Golden Arrow Selected Stocks Fund

For the month ending March 2011

Fund activity during the month

Golden Arrow Selected Stocks Fund (GASSFL) outperformed the benchmark by 0.61% with return for the month of March 2011 at 5.22% against 4.61% for the KSE-100. For the quarter ended March 31,2011 the GASSFL outperformed the KSE-100 by 2.07% as it posted a positive return of 0.30% versus the KSE-100 Index's negative return of 1.77%.

Apart form minor trading positions, the composition of the fund remained largely intact. Components of the Chemical Sector witnessed a change as overvalued positions were exited and replaced with undervalued companies. Exposure to Gas & Water utilities was also reduced.

The market is expected to remain range bound in the near future. Further, in view of monetary tightening outlook, stock price volatility is expected to increase across global financial markets coupled with a change of direction of the trend. We have been advocating a shift away from the commodity plays and reiterate that the increased risk of monetary policy tightening may not be favorable for core commodities partly owing to demand destruction as well as rising cost of finance. Hence, we believe that it is prudent to maintain an underweight stance on the commodity plays at this point in time and focus on value-hunting.

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	1011.627mn
NAV (31st Mar 2011)	PkR 6.65
Market Price (31st Mar 2011)	PkR 3.18
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

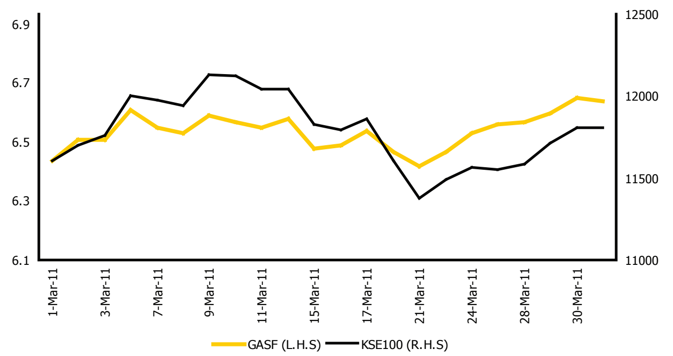
Portfolio Characteristics

Statistics	**FY10**
Price to Earnings Ratio	5.23x
EPS Growth	43.63%
Dividend Yield	5.32%
No. of Long Term Positions	70
Beta	0.68

Investment Committee Members

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

Fund Performance



	FYTD	1 Month	3 Month	6 Month	1 Year
KSE 100	21.47%	4.61%	-1.77%	17.94%	16.03%
GASF	20.47%	5.22%	0.30%	13.29%	3.26%

Debt Securities (% of NAV)	Ratings	Mar 31, 2011
Al-Abbas Sugar Mills Limited	A+	1.75%
JDW Sugar Mills Limited	A	0.83%
Kohat Cement Company Limited	Withdrawn by PACRA	1.28%

Top Ten Equity Holdings

Sui Southern Gas Company	9.94%	Muree Brewery	3.23%
Dawood Hercules	6.17%	Gadoon Textile	3.06%
TRG Pakistan	5.61%	Fauji Fertilizer Bin Qasim	2.92%
Habib Bank Limited	5.60%	Thal Limited	2.83%
Bank Alfalah Limited	3.26%	Habib Metropolitan Bank	2.72%

Asset Allocation (% of Total Assets)	Feb 28, 2011	Mar 31, 2011
Equities	90.48%	93.00%
TFCs	3.78%	3.77%
Cash	5.19%	1.65%
Other Assets	0.55%	1.58%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Feb 28, 2011	Mar 31, 2011
Banks	18.45%	17.83%
Personal Goods	16.82%	17.26%
Chemicals	14.52%	15.66%
Gas Water and Multiutilities	13.68%	11.86%
General Industrials	4.79%	5.74%