

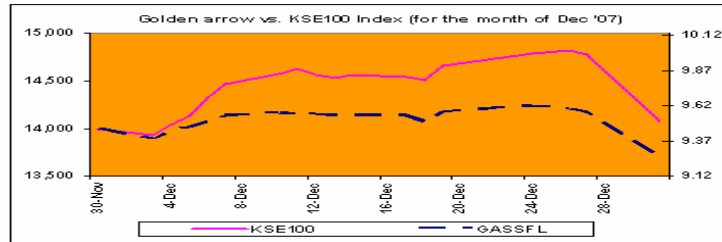


Golden Arrow Selected Stocks Fund

AKD Investment Management Ltd

December '07

Fund Performance



Fund Performance % (Dividends Re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	2.20%	0.55%	5.42%	2.20%	40.18%
Golden Arrow	3.21%	-2.01%	4.39%	3.21%	46.30%

Market Performance

Politics continued to dominate the investor sentiment during the month of December 07. KSE100 index started the month at 13,999 and steadily gained 877 point to reach an all-time high level of 14,876 on Dec 26th. This rise was reflective of rising confidence in the political process preceding the elections as political parties ran their election campaigns. However, the assassination of Pakistan Peoples Party's leader Mohtarma Benazir Bhutto on Dec 27th exposed the fragility of the political process in the country as the nation descended into a cycle of violence and destruction. The shaken investor confidence was clearly reflected by the 4.7% decline in the KSE100 on the last day of the year as the index closed the month and the calendar year at 14,077.

We express our heartfelt condolences to the nation on the tragic demise of Ms. Benazir Bhutto, and for all the loss of life and property in the events following her assassination.

Fund Activity during the month

The fund managers maintained a cautious stance towards equities asset class during the month and maintained a cash level of over 25%. The rationale behind this cautious stance was the rising political uncertainty leading to the elections and the deteriorating economic figures announced by Federal bureau of statistics (FBS). Allocation to Oil & Gas E&P sector was increased but adding POL to the portfolio as global oil prices strengthened and the sector traded at cheap valuations versus the KSE100 index. Exposure to banking sector was reduced from 13.37% to 12.51% by liquidating mid-cap banks. Exposure to Auto sector was also reduced from 5.78% to 4.66% as auto demand growth continued to decline.

80% of the index-leading stocks this month were illiquid third-tier stocks that have been the focus of investor interest in the recent months because of one-off earning gain expectations. Considering the current economic and political scenario, the fund chose to focus on blue chips offering consistently growing future earnings, but which have underperformed the index this month. This has led to the under-performance of the fund.

Portfolio Details

Portfolio Composition (% of Assets under Management)

Equities: 71.14%	Debt: 1.09%	Cash: 27.77%
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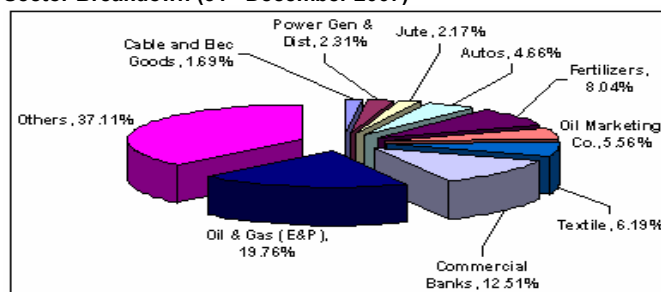
Top 5 Holdings (31st December 2007)

Security Name	%
Oil & Gas Dev Co.	8.71
Pakistan Petroleum Ltd	8.39
National Bank of Pak	7.11
Pakistan State Oil	5.56
Nishat Mills	3.31

Fund Characteristics

Statistic	FY08E
Price to Earning Ratio	7.23x
Price to Book Value Ratio	2.26x
EPS Growth	14.46%
Dividend Yield	3.88%
No. of long-term positions	32
Beta	0.68
Alpha	10.24%
Sharpe Ratio	1.332

Sector Breakdown (31st December 2007)



Investment objective

Disciplined and balanced fund management strategy focusing on fundamentally strong companies offering deep-value, coupled with few cherry-picked growth companies.

Fund Managers

Faisal Bengali, Ali Alvi

Base Currency of Fund: PKR

Total Units

122,907,752 Units @ PKR 5 each

Assets under Management

PKR.1.25bn

Dividend Yield for FY07

23% (based on open price for FY07)

Type of Fund

Closed ended

Date of Fund launch

May, 1983

Date of Management takeover

Sep, 2004

Fund Index

KSE100 Index

Net Asset Value (31st Dec '07)

PKR.9.27

KSE symbol

GASF

Management Fee

2%

Financial Year

July 1st ~ June 30th

Auditor

A. F. Ferguson

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All investments in mutual funds are subject to market risk. The NAV based prices of Units and any dividends and returns thereon are dependent on forces affecting capital markets. All efforts are made to present accurate performance data to the best of our abilities. Past performance is no guarantee of future results. Please read the funds prospectus, available on the website (www.akdinvestment.com) for detailed information before investing in this fund.