Golden Arrow
SELECTED STOCKS FUND LIMITED

1st Quarter Report
September 30, 2016
(Un-audited)

quarterly report

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN
Mr. Javaid Bashir Sheikh

DIRECTOR & CHIEF EXECUTIVE OFFICER
Mr. Imran Motiwala*

DIRECTORS
Ms. Anum Dhedhi
Mr. Aurangzeb Ali Naqvi
Mr. Muhammad Siddiq Khokhar
Mr. Abdul Karim Memon
Mr. Muzammil Abdul Karim

AUDIT COMMITTEE
Mr. Muhammad Siddiq Khokhar (Chairman)
Mr. Abdul Karim Memon (Member)
Mr. Aurangzeb Ali Naqvi (Member)
Ms. Noureen Nadir Ali (Secretary)

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT
Ms. Noureen Nadir Ali

HEAD OF COMPLIANCE
Mr. Rashid Ahmed

MANAGEMENT COMPANY
AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi -74000.

CUSTODIAN
Central Depository Company
of Pakistan Limited
CDC House 99-B, Block 'B'
S.M.CH.S., Main Shahra-e-Faisal,
Karachi-74400.

AUDITORS
Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharah-e-Faisal
Karachi-75350, Pakistan.

LEGAL ADVISER
Ali Daraz Siddiqui
Room No. 201 Noorani Building,
Campbell Street, Opp. Distt. Court,
Karachi-74200.

REGISTERED OFFICE
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000.

REGISTRAR & SHARE TRANSFER OFFICE
JWAFFS Registrar Services (Pvt.) Ltd.
407-408, Al Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.
Tel: 021-35662023-24

RATING - GASSFL
PACRA: MFR 4-Star (5-year period)
PACRA: MFR 4-Star (3-year period)
PACRA: MFR 4-Star (1-year period)

RATING-MANAGEMENT COMPANY
PACRA: AM3+ (AM Three Plus)

*CEO Approval Pending from the SECP

Mission Statement

To set a standard of investing in better performing and result oriented securities by adopting best business practices and ethics.

Vision

To be a leading investment Company in finanical industry with diversifying its business activities by good asset allocation and generating better financial results and yield to the stakeholders.

DIRECTORS' REPORT

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its quarterly report along with the Fund's account for the first quarter ended September 30,2016.

Fund's Financial Performance

For 1QFY17, the return of the Fund was 30.35% compared to the KSE-100 Index return of 7.30%.

Dividend

The Board of Directors of Golden Arrow Selected Stocks Fund Limited has approved an interim cash dividend of Rs1.10/share for the quarter ended September 30,2016 in the meeting held on October 21, 2016.

Macro Perspective

The major macroeconomic indicators continued to exhibit improvements in the first quarter of FY17 on the back of slight uptick in inflation, stable exchange rate, all time high foreign exchange reserves, and low current and fiscal account deficits. Moreover, foreign direct investment from China under China Pakistan Economic Corridor (CPEC) and upgradation of Pakistan market from MSCI Frontier Markets (FM) Index to MSCI Emerging Markets (EM) Index is expected to further improve the stance of Pakistan in the global market.

In the period under review, the country successfully completed International Monetary Fund's (IMF) Extended Fund Facility (EFF), receiving a total loan of 4.3bn/6.01bn/628bn SDR/USD/PKR over three years. This is Pakistan's first fund program, out of 11, to have reached completion since it started receiving IMF bailouts in 1988. Pakistan had declined last two tranches of another program under Musharraf-Shaukat Aziz tenure while all nine other programs ended in failures.

CPI inflation during 1QFY17 clocked in 3.86%YoY as compared to 1.66%YoY for the corresponding period last year. The major uptick in inflation came from the Food group which contributes 37% in the CPI basket where food prices rose 4%YoY last month. SBP kept the interest rate unchanged at 5.75% in the two monetary policies announced in July and September owing to inflation which remained on the lower side in 1QFY17. Commodities prices, especially oil price, will continue to be the main determinant factor of any foreseeable changes in the CPI.

In this regard the recent meeting of Organization of Petroleum Exporting Countries (OPEC) in Nigeria on September 28th has in-principle proposed to cut production by up to 1mn barrels per day (BPD). The upcoming official meeting in Vienna on 30th November will remain the key focus, as actual details of this understanding will be agreed upon. Meanwhile Russia, a major non-OPEC producer, has endorsed these efforts.

Although lower oil and commodity prices have benefited consumers, they have also had an adverse impact on commodity-producing sectors of the economy, such as in the agricultural sector, lower product prices have hit farmer incomes and affected cropping decisions. In addition, corporate profits have also been affected due to inventory losses caused by depressed commodity prices.

Going forward it is expected that inflation will start picking up in the upcoming quarter of FY17 on the back of increasing oil prices, but we believe it will remain in the SBP's target range of average CPI between 4.5% and 5.5% for FY17 due to oversupply of commodities in the international market.

According to the latest SBP reports, the current account deficit clocked in at USD 1.316 bn in the first two months of FY17 compared to USD 0.686 bn in the corresponding period last year. The increase of USD 630 mn or 92% in the current account deficit during the first two months of current fiscal year was mainly due to 7.81% fall in exports, primarily textile exports (since the textile sector is the largest contributor of exports with a 60% share) and 3.1% reduction in remittances on the back of tighter regulatory measures in US and the toll of lower oil prices on GCC countries.

The total liquid foreign exchange reserves of Pakistan reached USD 23.612 bn by the end of 1QFY17, reaching an all-time high as compared to USD 20.074 bn in the corresponding period last year. During 1QFY17, International Monetary Fund (IMF) released the final 13th tranche of USD 102 mn under the 3 year Extended Fund Facility program .

The Federal Board of Revenue (FBR) was able to collect PKR 637 bn in 1QFY17 as compared to PKR 600 bn in the corresponding period last year, according to provisional figures. Despite this collection, the target of 705 bn for 1QFY17 could not be achieved. However, FBR remains optimistic that revenue collections are on track and the target collections for FY17 can be met. From the total tax receipts, PKR 246 bn (246 bn in FY16) was collected as Income Tax, PKR 257 bn (258 bn in FY16) as Sales Tax, PKR 31bn (28 bn in FY16) as Federal Excise Duty and PKR 99 bn (81bn in FY16) as Custom Duty.

Equity market review

The KSE-100 index gained 4% (1,562 points) during July FY'17 closing in at around 39,528 points on 31st July 2016. While in the subsequent two months the index crossed a major psychological barrier of 40,000 points closing at around 40,542 points on 30th September 2016. Overall KSE-100 index grew by 7.3% in 1QFY17 against 13% growth in 4QFY16. Moreover volumes picked up, as average daily volume for 1QFY17 were around PKR 240 million against PKR 172 million for 4QFY16.

The outperformance of the index in 1QFY17 can be mainly attributed to:

1. Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan into the Emerging Market Index.

2. Expected oil price stability, as OPEC producers informally agreed to their first oil output cut in 8 years.

3. Sales uptick in the Pakistani auto sector, on the back of renewed consumer spending and rise in consumer financing.

4. FBR's Revaluation of properties and regularization of the real estate sector increasing the tax net, as many investors seem to be switching from real estate to other asset classes.

5. Country's successful completion of the IMF program.

6. Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.

FUTURE OUTLOOK

We expect positive trend in equities to continue, on the back of:

1. **Further Oil Price Stability:**

   As OPEC hammers out the details of oil output cut in November, the Oil Heavy PSX-100(x% weight in PSX-100 index) index stands to gain significantly from this development.

2. **PSX Divestment:**

   The sale of 40% stake in the bourse will be the next big liquidity event after MSCI re-classification, assuming 3x of book transaction price (against global average of 3.8x) the 40% selloff and 20% IPO could inject US$136m in the brokers' cash balances and US$60m revaluation gains on freely held 40% PSX shares by Jun 2016, resulting in higher capital adequacy and proprietary trading. Shanghai Stock Exchange has reportedly shown interest, while a NASDAQ delegation also visited PSX indicating interest in the acquisition. Furthermore the foreign management is expected to add operational efficiencies and introduce new products.

3. **Export Incentivisation :**

   In order to revive textile exports, the GoP is considering amendments in textile policy FY 14-19 to provide incentives to exporters and revitalize the textile industry. This is also expected to add renewed interest in the Textile sector.

   Furthermore, Up-to-speed construction of both CPEC and non-CPEC related energy projects will play a significant role in curbing the energy crisis. We also expect further foreign investment due to MSCI re-classification effective May CY17 as global emerging market equity funds adjust their portfolio investments to reflect the change.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: October 21, 2016

ڈائریکٹرز رپورٹ

گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ کے بورڈ آف ڈائریکٹرز بخوشی مالی سال 2017ء کی 30 ستمبر 2016ء کو ختم ہونے والی پہلی سہ ماہی کیلئے فنڈ کے اکاؤنٹ کے ساتھ اپنی عبوری رپورٹ پیش کر رہے ہیں۔

فنڈ کی مالی کارکردگی

مالی سال 17 کی پہلی سہ ماہی کیلئے KSE-100 انڈیکس کے منافع %7.30 کے مقابلے میں فنڈ کا منافع %30.35 تھا۔

منافع منقسمہ

گولڈن ایرو سلیکٹڈ اسٹاکس فنڈ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 21 اکتوبر 2016 کو منعقدہ اجلاس میں 30 ستمبر 2016 کو ختم شدہ سہ ماہی کے لیے عبوری منافع منقسمہ بحساب 1.10 روپے فی شیئر کی منظوری دی ہے۔

وسیع تناظر

اہم معاشی اشارے افراط زر میں معمولی اضافے، مستحکم شرح تبادلہ، ہمہ وقت اعلیٰ زرمبادلہ کے ذخائر، اور مالی کھاتے کے کم موجودہ خسارے کے ساتھ مالی سال 17 کی پہلی سہ ماہی میں بہتری ظاہر کرتے رہے۔ اس کے علاوہ چین پاکستان اقتصادی راہداری (CPEC) کے تحت غیر ملکی براہِ راست سرمایہ کاری اور پاکستان مارکیٹ کی MSCI فرنٹیئر مارکیٹس (FM) انڈیکس سے MSCI ایمرجنگ مارکیٹس (EM) انڈیکس میں اپ گریڈیشن سے عالمی مارکیٹ میں پاکستان کے موقف میں مزید بہتری کی توقع ہے۔

زیر جائزہ عرصہ کے دوران ملک نے تین سال میں 4.3 ارب SDR / 6.01 ارب امریکی ڈالر/628 ارب روپے وصول کر کے بین الاقوامی مالیاتی فنڈ (IMF) کی ایکسٹنڈڈ فنڈ فیسلٹی (EFF) کامیابی سے مکمل کی۔ 1988ء میں آئی ایم ایف سے مالی امداد لینے کی شروعات سے لے کر اب تک یہ 11 میں سے تکمیل کو پہنچنے والا پاکستان کا پہلا فنڈ پروگرام ہے۔ پاکستان نے مشرف-شوکت عزیز دور میں آخری دو قسطیں لینے سے انکار کر دیا تھا جبکہ دیگر تمام 9 پروگرام ناکام ہو گئے۔ مالی سال 17 کی پہلی سہ ماہی کے دوران CPI افراط زر گزشتہ سال کی اسی مدت کیلئے %1.66 سالانہ کے مقابلے میں %3.86 سالانہ رہی۔ افراط زر میں اہم اضافہ فوڈ گروپ کی طرف سے ہوا جس کا CPI میں %37 حصہ ہے جبکہ گزشتہ ماہ فوڈ کی قیمتوں میں %4 سالانہ اضافہ ہوا۔ سٹیٹ بینک آف پاکستان نے جولائی اور ستمبر میں اعلان کردہ دو مالیاتی پالیسیوں میں شرح سود %5.75 پر برقرار رکھی جو افراط زر کی وجہ بنی اور یہ مالی سال 17 کی پہلی سہ ماہی کے دوران کمی کی طرف رہی۔ اشیاء کی قیمتیں، خاص طور پر تیل کی قیمت، CPI میں کسی قابل قیاس تبدیلیوں کا اہم عنصر بنی رہے گی۔

اس سلسلے میں تیل برآمد کرنے والے ممالک کی تنظیم (OPEC) نے 28 ستمبر کو نائیجیریا میں ہونے والے حالیہ اجلاس میں تیل کی پیداوار میں یومیہ 1 ملین بیرل تک کمی کی تجویز پیش کی ہے۔30 نومبر کو ویانا میں آنے والے سرکاری اجلاس میں بھی اسی پر توجہ مرکوز رہے گی، جیسا کہ اس افہام وتفہیم کی اصل تفصیلات پر اتفاق کیا جائے گا۔ دریں اثناء روس جیسے بڑے غیر اوپیک پروڈیوسر نے بھی ان کوششوں کی توثیق کی ہے۔

اگرچہ تیل اور اجناس کی قیمتوں میں کمی سے صارفین کو فائدہ پہنچا ہے لیکن اس سے معیشت کے اجناس پیدا کرنے والے شعبوں، جیسے کہ زرعی شعبہ پر منفی اثرات بھی مرتب ہوئے ہیں، مصنوعات کی قیمتوں میں کمی سے کسانوں کی آمدنی اور کھیتی کے فیصلوں پر اثر پڑا ہے۔ اس کے علاوہ دباؤ کی شکار اشیاء کی قیمتوں سے ہونے والے انونٹری خساروں کی وجہ سے کارپوریٹ منافع بھی متاثر ہوا ہے۔

آگے چل کر تیل کی بڑھتی ہوئی قیمتوں کی بنیاد پر مالی سال 17 کی آنے والی سہ ماہی میں افراط زر کی شرح میں بہتری کی توقع ہے۔

زلیکن ہمیں یقین ہے کہ بین الاقوامی مارکیٹ میں اجناس کی زیادہ رسد کی وجہ سے یہ مالی سال 17 کیلئے اسٹیٹ بینک آف پاکستان کی 4.5%اور 5.5% کی اوسطCPI کے ہدف کی حد میں رہے گی۔

اسٹیٹ بینک آف پاکستان کی تازہ ترین رپورٹس کے مطابق مالی سال 17 کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ گزشتہ سال کی اسی مدت کیلئے0.686ارب ڈالر کے مقابلے میں1.316 ارب ڈالر رہا۔ رواں مالی سال کے پہلے دو ماہ کے دوران کرنٹ اکاؤنٹ خسارہ میں630 ملین ڈالر یا92% کا اضافہ بنیادی طور پر برآمدات میں7.81% کمی کی وجہ سے اور بنیادی طور پر ٹیکسٹائل برآمدات (کیونکہ ٹیکسٹائل سیکٹر کا برآمدات میں سب سے زیادہ60% حصہ ہے) اور امریکہ میں نگرانی کے سخت اقدامات کی وجہ سے ترسیلات زر میں3.1% کمی اورGCC ممالک پر کم قیمت تیل پر راہداری میں کمی کی وجہ سے ہوا۔

پاکستان کے کل لیکوئڈ زرمبادلہ کے ذخائر مالی سال 17 کی پہلی سہ ماہی کے اختتام تک گزشتہ سال کی اسی مدت کیلئے20.075ارب ڈالر کے مقابلے میں اب تک کی بلند ترین سطح23.612ارب ڈالر تک پہنچ گئے۔ مالی سال 17 کی پہلی سہ ماہی کے دوران بین الاقوامی مالیاتی فنڈ(IMF) نے تین سالہ ایکسٹنڈڈ فنڈ فیسلٹی پروگرام کے تحت102 ملین ڈالر کی13ویں قسط جاری کی۔

ابتدائی اعداد وشمار کے مطابق فیڈرل بورڈ آف ریونیو(FBR) نے مالی سال 17 کی پہلی سہ ماہی میں گزشتہ سال کی اسی مدت کیلئے 600ارب روپے کے مقابلے میں637ارب روپے اکٹھے کئے۔ اس کے باوجود مالی سال 17 کی پہلی سہ ماہی کیلئے705ارب ڈالر کا ہدف حاصل نہ ہوسکا۔ تاہم ایف بی آر اب بھی پُر امید ہے کہ ریونیو جمع کرنے کا عمل درست سمت میں جا رہا ہے اور وہ مالی سال 17 کا مجموعی ہدف حاصل کرلے گا۔ کل ٹیکس وصولی میں سے246ارب روپے (مالی سال16 میں246ارب روپے) انکم ٹیکس،257ارب روپے (مالی سال16 میں258ارب روپے) سیلز ٹیکس،31ارب روپے (مالی سال16 میں28ارب روپے) فیڈرل ایکسائز ڈیوٹی اور99ارب روپے (مالی سال16 میں81ارب روپے) کسٹم ڈیوٹی کے مد پر جمع کئے گئے۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 17 جولائی کے دوران KSE-100 انڈیکس نے 4% منافع حاصل کیا اور 31 جولائی 2016ء کو 39,528 پوائنٹس پر بند ہوا۔ جبکہ بعدازاں دومہینوں میں انڈیکس نے 40,000 پوائنٹس کی اہم نفسیاتی رکاوٹ عبور کرلی اور 30 ستمبر 2016ء کو 40,542 پوائنٹس پر بند ہوا۔ مجموعی طور پر KSE-100 انڈیکس میں مالی سال 16 کی چوتھی سہ ماہی میں 13% بڑھوتری کے برخلاف مالی سال 17 کی پہلی سہ ماہی میں 7.3% اضافہ ہوا۔ مزید برآں حجم میں اضافہ ہوا، جیسا کہ مالی سال 16 کی چوتھی سہ ماہی میں 172 ملین ڈالر کے برخلاف مالی سال 17 کی پہلی سہ ماہی میں روزانہ اوسط حجم لگ بھگ 240 ملین روپے رہا۔

مالی سال 17 کی پہلی سہ ماہی میں انڈیکس کی بہتری کو بنیادی طور پر درج ذیل سے منسوب کیا جا سکتا ہے:

1- مورگن سٹینلی کیپٹل انٹرنیشنل (MSCI) کی ایمرجنگ مارکیٹ انڈیکس میں پاکستان کی دوبارہ درجہ بندی کی وجہ سے پاکستان پر سرمایہ کاروں کے اعتماد کی تجدید۔

2- تیل کی قیمتوں میں متوقع استحکام، جیسا کہ اوپیک پروڈیوسرز کی 8 برسوں میں اپنی پہلی تیل کی پیداوار میں کمی کیلئے غیررسمی طور پر آمادگی۔

3- کنزیومر فنانسنگ میں بہتری اور صارفین کے خرچ کرنے کی بدولت پاکستانی آٹو سیکٹر کی سیلز میں اضافہ۔

4- ایف بی آر کی املاک پر نظرثانی اور ٹیکس نیٹ میں اضافے کے ذریعے رئیل اسٹیٹ سیکٹر کی ریگولرائزیشن، جیسا کہ کئی سرمایہ کاروں کی رئیل اسٹیٹ سے دوسرے اثاثہ طبقات میں منتقلی۔

5- ملک کی آئی ایم ایف پروگرام کی کامیابی سے تکمیل۔

6- سی پیک (CPEC) منصوبوں میں مثبت پیش رفت سے بجلی کی قلت میں کمی اور معیشت کی متوقع بحالی۔

مستقبل کا جائزہ

درج ذیل کی بنیاد پر ہم ایکویٹیز میں مثبت رجحان کے جاری رہنے کی توقع کرتے ہیں:

1- تیل کی قیمتوں میں مزید استحکام:

جیسا کہ OPEC نے نومبر میں تیل کی پیداوار میں کمی کی تفصیلات طے کرلی ہیں، آئل ہیوی PSX-100 انڈیکس (PSX-100 انڈیکس میں 20%) کو اس پیش رفت سے نمایاں فائدہ پہنچے گا۔

-2 PSX ڈائیویسٹمنٹ :

PSX کی 40% حصص کی فروخت اMSCI کی دوبارہ درجہ بندی کے بعد تحلیل کا اگلا بڑا واقعہ ہوگا، بک ٹرانزیکشن قیمت میں 3x (عالمی اوسط 3.8x کے برخلاف) فرض کرلیں تو جون 2016ء تک 40% فروخت اور 20% IPO سے بروکرز کے نقد بیلنسز میں 136 ملین ڈالر اور آزادانہ طور پر حاصل کئے گئے PSX 40% حصص پر 60 ملین ڈالر ریویلیوشن منافع حاصل ہوسکتا ہے۔ شنگھائی اسٹاک ایکسچینج مبینہ طور پر دلچسپی کا اشارہ دے چکی ہے، جبکہ NASDAQ کے ایک وفد نے بھی PSX کا دورہ کیا اور حصول میں دلچسپی ظاہر کی۔ مزید برآں غیر ملکی مینجمنٹ کی طرف سے عملی اہلیت شامل کرنے اور نئی مصنوعات متعارف کرانے کی توقع ہے۔

-3 برآمدات کی ترغیبات

ٹیکسٹائل برآمدات کو بحال کرنے کی خاطر حکومت پاکستان برآمدکنندگان کو ترغیبات فراہم کرنے اور ٹیکسٹائل کی صنعت کو زندہ کرنے کیلیئے ٹیکسٹائل پالیسی مالی سال 19-14 میں ترامیم پر غور کررہی ہے۔ اس سے بھی ٹیکسٹائل کے شعبہ میں نئی دلچسپی پیدا ہونے کی توقع ہے۔

مزید برآں CPEC اوراس کے علاوہ دیگر توانائی کے منصوبوں کی تیزی سے ہونے والی تعمیر توانائی کے بحران کے خاتمے میں اہم کردار ادا کرے گی۔ ہمیں متوقع طور پر CY17 میں موثر ہونے والی MSCI کی دوبارہ درجہ بندی کی بدولت مزید غیر ملکی سرمایہ کاری کی امید ہے کیونکہ عالمی ابھرتی ہوئی مارکیٹ ایکویٹی فنڈز اس تبدیلی کے مطابق اپنے پورٹ فولیو سرمایہ کاری میں ردوبدل کرتے ہیں۔

برائے اور منجانب بورڈ

عمران موتی والا

چیف ایگزیکٹو آفیسر

کراچی: 21 اکتوبر 2016ء

FUND MANAGER'S REPORT

i) Description of the Collective Investment Scheme Category and type:

Closed End - Equity Scheme

ii) Statement of Collective Investment Scheme's investment objective:

Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep value, coupled with few cherry picked growth companies.

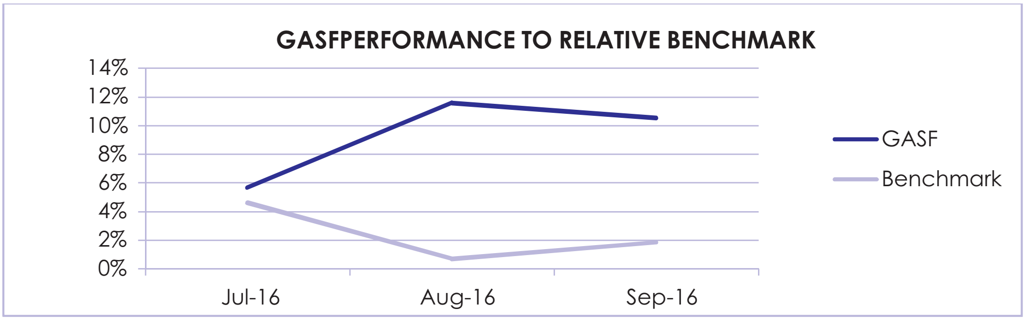
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For 1QFY17, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) stood at a 30.35% versus the benchmark KSE-100 Index of 7.30%.

Statement of benchmark (s) relevant to the Collective Income Scheme:

KSE - 100 Index

iv) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:



Monthly Yield	Jul-16	Aug-16	Sep-16
GASF	5.68%	11.59%	10.53%
Benchmark	4.62%	0.71%	1.84%

v) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance:

Golden Arrow Selected Stocks Fund Limited is a closed end equity scheme. The return of Fund is generated through investment in value stocks which have strong growth potential. GASSFL is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

vi) Disclosure of Collective Investment Scheme's asset allocation as at the date of report and particulars of significant change in asset allocation since the last report (if applicable):

Asset Allocation (% of Total Assets)	30-Sep-16	30-Jun-16
Equities	94.35%	95.86%
Cash	4.97%	3.95%
Other Assets	0.68%	0.19%

vii) Analysis of the Collective Investment scheme's Performance:

1QFY17 Return	30.35%
Benchmark Return	7.30%

viii) Changes in the total NAV and NAV per share since last reviewed period:

Net Asset Value			NAV Per Unit	
30-Sep-16	30-Jun-16	Change	30-Sep-16	30-Jun-16
(Rupees In "000")			Rs.	Rs.
2,234,934	1,714,314	30.36%	14.69	11.27

ix) Disclosure on the markets that the Collective Investment Scheme has invested in including review of the market (s) invested in and returns during the period:

Economy

In the 1QFY17, there was a slight uptick in inflation coupled with stable exchange rate, all time high foreign exchange reserves and low current and fiscal deficit. It is expected that macro-economic conditions will further improve on the back of FDI flows from CPEC and FIPI flows from MSCI up gradation of Pakistan.

In the period under review, the country successfully completed International Monetary Fund's (IMF) Extended Fund Facility (EFF), receiving a total loan of 4.3bn/6.01bn/628bn SDR/USD/PKR over three years. This is Pakistan's first fund program, out of 11, to have reached completion since it started receiving IMF bailouts in 1988. Pakistan had declined last two tranches of another program under Musharraf-Shaukat Aziz tenure while all nine other programs ended in failures.

CPI inflation during 1QFY17 clocked in 3.86%YoY as compared to 1.66%YoY for the corresponding period last year. The major uptick in inflation came from the Food group which contributes 37% in the CPI basket food prices rose 4%YoY last month. SBP kept the interest rate unchanged at 5.75% in the two monetary policies announced in July and September owing to inflation which remained on the lower side in 1QFY17.

Oil price will continue to be the main determinant factors of any changes in the CPI. In a recent meeting in Nigeria on September 28th of Organization of Petroleum Exporting countries (OPEC) which is contributing 40% of world production has proposed to cut production of up to 1mn barrels per day (BPD) in upcoming official meeting in Vienna on 30th November.

Although lower oil and commodity prices have benefited consumers, it also had an adverse impact on commodity-producing sectors of the economy. Lower product prices have hit farmer incomes and affected cropping decisions. In addition, corporate profits were also affected due to inventory losses caused by depressed commodity prices.

Going forward it is expected that inflation will start picking up in the upcoming quarter of FY17 on the back of surge in oil prices, but expected to remain in the SBP's target range of average CPI between 4.5 and 5.5% for the FY17.

The SBP reported the current account deficit of USD 1.316bn in first two months of FY17 compared to USD 0.686bn in the corresponding period last year. The current account deficit worsened by 92% or USD 630mn in first two months of current fiscal year was mainly due to 7.81% fall in exports, largely reflecting decline in textile exports (the textile sector is the largest contributor with60% share) and 3.1% reduction in remittances on the back of lower oil prices in GCC countries.

The total liquid foreign exchange reserves of Pakistan reached USD 23.612bn by the end of 1QFY17, reaching an all-time high as compared to USD 20.074bn in the corresponding period last year. During 1QFY17, International Monetary Fund (IMF) released the final 13th tranche of USD 102mn under the Extended Fund Facility; IMF had approved the three-year extended financing arrangement of approximately USD 6.64bn for Pakistan

The Federal Board of Revenue (FBR) was able to collect PKR 637bn in 1QFY17 as compared to PKR 600bn in the corresponding period last year, according to provisional figures. Despite this collection, the target of 705bn for 1QFY17 could not be achieved. However, FBR remains optimistic that revenue collections are on track and the target collections for FY17 can be met. From the total tax receipts, PKR 246bn (246bn in FY16) was collected as Income Tax, PKR 257bn (258bn in FY16) as Sales Tax, PKR 31bn (28bn in FY16) as Federal Excise Duty and PKR 99bn (81bn in FY16) as Custom Duty.

Equity Market

KSE-100 index gained 1,562 points in July FY'17, registering a gain of 4% closing at 39,528 points at the end of July.While in the subsequent two months index crossed a major psychological barrier of 40,000 points closing at around 40,542 points on 30th September 2016. Overall KSE-100 index grew by 7.3% in 1QFY'17 similarly index gains were 22.3%/23.8% in 6 month and 12 months period. Moreover volumes also picked up, average daily volume for 1QFY'17 were around PKR 240 million against PKR 172 million for 4QFY'16.

The outperformance of the index in 1QFY'17 can be mainly attributed to:

1. Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan into the Emerging Market Index.

2. Expected oil price stability, as OPEC producers informally agreed to their first oil output cut in 8 years.

3. Sales uptick in the Pakistani auto sector, on the back of renewed consumer spending and rise in consumer financing.

4. FBR's Revaluation of properties and regularization of the real estate sector increasing the tax net, as many investors seem to be switching from real estate to other asset classes.

5. Country's successful completion of the IMF program.

6. Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.

During the period under review, State Bank of Pakistan (SBP) kept the discount rate unchanged at 5.75%, while consumer prices in Pakistan increased 4.12/3.56/3.88 percent year-on-year in July/August/September of 2016, mainly due to a rise in food prices and education.

Future Outlook

It is expected that the overall positive trend will continue, on the back of Further Oil Price Stability: As OPEC hammers out the details of oil output cut in November, the Oil heavy PSX 100 index stands to gain significantly from this development; PSX Divestment: The sale of 40% stake in bourse will be the next big liquidity event after MSCI re-classification, assuming 3x of book transaction price (against global average of 3.8x) the 40% selloff and 20% IPO could inject US$136m in the brokers' cash balances and US$60m revaluation gains on freely held 40% PSX shares by Jun 2016, resulting in higher capital adequacy and proprietary trading. Shanghai Stock Exchange has reportedly shown interest, while a NASDAQ delegation also visited PSX indicating interest in the acquisition. Furthermore the foreign management is expected to add operational efficiencies and introduce new products; Amendments in Textile Policy: Meanwhile in order to revive exports, Government is considering amendments in textile policy FY 14-19 to incentivize exporters and revitalize textile industry. This is also expected to add renewed interest in Textile sector.

Furthermore, rigorous and upbeat construction of both CPEC and non-CPEC related energy projects will play a significant role in curbing the energy crisis which will greatly benefit the economy. We also expect further foreign investment to enter in economy due to MSCI re-classification effective May CY17, as global emerging market equity funds adjust their portfolio investments to reflect the change.

x) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements:

There was no significant change in the state of affair during the period and up till the date of the Fund Manager's report.

xi) Disclosure on share split (if any), comprising:

There was no share split during the period.

xii) Disclosure of circumstances that materially affect any interest of shareholders:

Investments are subject to credit and market risk.

xiii) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealers by virtue of transaction conducted by the Collective Investment Scheme:

No soft commission has been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2016

	Note	(Un-audited) September 30 2016	(Audited) June 30 2016
		-------- (Rupees in '000) --------	
ASSETS			
Bank balances		**120,487**	72,279
Receivable against sale of investments		**6,943**	-
Investments	4	**2,287,077**	1,754,500
Dividend and profit receivable		**6,152**	510
Tax refundable		**295**	205
Security deposit and prepayments		**3,037**	2,750
Total Assets		**2,423,991**	1,830,244
LIABILITIES			
Payable against purchase of investments		**72,011**	-
Payable to the Management Company		**5,203**	4,031
Accrued and other liabilities		**19,619**	19,489
Provision for Workers' Welfare Fund (WWF)	5	**54,216**	54,216
Unclaimed dividend		**38,008**	38,193
Total Liabilities		**189,057**	115,929
NET ASSETS		**2,234,934**	1,714,315
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2016: 250,000,000) ordinary shares of Rs. 5 each		**1,250,000**	1,250,000
Issued, subscribed and paid-up capital			
152,098,344 (June 30, 2016: 152,098,344) ordinary shares of Rs. 5 each		**760,492**	760,492
General reserve		**500**	500
Undistributed income		**1,473,942**	953,323
		2,234,934	1,714,315
		------------ (Rupees) ------------	
NET ASSETS VALUE PER SHARE		**14.69**	11.27
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015
		----- (Rupees in '000)	------
Income			
Capital gain on sale of investments - net		**91,211**	56,524
Dividend income		**8,409**	7,270
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	4.3	**433,985**	(67,356)
Profit on bank deposits		**1,117**	1,743
Total Income		**534,722**	(1,819)
Operating expenses			
Remuneration to Management Company		**9,770**	9,550
Sales Tax on Management fee	8	**1,270**	1,551
Federal excise duty on management fee	9	**-**	1,528
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		**464**	454
Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC)		**301**	309
Auditors' remuneration		**101**	147
Legal and professional charges		**81**	252
Annual listing fee		**97**	555
Central Depository System charges		**28**	212
Fees and subscription		**128**	111
Securities transaction cost		**1,125**	2,156
Bank charges		**2**	3
Directors' fee		**75**	60
Printing and postage		**130**	40
SalesTax on Custodian & CDS		**42**	73
Expenses allocated by the Management Company		**489**	-
Total Expenses		**14,103**	17,001
Net income before taxation		**520,619**	(18,820)
Taxation	7	**-**	-
Net income after taxation		**520,619**	(18,820)
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**520,619**	(18,820)
		---------- Rupees	---------
Earnings per share		**3.42**	(0.12)

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
	------ (Rupees in '000) -----	
Undistributed income brought forward	**953,323**	983,814
Net Income / (loss) after taxation for the period	**520,619**	(18,820)
Undistributed income carried forward	**1,473,942**	964,994

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) before taxation	**520,619**	(18,820)
Adjustments:		
Gain on sale of investments - net	**(91,211)**	(56,524)
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(433,985)**	67,356
Federal excise duty on management fee	**-**	1,528
	(4,577)	(6,460)
Decrease / (Increase) in assets		
Receivable against sale of investments	**(6,943)**	65,000
Investments	**(7,381)**	(69,518)
Dividend and profit receivable	**(5,642)**	(5,467)
Tax refundable	**(90)**	-
Security deposit and prepayments	**(287)**	-
	(20,343)	(9,985)
Increase / (decrease) in liabilities		
Payable against purchase of investments	**72,011**	(3,780)
Payable to the Management Company	**1,172**	283
Accrued and other liabilities	**130**	(1,552)
	73,313	(5,049)
Net cash generated from / (used in) operating activities	**48,393**	(21,494)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(185)**	(895)
Net cash used in financing activities	**(185)**	(895)
Net increase in cash and cash equivalents	**48,208**	(22,389)
Cash and cash equivalents at the beginning of the period	**72,279**	107,418
Cash and cash equivalents at the end of the period	**120,487**	85,029

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Share Capital	General Reserves	Undistributed income	Total
	---------------------- Rupees in '000' ----------------------			
Balance as at June 30, 2015	760,492	500	983,814	1,744,806
Net loss for the period	-	-	(18,820)	(18,820)
Other comprehensive income for the period	-	-	-	-
Total Comprehensive income for the first quarter ended September 30, 2015	-	-	(18,820)	(18,820)
Balance as at September 30, 2015	760,492	500	964,994	1,725,986
Balance as at June 30, 2016	760,492	500	953,323	1,714,315
Net Income for the period	-	-	520,619	520,619
Other comprehensive income for the period	-	-	-	-
Total Comprehensive income for the first quarter ended September 30, 2016	-	-	520,619	520,619
Balance as at September 30, 2016	760,492	500	1,473,942	2,234,934

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
	(Rupees)	(Rupees)
Net assets value per share at the beginning of the period	**11.27**	11.47
Capital gain on sale of investments - net	**0.60**	0.37
Dividend income	**0.06**	0.05
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**2.85**	(0.44)
Profit on bank deposits	**0.01**	0.01
Net income for the period	**3.52**	(0.01)
Operating expenses	**(0.09)**	(0.11)
Net assets value per share as at September 30	**14.69**	11.35

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

1 STATUS AND NATURE OF BUSINESS

1.1 Golden Arrow Selected Stocks Fund Limited (the Company) was incorporated on May 09, 1983 in Pakistan as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company got registered as an investment company on April 29, 2005 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules). The registered office of the Company is situated at 216-217, 2nd Floor, Continental Trade Centre, Block 8, Clifton, Karachi. The Company is listed on the Pakistan Stock Exchange Limited (formerly: Karachi and Lahore Stock Exchange Limited). The Company is a closed-end mutual fund and its principal activity is to make investment in marketable securities.

1.2 The Company is managed by AKD Investment Management Limited and Central Depository Company of Pakistan Limited is the custodian of the Company.

1.3 The Pakistan Credit Rating Agency Limited (PACRA) has assigned Asset Manager Rating of 'AM3+' to the Management Company dated June 08, 2016. PACRA has also assigned Company performance ranking of "MFR 4-Star" to the Company in performance period of 1 year, 3 year and 5 year category on June 29, 2016.

1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended by Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 1492(I)/2012 dated December 26, 2012 an asset management company managing an Investment Company shall, from the expiry of five years from November 21, 2007, hold within one month of such period a meeting of shareholders to seek their approval to convert the Investment Company into an Open End Scheme (by simple majority) or wind up the Investment Company (by special resolution). In 2013, SECP vide its Notification S.R.O 1399(I) 2012 dated November 28, 2012 extended the timeline for convening the meeting of share holders till January 31, 2013.

In compliance with above referred regulation, the Company convened a meeting of shareholders on January 31, 2013. However, neither the conversion of the Company into an Open End Scheme nor its winding up was approved by the shareholders by the majority specified in the said regulation. This fact was communicated to the stock exchanges and the SECP.

Subsequently, the Company received a notice from SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation and advised the Company to take immediate corrective action by calling another extra ordinary general meeting of shareholders. The Company being aggrieved by the said notice preferred a Constitutional Petition before the Honorable Sindh High Court on the ground that Regulation 65 is ultra vires. The Honorable Sindh High Court, after a preliminary hearing, has granted an ad-interim relief to the Company by restraining the SECP from taking any coercive action against the Company during the pendency of the petition. The relevant lawsuit is pending adjudication at the Honorable Sindh High Court.

The future operations of the Company are dependent on the outcome of the above referred Constitutional Petition. The management and the Company's legal counsel are of the view that the scheme of Regulation 65 in the way it has been framed is not in accordance with the principles of Company Law as well as the Constitution of Pakistan. Furthermore, they are confident that the Honorable Sindh High Court will strike down Regulation 65 or direct SECP to devise a more practical implementation scheme. However, the management believes that, in the worst case scenario, the winding up of the Company will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materially different from the expected realisable / settlement amounts of the assets and liabilities of the

Company. Accordingly, these condensed interim financial statements have been prepared on a going concern basis.

2 STATEMENT OF COMPLIANCE

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

These condensed interim financial statements are unaudited.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2016.

	Note	(Unaudited) September 30, 2016	(Audited) June 30, 2016
		-------- (Rupees in '000)	--------
4 INVESTMENTS			
Financial assets at fair value through profit or loss			
- Quoted equity securities - held for trading	4.1	**2,285,597**	1,753,020
Available for sale			
- Quoted equity securities	4.2	**1,480**	1,480
		2,287,077	1,754,500

4.1 Quoted Equity Securities - financial assets at 'fair value through profit or loss' - held-for-trading

Name of the investee company	Face value per share	Number of shares					Balance as at September 30, 2016			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
							---------- Rupees in '000 ----------					
SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise												
AUTOMOBILE ASSEMBLER												
Atlas Honda Limited	10	11,451	-	-	-	11,451	4,226	5,555	1,329	0.24	0.25	0.01
Dewan Farooque Motors Limited	10	391,500	-	-	391,500	-	-	-	-	-	-	-
							4,226	**5,555**	**1,329**			
AUTOMOBILE PARTS & ACCESSORIES												
Atlas Battery Limited	10	4,346	-	-	-	4,346	2,529	3,516	987	0.15	0.16	0.02
General Tyre & Rubber Co. of Pakistan Limited	10	-	50,000	-	-	50,000	11,695	15,321	3,626	0.67	0.69	0.08
Thal Limited	5	509,000	-	-	32,500	476,500	134,859	193,292	58,433	8.45	8.65	0.59
							149,083	**212,129**	**63,046**			
CABLE & ELECTRICAL GOODS												
Johnson & Phillips (Pakistan) Limited	10	17,000	-	-	-	17,000	347	425	78	0.02	0.02	0.31
Pak Electron Limited	10	-	41,500	-	-	41,500	2,926	2,937	11	0.13	0.13	0.01
Pakistan Cables Limited	10	295,100	-	-	-	295,100	50,321	75,802	25,481	3.31	3.39	1.04
							53,594	**79,164**	**25,570**			
CEMENT												
Dewan Cement Limited	10	1,957,500	628,000	-	2,585,500	-	-	-	-	-	-	-
Javedan Corporation Limited	10	4,892,800	39,000	-	-	4,931,800	145,361	166,448	21,087	7.28	7.45	3.81
							145,361	**166,448**	**21,087**			
CHEMICAL												
Archroma Pakistan Limited	10	140,580	-	-	-	140,580	68,512	83,078	14,566	3.63	3.72	0.41
Buxly Paints Limited	10	36,500	-	-	-	36,500	1,442	3,053	1,611	0.13	0.14	2.53
Dynea Pakistan Limited	5	361,733	-	-	-	361,733	16,459	21,339	4,880	0.93	0.95	1.92
Ghani Gases Limited	10	120	-	-	-	120	2	3	1	0.00	0.00	0.00
Nimir Industrial Chemicals Limited	10	672,500	-	-	-	672,500	20,175	28,938	8,763	1.27	1.29	0.61
							106,590	**136,411**	**29,821**			
COMMERCIAL BANKS												
BankIslami Pakistan Limited	10	1,559,928	503,500	-	-	2,063,428	22,458	25,669	3,211	1.12	1.15	0.20
JS Bank Limited	10	-	856,500	-	61,500	795,000	4,810	6,201	1,391	0.27	0.28	0.07
NIB Bank Limited	10	6,272,955	-	-	-	6,272,955	11,981	13,299	1,318	0.58	0.60	0.06
Summit Bank Limited	10	1,940,159	-	-	-	1,940,159	5,801	6,267	466	0.27	0.28	0.11
The Bank of Punjab	10	-	762,000	-	-	762,000	6,730	10,150	3,420	0.44	0.45	0.05
							51,780	**61,586**	**9,806**			
ENGINEERING												
Aisha Steel Mills Limited	10	3,206,000	-	-	-	3,206,000	24,782	42,127	17,345	1.84	1.88	1.18
Huffaz Seamless Pipe Industries Limited	10	391,745	-	-	-	391,745	6,856	8,575	1,719	0.37	0.38	0.71
International Steels Limited	10	79,500	-	-	-	79,500	2,832	4,830	1,998	0.21	0.22	0.02
							34,470	**55,532**	**21,062**			
FERTILIZER												
Engro Corporation Limited	10	-	156,100	-	-	156,100	48,469	45,464	(3,005)	1.99	2.03	0.03
							48,469	**45,464**	**(3,005)**			

Name of the investee company	Face value per share	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
		Number of shares					Balance as at September 30, 2016			Percentage in relation to		
							Rupees in '000					
FOOD & PERSONAL CARE PRODUCTS												
Al Shaheer Corporation Limited	10	-	145,000	-	145,000	-	-	-	-	-	-	-
Engro Foods Limited	10	-	149,900	-	-	149,900	20,536	21,932	1,396	0.96	0.98	0.02
Murree Brewery Company Limited	10	25,000	48,950	-	-	73,950	75,787	84,869	9,082	3.71	3.80	0.32
Quice Food Industries Limited	10	4,954,500	-	-	954,500	4,000,000	32,920	40,240	7,320	1.76	1.80	4.06
							129,243	**147,041**	**17,798**			
GLASS & CERAMICS												
Balochistan Glass Limited	10	110,000	-	-	-	110,000	531	1,076	545	0.05	0.05	0.06
Shabbir Tiles & Ceramics Limited	5	1,291,937	-	-	-	1,291,937	9,909	13,152	3,243	0.58	0.59	0.54
							10,440	**14,228**	**3,788**			
INSURANCE												
Century Insurance Company Limited	10	386,812	-	-	-	386,812	9,461	10,676	1,215	0.47	0.48	0.85
EFU General Insurance	10	-	95,200	-	-	95,200	12,826	13,072	246	0.57	0.58	0.05
Habib Insurance Company Limited	5	300,183	-	-	-	300,183	4,875	5,028	153	0.22	0.22	0.24
Pakistan Reinsurance Company Limited	10	67,500	-	-	-	67,500	2,043	2,464	421	0.11	0.11	0.02
TPL Direct Insurance Limited	10	301,686	-	-	-	301,686	5,385	5,092	(293)	0.22	0.23	0.40
							34,590	**36,332**	**1,742**			
INV. BANKS / INV. COS. / SECURITIES COS.												
Jahangir Siddiqui & Co. Ltd.	10	-	912,500	-	-	912,500	19,725	20,796	1,071	0.91	0.93	0.10
JS Investments Limited	10	394,000	-	-	-	394,000	5,437	5,516	79	0.24	0.25	0.49
							25,162	**26,312**	**1,150**			
LEASING COMPANIES												
Security Leasing Corp.(Pref) 9.1%	10	1,489	-	-	-	1,489	2	2	-	0.00	0.00	0.01
							2	**2**	**-**			
MISCELLANEOUS												
MACPAC Films Limited	10	809,129	-	-	-	809,129	15,373	21,547	6,174	0.94	0.96	2.08
Pakistan Services Limited	10	13,400	-	-	-	13,400	9,041	12,114	3,073	0.53	0.54	0.04
Siddiqsons Tin Plate Limited	10	1,505,000	-	-	-	1,505,000	16,194	20,122	3,928	0.88	0.90	1.92
Tri-pack Films Limited	10	-	12,500	-	-	12,500	3,125	3,525	400	0.15	0.16	0.03
							43,733	**57,308**	**13,575**			
OIL & GAS EXPLORATION COMPANIES												
Oil & Gas Development Company Limited	10	750,000	-	-	-	750,000	103,553	105,922	2,369	4.63	4.74	0.02
Pakistan Petroleum Limited	10	150,000	-	-	-	150,000	23,257	24,550	1,293	1.07	1.10	0.01
							126,810	**130,472**	**3,662**			
OIL & GAS MARKETING COMPANIES												
Sui Northern Gas Pipelines Limited	10	5,344,550	-	-	2,993,000	2,351,550	85,338	117,859	32,521	5.15	5.27	0.37
Sui Southern Gas Company Limited	10	-	850,000	-	-	850,000	33,840	34,459	619	1.51	1.54	0.10
							119,178	**152,318**	**33,140**			
PAPER & BOARD												
Century Paper and Board Mills Limited	10	-	641,500	-	-	641,500	37,636	38,670	1,034	1.69	1.73	0.44
Merit Packaging Limited	10	800,657	-	-	-	800,657	13,563	18,343	4,780	0.80	0.82	1.99
Pakistan Paper Products Limited	10	226,500	-	-	-	226,500	15,368	15,291	(77)	0.67	0.68	3.78
							66,567	**72,304**	**5,737**			

Name of the investee company	Face value per share	Number of shares: Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Balance as at September 30, 2016: Carrying cost	Market value	Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
							---------- Rupees in '000 ----------					
POWER GENERATION & DISTRIBUTION												
Japan Power Generation Limited	10	2,314,500	728,000	-	500,000	2,542,500	10,347	13,602	3,255	0.59	0.61	1.63
K-Electric Limited	3.5	18,534,000	2,492,000	-	2,500,000	18,526,000	150,549	170,624	20,075	7.46	7.63	0.07
Sitara Energy Limited	10	263,151	-	-	-	263,151	9,118	13,323	4,205	0.58	0.60	1.38
							170,014	**197,549**	**27,535**			
SUGAR & ALLIED INDUSTRIES												
Imperial Sugar Limited	10	378,000	-	-	-	378,000	1,886	2,363	477	0.10	0.11	0.38
Shahtaj Sugar Mills Limited	10	24,537	-	-	-	24,537	2,441	3,190	749	0.14	0.14	0.20
Shakarganj Limited	10	5,730,993	-	-	3,700,000	2,030,993	31,724	54,065	22,341	2.36	2.42	1.85
							36,051	**59,618**	**23,567**			
SYNTHETIC & RAYON												
Rupali Polyester Limited	10	12,701	-	-	-	12,701	114	165	51	0.01	0.01	0.04
							114	**165**	**51**			
TECHNOLOGY & COMMUNICATION												
Hum Network Limited	1	118,000	-	-	-	118,000	1,213	1,429	216	0.06	0.06	0.01
Pakistan Telecommunication Company Limited	10	2,690,500	1,909,500	-	-	4,600,000	75,577	84,088	8,511	3.68	3.76	0.12
Telecard Limited	10	2,018,500	-	-	1,576,000	442,500	1,354	1,912	558	0.08	0.09	0.15
TRG Pakistan Limited * **	10	5,330,917	204,500	-	150,000	5,385,417	181,112	247,137	66,025	10.81	11.06	0.99
Worldcall Telecom Limited	10	438,000	-	-	-	438,000	858	1,253	395	0.05	0.06	0.05
							260,114	**335,819**	**75,705**			
TEXTILE COMPOSITE												
Dawood Lawrencepur Limited	10	62,159	-	-	-	62,159	11,213	12,929	1,716	0.57	0.58	0.11
Gul Ahmed Textile Mills Limited	10	-	250,000	-	-	250,000	11,007	12,978	1,971	0.57	0.58	0.08
Ishaq Textile Mills Limited	10	6,500	-	-	-	6,500	57	68	11	0.00	0.00	0.07
Kohinoor Mills Limited	10	80,500	-	-	-	80,500	1,626	3,156	1,530	0.14	0.14	0.16
Sapphire Fibres Limited	10	47	-	-	-	47	26	29	3	0.00	0.00	0.00
							23,929	**29,160**	**5,231**			
TEXTILE SPINNING												
Crescent Fibres Limited	10	42,000	-	-	-	42,000	1,676	1,668	(8)	0.07	0.07	0.34
Din Textile Mills Limited	10	54,729	-	-	-	54,729	4,630	4,980	350	0.22	0.22	0.24
Ellcot Spinning Mills Limited	10	881,054	2,500	-	-	883,554	64,889	84,821	19,932	3.71	3.80	8.07
Fazal Cloth Mills Limited	10	12,406	-	-	-	12,406	1,762	1,558	(204)	0.07	0.07	0.04
Gadoon Textile Mills Limited	10	65,901	-	-	-	65,901	8,474	11,380	2,906	0.50	0.51	0.24
Island Textile Mills Limited	10	40,600	-	-	-	40,600	38,367	47,096	8,729	2.06	2.11	8.12
Saif Textile Mills Limited	10	217,000	-	-	-	217,000	3,856	4,340	484	0.19	0.19	0.82
							123,654	**155,843**	**32,189**			
TEXTILE WEAVING												
Prosperity Weaving Mills Limited	10	84,591	-	-	-	84,591	2,580	2,973	393	0.13	0.13	0.46
							2,580	**2,973**	**393**			
TRANSPORT												
Pakistan International Container Terminal Limited	10	46,200	-	-	-	46,200	15,546	15,477	(69)	0.68	0.69	0.04
							15,546	**15,477**	**(69)**			

Name of the investee company	Face value per share	Number of shares					Balance as at September 30, 2016			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
							---------- Rupees in '000 ----------					
VANASPATI & ALLIED INDUSTRIES												
Punjab Oil Mills Limited	10	234,000	-	-	-	234,000	62,478	81,877	19,399	3.58	3.66	4.34
S.S.Oil Mills Limited	10	180,100	-	-	-	180,100	7,834	8,510	676	0.37	0.38	3.18
							70,312	**90,387**	**20,075**			
Total listed equity securities as at September 30, 2016							**1,851,612**	**2,285,597**	**433,985**			
Total listed equity securities as at June 30, 2016							**1,645,232**	**1,753,020**	**107,788**			

* This includes 2,000,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

** The exposure limit of investment in a single company as a percentage of net assets exceeded by 1.06% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.

4.2 Quoted equity securities - 'available-for-sale'

Name of the investee company	Note	Number of shares					Balance as at Sept. 30, 2016			Market value as percentage of investments	Market value as percentage of net assets	Percentage in relation investee paid-up capital
		Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying Cost	Market value	Appreciation / (diminution)			
							------- (Rupees in '000) -------					
Leasing companies												
Security Leasing Corp.												
(Pref.) 9.1%	5.2.1	1,000,000	-	-	-	1,000,000	10,166	-	-			
Less: Impairment							(8,686)					
							1,480	1,480	-	0.06	0.07	8.89
Total listed equity securities as at September 30, 2016							**1,480**	**1,480**	**-**			
Total listed equity securities as at June 30, 2016							1,480	1,480	-			

4.2.1 Security Leasing Corporation Limited has deferred the payment of 3rd and 4th redemption pertaining to 1,000,000 shares of Rs.10 each on the basis of the current adverse financial position of the Company. As per the terms of the preference shares, the redemption amount will be the lower of par value and breakup value as per latest available audited financial statements. The break-up value (per share of Security Leasing Corporation Limited) as per the financial statements for the nine months ended March 31, 2015 is Rs.1.48, which is lower than the par value. Therefore, 1,000,000 shares have been valued at Rs.1.48 per share. Negotiations are currently underway with the investee company to recover the outstanding amount of preference shares.

	Note	(Unaudited) September 30, 2016	(Audited) June 30, 2016
		-------- (Rupees in '000)	--------
4.3 Unrealised appreciation on re-measurement of investments classified as 'fair value through profit or loss' - net			
Market value of securities	4.1	**2,285,597**	1,753,020
Less: carrying cost of securities	4.1	**1,851,612**	1,645,232
		433,985	107,788

4.4 DISCLOSURE OF TOTAL EXPENSE RATIO (TER)

As per SECP Direction No. 23 of 2016 dated July 20, 2016, the AMC shall disclose TER in respect of each CIS managed by it in the monthly Fund Managers Report ("FMR") and also in periodic financial statement of the CIS.

The Total Expense Ratio (TER) of Golden Arrow Selected Stocks Fund Limited during the period from July 01, 2016 to September 30, 2016 is 2.89% p.a. Total Expense Ratio (TER) includes 0.40% p.a. representing government levy and SECP fee.

5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

As per the legal counsel handling the case, the constitutional petition filed by the CIS to challenge the WWF contribution has not been affected by SHC judgment.

The Management Company as a matter of prudence, has decided to retain the provision for WWF amounting to Rs.54.216 million (June 30, 2016: Rs.54.216 million) up to June 30, 2015. Had the provision not been made, the NAV per share would have been higher by Re.0.36 (2.43%) per share (June 30, 2016: Re.0.36 (3.16%) per share).

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

6 CONTIGENCIES AND COMMITMENTS

There were no Contigencies and Commitments as of September 30, 2016 and June 30, 2016.

7 TAXATION

The income of the Company is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders. Accordingly, the Company has not recorded provision for taxation as the management intends to distribute at least 90 percent of the Company's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its shareholders.

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

8 SALES TAX ON MANAGEMENT FEE

The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2016: 14%) on the fee of Management Company through the Sindh Sales Tax on Services Act, 2011.

9 FEDERAL EXCISE DUTY ON MANAGEMENT FEE

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Company, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be ‘Ultra Vires’ the Constitution. The management is however of the view that since the Federal Government has appealed against the order, the previous balance of FED shall not be reversed.

The Company, in view of the pending decision and as a matter of abundant caution, has made a provision for FED with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.16.592 million (June 30, 2016: Rs.16.592 million).

10 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management Company ,Central Depository Company of Pakistan Limited, being the custodian, Aqeel Karim Dhedhi Securities (Private) Limited, AKD Securities Limited, other collective schemes managed by the Management Company, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

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

	------(Un-audited) -------	
	Quarter ended September 30,	
10.1 Transactions during the period	**2016**	**2015**
	(Rupees in '000')	
AKD Investment Management Limited		
Remuneration to Management Company	**9,770**	9,550
Expenses allocated by the Management Company	**489**	-
Sale of Shares of Company	**1,500**	-
AKD Securities Limited - Group Company		
Brokerage	**83**	347
Central Depository Company of Pakistan Limited (Custodian)		
Custodian Fee and CDS Charges	**329**	521
Javedan Corporation Limited -Common Directorship		
Purchase of shares	**1,170**	-

	(Un-audited)	(Audited)
	September 30,	June 30,
10.2 Transactions outstanding at the period / year end	**2016**	**2016**
	(Rupees in '000')	
AKD Investment Management Limited - Management Company		
Remuneration payable	**3,516**	2,830
Sales Tax on Management Remuneration	**457**	460
Federal excise duty on management fee	**16,592**	16,592
Expenses allocated by the Management Company	**630**	141
Others	**600**	600
Shares in issue (No. of shares: September 30, 2016: 24,482,895; June 30, 2016: 24,782,895)	**122,414**	123,914
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (No. of shares: September 30, 2016 : 2,092,812; June 30, 2016: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (No. of shares: September 30, 2016; 2,889 June 30, 2016: 2,889)	**14**	14
Brokerage Payable	**83**	-

	(Un-audited) September 30, 2016	(Audited) June 30, 2016
	(Rupees in '000')	
AKD Investment Management Limited Staff Provident Fund		
Shares in issue (No. of shares: September 30, 2016, 451,046; June 30, 2016: 451,046)	**2,255**	2,255
Directors of the Company		
Shares of the Company held (No. of shares: September 30, 2016: 3,026,277; June 30, 2016: 3,016,277)	**15,131**	15,081
Key Management Personnel of the Company		
Shares of the Company held (No. of shares: September 30, 2016: 80,000; June 30, 2016: 80,000)	**400**	400
Central Depository Company of Pakistan Limited (Custodian)		
Fee payable (including transaction charges)	**134**	77
Javedan Corporation Limited - Common Directorship		
Shares held by the Company (No. of shares: September 30, 2016: 4,931,800; June 30, 2016: 4,892,800)	**166,448**	144,191
Prosperity Weaving Mill Limited Common Directorship		
Shares held by the Company (No. of shares: September 30, 2016: 84,591; June 30, 2016: 84,591)	**2,973**	-

11 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purposes of comparison. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

12 SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on October 21, 2016 has declared an interim dividend at the rate of 22% i.e. Rs1.10 per share (September 30, 2015: Nil). These condensed interim financial statements of the Company for the period ended September 30, 2016 do not include the effect of the dividend which will be accounted for in the financial statements of the Company subsequent to the period end.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 21, 2016 by the Board of Directors of the Company.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

AKD Investment
Management Ltd.

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