Golden Arrow Selected Stocks Fund

For the month ending February 2011

Fund activity during the month

Golden Arrow Selected Stocks Fund (GASSFL) outperformed the KSE-100 index by 5.89% during February 2011, posting -2.77% return versus a Benchmark KSE-100 return of -8.66%. Textile sector continued to add value to the portfolio despite depressing market conditions. However, Banking, Support Services and Fixed-Line Telecom sectors caused drag on portfolio performance.

Within the Banking sector, BAFL was a laggard due to market concerns regarding financial performance and possibility of management changes. In Support Services sector, TRG underperformed on weak results. The IC is of the view that in both these cases, the market has likely overreacted and going forward these stocks should put in stronger performance. In the Fixed-Line sector, Pak Datacom disappointed causing a degree of drag on the overall performance of the Fund.

The recent surge in Oil prices has the potential to push the global economy into recession. Given the lack of transparency in the Futures market, it is difficult to provide empirical evidence that speculative flows are behind the recent trend. However, it is also a fact that there has been active lobbying by the stakeholders to prevent full-disclosure by market participants which in itself raises a red-flag. The source of funds is the "Low cost" US dollar. We believe that the spike in commodity prices is largely driven by easy monetary policies of developed economies, the tightening of which will lead to a commodity cool off, although the timing of this is still debatable.

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	960.794mn
NAV (28th Feb 2011)	PkR 6.32
Market Price (28th Feb 2011)	PkR 3.10
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	A. F. Fergusons
Asset Manager Rating	AM3

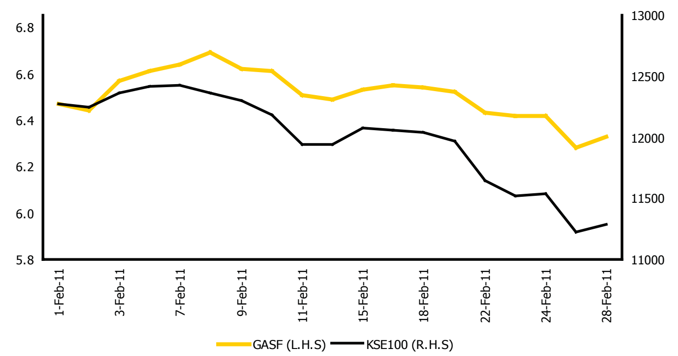
Portfolio Characteristics

Statistics	FY10
Price to Earnings Ratio	6.47x
EPS Growth	46.54%
Dividend Yield	4.39%
No. of Long Term Positions	67
Beta	0.71

Investment Committee Members

Mr. Nadeem Naqvi
Mr. Imran Motiwala
Mr. Amin Hussain
Mr. Muhammad Yaqoob
Mr. Ahmed Hassan

Fund Performance



	FYTD	1 Month	3 Month	6 Month	1 Year
KSE 100	16.12%	-8.66%	0.48%	15.04%	16.89%
GASF	14.49%	-2.77%	-0.47%	16.61%	1.12%

Debt Securities (% of NAV)

Debt Securities (% of NAV)	Ratings	Feb 28, 2011
Al-Abbas Sugar Mills Limited	A+	1.66%
JDW Sugar Mills Limited	A	0.93%
Kohat Cement Company Limited	Withdrawn by PACRA	1.36%

Top Ten Equity Holdings

Sui Southern Gas Company	11.61%	Muree Brewery	3.16%
Dawood Hercules	6.42%	Bank Alfalah Limited	3.10%
Habib Bank Limited	5.72%	Din Textile Mills Limited	2.95%
TRG Pakistan	4.79%	Thal Limited	2.94%
Pak Datacom Limited	3.39%	Habib Metropolitan Bank	2.87%

Asset Allocation (% of Total Assets)

Asset Allocation (% of Total Assets)	Jan 31, 2011	Feb 28, 2011
Equities	94.56%	90.48%
TFCs	3.78%	3.78%
Cash	1.18%	5.19%
Other Assets	0.48%	0.55%
Leverage	NIL	NIL

Sector Allocation (% of NAV)

Sector Allocation (% of NAV)	Jan 31, 2011	Feb 28, 2011
Banks	22.14%	18.45%
Personal Goods	14.40%	16.82%
Chemicals	13.86%	14.52%
Gas Water and Multiutilities	14.70%	13.68%
Support Services	6.11%	4.79%