROR risk	Total
-----Rupees-----				
On-balance sheet financial instruments				
Financial assets				
Bank balances	228,480,941	-	-	228,480,941
Investments	10,000,000	52,639,994	119,750,000	911,077,025
Receivable against sale of investments	-	-	28,710,420	28,710,420
Receivable against continuous funding system	29,172,730	-	-	29,172,730
Dividend and other receivable	-	-	5,905,220	5,905,220
Security deposits	-	-	1,175,000	1,175,000
	<u>267,653,671</u>	<u>52,639,994</u>	<u>119,750,000</u>	<u>1,204,521,336</u>
Financial liabilities				
Fee payable to Investment Adviser	-	-	22,113,785	22,113,785
Fee payable to trustee	-	-	54,562	54,562
Payable against purchase of investments	-	-	37,455,814	37,455,814
Accrued expenses	-	-	458,854	458,854
Preliminary expenses and flotation costs payable	-	-	9,009,930	9,009,930
	-	-	69,092,945	69,092,945
On-balance sheet gap	<u>267,653,671</u>	<u>52,639,994</u>	<u>119,750,000</u>	<u>695,384,726</u>
Off-balance sheet financial instruments	-	-	-	-
CFS transactions (including transactions to be rolled over) entered into by the Fund in respect of which the purchase transactions have not been settled as at June 30, 2007	-	-	-	-
Spread transactions (including transactions to be rolled over) entered into by the Fund in respect of which the sale transaction has not been settled as at June 30, 2007	-	-	-	-
Off-balance sheet gap	-	-	-	-

2008 **2007**
Percentage per annum

25.1 The rates of return on financial instruments are as follows:

Balances with banks - Saving accounts	5% to 14%	10% to 11.45%
Receivable against continuous funding system	12.33% to 37%	11% to 19%
Investments		
- Term finance certificates	12.47% to 13.35%	12.66% to 13.35%
- Certificate of musharika	12% to 12.25%	12% to 13.25%
- Certificate of investment	10.50% to 11.00%	-
- Commercial papers	11.20% to 13.37%	13.37%



26 MATURITIES OF ASSETS AND LIABILITIES

as at June 30, 2008

	Total	Upto three months	More than three months and upto one year	More than one year
-----Rupees-----				
Assets				
Bank balances	33,924,239	33,924,239	-	-
Investments	837,373,543	752,373,543	85,000,000	-
Receivable against sale of investments	38,196,234	38,196,234	-	-
Receivable against continuous funding system	113,259,104	113,259,104	-	-
Dividend and other receivable	8,187,469	8,187,469	-	-
Prepayments and security deposits	5,211,007	939,546	596,461	3,675,000
	1,036,151,596	946,880,135	85,596,461	3,675,000
Liabilities				
Fee payable to Investment Adviser	2,542,288	2,542,288	-	-
Fee payable to trustee	67,028	67,028	-	-
Fee payable to SECP	1,087,247	1,087,247	-	-
Payable against purchase of investments	5,095,590	5,095,590	-	-
Accrued expenses	1,088,271	1,088,271	-	-
Unclaimed Dividend	261,450	261,450	-	-
Preliminary expenses and floatation costs payable to Investment Adviser	7,207,944	1,801,986	-	5,405,958
	17,349,818	11,943,860	-	5,405,958
Net assets	1,018,801,778	934,936,275	85,596,461	(1,730,958)

as at June 30, 2007

	Total	Upto three months	More than three months and upto one year	More than one year
-----Rupees-----				
Assets				
Bank balance	228,480,941	228,480,941	-	-
Investments	911,077,025	738,687,031	52,639,994	119,750,000
Receivable against sale of investments	28,710,420	28,710,420	-	-
Receivable against continuous funding system	29,172,730	29,172,730	-	-
Dividend and other receivable	5,905,220	5,905,220	-	-
Prepayments and security deposits	1,175,000	-	-	1,175,000
Preliminary expenses and floatation costs	1,900,725	1,900,725	-	-
	1,206,422,061	1,032,857,067	52,639,994	120,925,000
Liabilities				
Fee payable to Investment Adviser	22,113,785	22,113,785	-	-
Fee payable to trustee	54,562	54,562	-	-
Fee payable to SECP	758,008	758,008	-	-
Payable against purchase of investments	37,455,814	37,455,814	-	-
Accrued expenses	458,854	458,854	-	-
Preliminary expenses and floatation costs payable to Investment Adviser	9,009,930	1,801,986	-	7,207,944
	69,850,953	62,643,009	-	7,207,944
Net assets	1,136,571,108	970,214,058	52,639,994	113,717,056

**27 RISK MANAGEMENT**

The Fund primarily invests in listed equity and various debt securities. These investments are subject to varying natures of risk. These risk emanate from various factors that include, but are not limited to the following:

27.1 Yield / Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Investment Adviser manages this risk by matching the repricing of financial asset and liabilities through risk management strategies.

27.2 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market price of securities due to change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Investment Adviser manages market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

27.3 Credit risk

Credit risk arises from the inability of the counter parties to fulfill their obligations in respect of financial instruments contract.

All investing transactions are settled / paid for upon delivery using approved brokers. The Fund's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties, approving credits, obtaining adequate collaterals and transactions through approved brokers.

Concentration of credit risk exist when changes in economic or industry factors similarly affect group of counter parties whose aggregate credit of exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instrument is broadly diversified and transactions are entered into diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

27.4 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund, other than preliminary expenses and floatation costs payable to the Investment Adviser, are short-term in nature and are restricted to the extent of available liquidity and the significant assets of the Fund are readily disposable in the market.

28 CAPITAL RISK MANAGEMENT

The Fund is a closed end fund. As required by the Non Banking Finance Companies and Notified Entities Regulations, 2007, the Investment Adviser is required to invest or arrange the investment of two hundred and fifty million rupees for a minimum period of two years or life of the collective investment scheme which ever is lower which has been maintained by the Fund as at June 30, 2008. The Fund has no other restriction or specific capital requirement on the subscription of certificate capital.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for certificate holders and to maintain a strong capital base to meet unexpected losses or opportunities.

The Fund has a limited number of certificates sold at the Fund's inception. However, in order to maintain or adjust the capital structure the Fund may issue new certificates. The Fund's certificates are not redeemable directly with the Fund. Instead the certificates are traded on the stock exchanges at a price that is either at a premium or discount to the certificate's net asset value.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.



Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature.

30 FUND MANAGER

Mr. Faisal Merchant is the Manager of the Fund. He has obtained a Masters degree in the Business Administration. He is only managing NAMCO Balanced Fund as at June 30, 2008.

31 RATING OF THE FUND AND INVESTMENT ADVISER

JCR-VIS Credit Rating Company has assigned a management quality rating of 'AM-3' to the Investment Adviser. The Investment Adviser has initiated the process of obtaining the rating of the Fund which is expected to be completed in 2008. Pending completion of this process, the rating of the Fund has not been disclosed in these financial statements.

32 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Mr. Etrat H. Rizvi

Mr. Etrat H. Rizvi is the Chief Executive Officer of National Asset Management Company Limited. He has a Masters degree in the Business Administration from the Institute of Business Administration, Karachi. He has over thirty one years experience of working in banks, development financial institutions and regulatory organisations. Prior to joining the National Asset Management Company Limited he was working as Commissioner in Securities and Exchange Commission of Pakistan. He had also been the Chairman of The Bank of Khyber, Managing Director of National Development Leasing Corporation and Managing Director of Paramount Leasing Limited.

Mr. Mutahir N. Pasha

Mr. Mutahir N. Pasha is the Chief Investment Officer. He has a Masters degree in the Business Administration. He has served as member of investment committee and head of capital markets in the National Development Finance Corporation (NDFC). Prior to joining the NDFC, he held positions of Chief Operating Officer and Head of Research & MIS at Corporate brokerage houses in Lahore and Islamabad. Before joining NAMCO he was the Vice-President - Head of Equity Operations in the National Bank of Pakistan.

Mr. Faisal Merchant

Mr. Faisal Merchant is the Fund Manager. He has a Masters degree in the Business Administration. He has fourteen years of diversified experience of working in treasury, finance, credit, marketing, investments and operations. Prior to joining NAMCO, he was working as Manager Treasury in an Investment Bank.

Mr. Shoukatullah

Mr. Shoukat Ullah is the Manager-Fixed Income Division . He has a Masters degree in the Business Administration. Prior to joining NAMCO he was working as Deputy Manager-Investment in the ICP and was responsible for managing the equity portfolio of ICP's investors scheme.

33 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS

The Board meetings were held on July 16, 2007, October 25, 2007, February 21, 2008 and April 21, 2008. Following is the list of persons who have attended the directors' meetings during the current year.

Name	Designation	Number of meetings		
		Held	Attended	Leave granted
Mr. Ali A. Malik	Director	4	4	-
Mr. Etrat H. Rizvi	Director	4	4	-
Mr. Shafiq A. Khan	Director	4	3	1
Mr. Imtiaz A. Pervez	Director	4	4	-
Mr. Ali Raza Jaffery	Director	4	4	-
Mr. S. Khaleeq Ahmed	Chief Financial Officer and Company Secretary (Note - 33.1)	4	2	-
Mr. M. Ahsan Hashmi	Chief Financial Officer and Company Secretary (Note - 33.1)	4	2	-



33.1 Mr. S. Khaleeq Ahmed resigned from the offices of Chief Financial Officer and Company Secretary on January 29, 2008. Mr. M. Ahsan Hashmi has been appointed as the new Chief Financial Officer and Company Secretary w.e.f. January 29, 2008. This appointment was formally approved in the Board of Directors' meeting held on February 21, 2008.

34 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION CHARGED

For the year ended June 30, 2008

Name of broker

AKD Securities Limited
 Intermarket Securities Limited
 Global Securities Limited
 First National Equities Limited
 Khoja's Capital Management Private Limited
 JS Global Capital Limited
 Dawood Equities Limited
 Shehzad Chamdia Securities Limited
 Invisor Securities Limited
 SAAO Capital (Private) Limited

For the period from September 16, 2006 to June 30, 2007

Name of broker

Global Securities Limited
 Invisor Securities Limited
 AKD Securities Limited
 Arif Habib Securities Limited
 First National Equities Limited
 Intermarket Securities Limited
 Ace Securities Private Limited
 Eastern Capital Limited
 Al-Hoqani Securities
 Switch Securities Private Limited

35 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary, for the purposes of comparison. Significant reclassification made for better presentation are as follows:

Note	Reclassification from component	Note	Reclassification to component	Rupees
7	Dividend and other receivables	6	Investments	1,475,709

36 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 01, 2008 by the Board of Directors of the Investment Adviser.

37 FIGURES

Figures have been rounded off to the nearest decimal places unless otherwise specified.

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

 Chief Executive Officer

 Director

 Director



Pattern of Certificate Holding

As at June 30, 2008

No of Certificate Holders	Having Certificates		Certificate held	Percentage
	From	To		
160	101	500	80,000	0.08%
34	501	1,000	34,000	0.03%
34	1,001	5,000	88,000	0.09%
8	5,001	10,000	71,000	0.07%
2	10,001	15,000	23,500	0.02%
2	15,001	20,000	39,500	0.04%
2	25,001	30,000	55,000	0.06%
1	40,001	45,000	43,000	0.04%
2	45,001	50,000	100,000	0.10%
2	50,001	55,000	110,000	0.11%
1	55,001	60,000	56,500	0.06%
6	95,001	100,000	600,000	0.60%
1	105,001	110,000	110,000	0.11%
1	120,001	125,000	121,000	0.12%
1	165,001	170,000	165,500	0.17%
1	195,001	200,000	200,000	0.20%
4	245,001	250,000	1,000,000	1.00%
1	320,001	325,000	322,233	0.32%
1	380,001	385,000	381,500	0.38%
2	485,001	490,000	976,233	0.98%
3	495,001	500,000	1,500,000	1.50%
1	805,001	810,000	806,000	0.81%
1	985,001	990,000	986,733	0.99%
3	995,001	1,000,000	3,000,000	3.00%
1	1,435,001	1,440,000	1,435,200	1.44%
1	1,440,001	1,445,000	1,440,800	1.44%
2	1,470,001	1,475,000	2,946,934	2.95%
1	1,510,001	1,515,000	1,512,000	1.51%
1	1,895,001	1,900,000	1,900,000	1.90%
1	1,920,001	1,925,000	1,920,400	1.92%
3	1,995,001	2,000,000	6,000,000	6.00%
1	2,430,001	2,435,000	2,433,667	2.43%
1	2,470,001	2,475,000	2,472,967	2.47%
2	2,495,001	2,500,000	5,000,000	5.00%
1	4,930,001	4,935,000	4,933,667	4.93%
1	4,995,001	5,000,000	5,000,000	5.00%
1	5,395,001	5,400,000	5,400,000	5.40%
1	5,595,001	5,600,000	5,600,000	5.60%
1	6,865,001	6,870,000	6,867,333	6.87%
1	7,365,001	7,370,000	7,367,333	7.37%
1	7,495,001	7,500,000	7,500,000	7.50%
1	9,395,001	9,400,000	9,400,000	9.40%
1	9,995,001	10,000,000	10,000,000	10.00%
297			100,000,000	100.00%



NATIONAL ASSET MANAGEMENT COMPANY LIMITED
NAMCO Balanced Fund
Categories of Certificate Holders
As at June 30, 2008

Particulars	Certificate		Percentage
	Holders	Holdings	
Individuals	250	1,191,000	1.19%
Insurance companies	-	-	0.00%
Financial companies	15	36,237,267	36.24%
Modarabas	2	7,300,000	7.30%
Directors, CEO & their spouses & minor children	1	12,500	0.01%
Associated companies	4	18,760,833	18.76%
Others	25	36,498,400	36.50%
TOTAL	297	100,000,000	100.00%



NATIONAL ASSET MANAGEMENT COMPANY LIMITED
NAMCO Balanced Fund
Categories of Certificate Holders
As at June 30, 2008

Particulars	No. Of Certificates held
Individuals	1,191,000
Associated Companies, Undertakings and Related Parties	
- The Bank of Khyber(TFC's A/c)	6,867,333
- National Asset Management Co. Ltd.	10,381,500
- First Pakistan Securities Limited	1,512,000
- First National Equities Limited	2,000,000
Directors, Chief Executive & their spouses and minor children	
- Syed Etrat Hussain Rizvi/ Samina Rizvi	12,500
Banks, Development Financial Institutions, Non-Banking Financial Institutions.	36,237,267
Others	32,974,933
Modarabas and Mutual Funds	7,300,000
Foreign investors	1,523,467
Certificateholders holding ten percent or more other than associated companies and directors	-
Total	<u><u>100,000,000</u></u>



**STATEMENT OF INCOME & EXPENDITURE
IN RELATION TO THE NAMCO BALANCED FUND
FOR THE YEAR ENDED JUNE 30, 2008**

Rupees

INCOME

Investment adviser's remuneration from NAMCO Balanced Fund	32,617,431
---	------------

OPERATING EXPENSES

Personnel cost	12,379,961
Rent, Rates and Taxes	600,000
Technical and professional services	2,196,397
Printing, stationery & other supplies	416,436
Travelling & conveyance	391,959
Staff training	40,016
Communication cost	484,534
Depreciation	1,356,237
Marketing and Advertisement	257,900
Repair and maintenance	262,284
Fees and subscription	1,267,033
	<u>19,652,757</u>
Net Income for the year	<u>12,964,674</u>

Note: Other revenue and expenses not relating to the Fund have not been included in the above statement.