Golden Arrow Selected Stocks Fund

For the month ending September 2010

Fund activity during the month

Golden Arrow Selected Stocks Fund (GASSF) posted a return of 7.18% in September 2010 versus KSE-100 (Benchmark) return of 2.04%. The Fund ranked second on the MoM performance figures while it was ranked fourth amongst peers on the YTD ranking. The exceptional performance during the month was on the back of strong gains in overweight positions in Gas, Water and Multi-utilities owing to change in regulatory policies that is expected to result in improved profits for the individual companies which has been reflected by a 90% run up in the price of selective stocks within the sector. Further upside to the returns was provided by good trading calls in the Textile, Oil and Gas and Chemical Sectors.

Our overall strategy of selective stock picking has worked well in recent months and has been reflective of our view that the index heavy-weights are unlikely to outperform the market owing to the elevated valuations. Hence, the Investment Committee repositioned the portfolio to focus on value stocks especially in overlooked segments of gas utilities and telecom & technology sectors, along with fertilizer and banking stocks. We believe that the Fund has the potential to outperform the benchmark as investor sentiment grows favorable for the market.

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	1022.600mn
NAV (30th Sep 10)	PkR 6.72
Market Price (30th Sep 10)	PkR 3.65
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

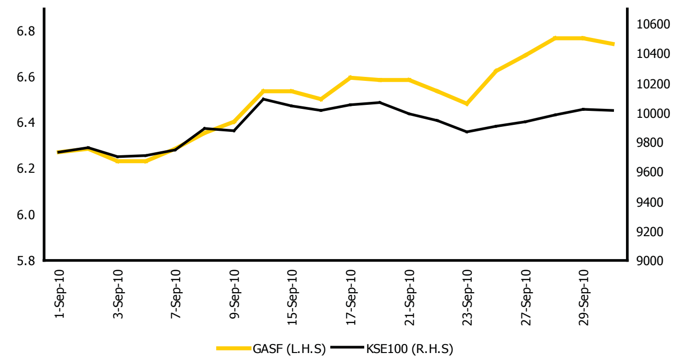
Portfolio Characteristics

Statistics	**FY10**
Price to Earnings Ratio	16.20x
EPS Growth	12.69%
Dividend Yield	2.74%
No. of Long Term Positions	61
Beta	0.69

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	3.00%	2.04%	3.00%	-1.62%	7.10%
GASF	5.49%	7.18%	5.49%	-7.82%	1.36%

Debt Securities (% of NAV)	Ratings	Sep 30, 2010
Al-Abbas Sugar Mills	A+	1.85%
JDW Sugar Mills	A	1.10%

Top Ten Equity Holdings

Sui Southern Gas Company	13.61%	Nishat Mills Limited	4.95%
TRG Pakistan	7.36%	Habib Bank Limited	4.30%
Dawood Hercules	6.45%	Sui Northern Gas Pakistan	3.26%
Pak Datacom Limited	5.63%	Muree Brewery	2.52%
D.G. Khan Cement	5.00%	Habib Metropolitan Bank	2.17%

Asset Allocation (% of Total Assets)	Aug 31, 2010	Sep 30, 2010
Equities	93.67%	94.47%
TFCs	4.74%	4.31%
Cash	0.17%	0.09%
Other Assets	1.42%	1.13%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Aug 31, 2010	Sep 30, 2010
Gas Water and Multiutilities	13.08%	16.88%
Personal Goods	15.86%	15.89%
Banks	17.33%	15.87%
Chemicals	11.52%	10.83%
Support Services	6.66%	7.36%