Golden Arrow Selected Stocks Fund

For the month ending July 2010

Fund activity during the month

Golden Arrow Selected Stocks Fund (GASSF) posted a return of 5.97% in July 2010 versus KSE-100 (Benchmark) return of 8.20%. The Fund underperformed the market owing to lack of exposure to the Oil and Gas sector that demonstrated a stellar performance on the back of strong FIPI flows. Activity in the Fund remained subdued during the month with limited positions taken during the month.

We are positioned aggressively in attractively priced securities, especially in gas utilities and telecom & technology sectors, with fertilizer and banking stocks backing that up. While this portfolio composition has meant a degree of short term under performance, we believe that over 8-12 months horizon, as the market gets over its uncertainty and risk aversion reduces, our selection has the potential for significant out performance.

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	1025.906mn
NAV (30th June 10)	6.74
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

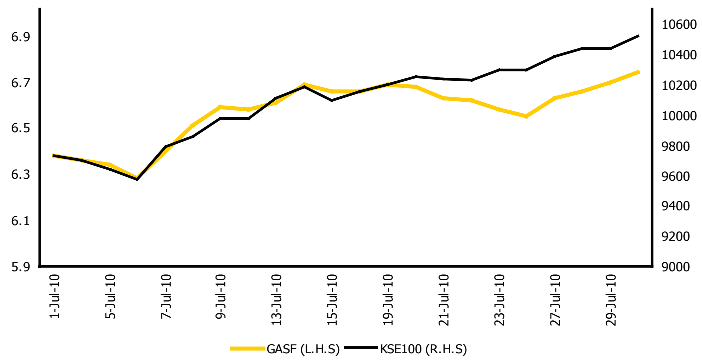
Portfolio Characteristics

Statistics	**FY10E**
Price to Earning Ratio	8.97x
Price to Book Value Ratio	0.94x
EPS Growth	12.42%
Dividend Yield	2.67%
No. of Long Term Positions	60
Beta	0.67

Investment Committee Members

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

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	8.20%	8.20%	0.87%	9.41%	36.24%
GASF	5.97%	5.97%	-7.28%	-0.30%	19.05%

Debt Securities (% of NAV)	Ratings	July 30, 2010
Al-Abbas Sugar Mills	A+	1.98%
JDW Sugar	A	1.14%
Kohat Cement Company Limited	-	1.41%

Top Ten Equity Holdings

Sui Southern Gas Company	7.79%	D.G. Khan Cement	4.74%
TRG Pakistan	7.43%	Habib Bank Limited	4.72%
Dawood Hercules	7.12%	Sui Northern Gas Pakistan	2.99%
Pak Datacom Limited	5.12%	Habib Metropolitan Bank	2.49%
Nishat Mills Limited	5.11%	Kohinoor Energy Limited	2.34%

Asset Allocation (% of NAV)	Jun 30, 2010	July 30, 2010
Equities	93.31%	92.68%
TFCs	4.73%	4.47%
Cash	1.01%	1.78%
Other Assets	0.35%	1.08%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Jun 30, 2010	July 30, 2010
Banks	19.00%	18.13%
Personal Goods	16.12%	16.77%
Chemicals	12.17%	11.97%
Gas Water and Multiutilities	9.98%	10.78%
Support Services	7.91%	7.43%