

Golden Arrow Selected Stocks Fund



Fund Manager Report - Mar 2010

Fund activity during the month

Golden Arrow Selected Stock Fund posted a return of 2.68% in March 2010 versus KSE-100 Index return of 5.39%. However, for the quarter ended March 31, 2010 the fund out performed the benchmark by posting a return of 9.79% versus index return of 8.43%. Some what higher exposure in textiles and insurance due to longer term outlook and under exposure in oil & gas led to the underperformance in March. Based on market dynamics, the fund is being positioned to take advantage of unfolding opportunities in equities. As such, exposure to fixed income asset class has been reduced and is likely to remain so in the near turn.

During the month major sector allocation changes included reduction in banking sector exposure as gains were taken during the usual annual results season run up in banking stocks. However, we continue to believe that the sector fundamentals have improved and therefore maintain core holdings in the sector. Exposure to the fertilizer sector was significantly increased during March based on improved outlook for fertilizer prices and sales volume and therefore increasing earnings momentum. Exposure was also increased in the gas distribution segment due to rising likelihood of potentially positive regulatory change regarding gas loss compensation going forward. The fund is positioned to capture the expected rise in the market and improve its performance further.

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	1,108.194mn
NAV (31st Mar 10)	7.29
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

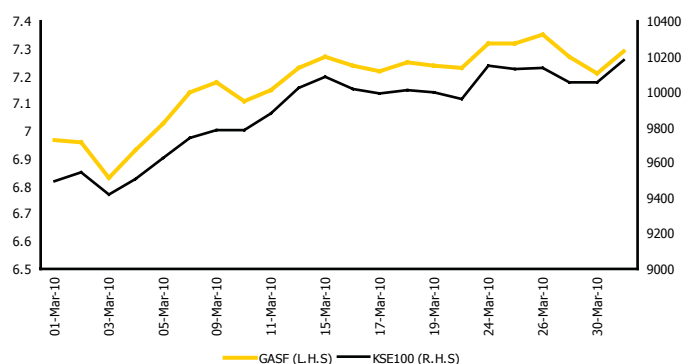
Portfolio Characteristics

Statistics	FY10E
Price to Earning Ratio	9.14x
Price to Book Value Ratio	1.16x
EPS Growth	11.54%
Dividend Yield	2.73%
No. of Long Term Positions	59
Beta	0.73

Investment Committee Members

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

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	42.11%	5.39%	8.43%	8.86%	48.37%
GASF	33.27%	2.68%	9.79%	9.95%	42.38%

Debt Securities (% of NAV)

	Ratings	Mar10
Al-Abbas Sugar Mills	A+	2.12%
JDW Sugar	A	1.59%
Kohat Cement	-	0.21%

Top Ten Equity Holdings

Dawood Hercules	8.42%	World Call Telecom	3.90%
Sui Southern Gas Company	6.46%	TRG Pakistan	3.75%
Habib Bank Limited	4.60%	Sui Northern Gas Pakistan	3.19%
National Bank of Pakistan	4.56%	Engro Chemical Pakistan Limited	2.70%
Pak Datacom Limited	4.21%	Kohinoor Energy Limited	2.68%

Asset Allocation (% of NAV)

	Feb-10	Mar-10
Equities	89.04%	94.72%
TFCs	9.84%	3.73%
Cash	1.12%	1.55%
Leverage	NIL	NIL

Sector Allocation (% of NAV)

	Feb-10	Mar-10
Commercial Banks	27.42%	22.46%
Fertilizer	7.50%	12.02%
Technology & Communication	11.37%	11.95%
Oil & Gas Marketing	2.70%	9.66%
Textile Spinning	5.32%	5.03%

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