Golden Arrow Selected Stocks Fund Ltd.

For the month of December 2011

For the month of December, GASSFL posted a return of -1.83% against a benchmark KSE-100 Index return of -1.61%, thus underperforming benchmark index on a MoM basis.

With the expected CPI to remain below the discount rate for FY12 and expected CPI in single digits for the year FY13 would result in a strong case for a discount rate cut going forward. However, fiscal slippages would counter any productive outcome from this end. Foreign inflows being dependant on the no objection certificate from the IMF which is subject to compliance of fiscal measures by the government coupled with tensed Pak-US relations would keep pressure on the balance of payments position and ultimately on the country's FX reserves. Local politics would also result in a volatile market with the Senate Elections due in FY12 and general election due in FY13. We advise investors to invest cautiously in the capital markets for the time being.

Name of non-compliant investment	Type of Invesment	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of Net Assets	% of Gross Assets
Sui Southern Gas Co. Ltd	Stock	88,786,855	-	88,786,855	12.05%	11.74%

* These are non-compliant investment as per regulation 55(5)(a) of NBFC & NE Regulation 2008.

Investment Objective

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

Fund Information

Fund Type	Closed-end
Category	Equity
Date of Fund launch	May, 1983
Date of Manag. takeover	Sep, 2004
Assets under Management	736.581mn
NAV (30th Dec 2011)	PkR 4.8428
Market Price (30th Dec 2011)	PkR 2.71
Benchmark	KSE100 Index
Dealing Days	Mon to Fri
Cut-off Timmings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	2%
Risk Profile	Moderate / High
Trustee	CDC
Auditor	M/s. Sidat Hyder & Co.
Asset Manager Rating	AM3

Portfolio Characteristics

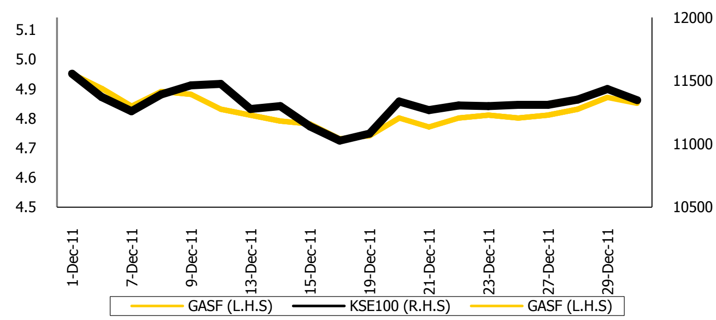
Statistics	FY11
Price to Earning Ratio	11.52
Price to Book Value	0.97
Dividend Yield	6.42%
Beta	0.59

Investment Committee Members

Mr. Imran Motiwala — Mr. Amin Husain

MR.Nadeem S. Siddique — Mr. Muhammad Yaqoob

Fund Performance



	FYTD	1 Months	3 Months	6 Months	1 year
KSE 100	-9.19%	-1.61%	-3.52%	-9.19%	-5.61%
GASF	-13.26%	-1.83%	-9.36%	-13.26%	-17.69%

Debt Securities (% of NAV)	Ratings	30-Nov-11
Worldcall Telecom Limited	A	1.75%
Kohat Cement Company Limited	Withdrawn by PACRA	1.28%

Top Ten Equity Holdings

Sui Southern Gas Co. Ltd	12.05%	Artistic Denim Mills	3.13%
Engro Foods Limited	9.05%	TRG	3.12%
Bank Alfalah Limited	3.69%	Soneri Bank Ltd	3.04%
Thall Limited	3.55%	Habib Bank Ltd	2.94%
Murree Brewery Limited	3.13%	Shezan International	2.85%

Asset Allocation (% of Total Assets)	30-Nov-11	31-Dec-11
Equities	90.14%	94.25%
TFCs	3.17%	2.95%
Cash	5.25%	1.96%
Other Assets	1.44%	0.84%
Leverage	Nil	Nil

Sector Allocation (% of NAV)	30-Nov-11	31-Dec-11
Banks	15.76%	15.44%
Personal Goods	14.81%	15.02%
Food Producers	13.10%	12.80%
Gas Water & Multiutilities	11.74%	12.35%
General Industries	4.61%	6.40%