Golden Arrow Selected Stocks Fund

AKD Investment Management Ltd **November '07**

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.1.16bn

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 (30th Nov '07)
PkR.9.46

KSE symbol
GASF

Management Fee
2%

Financial Year
July 1st ~ June 30th

Auditor
A. F. Ferguson

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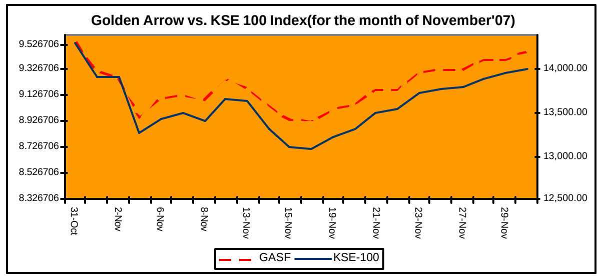
Fund Performance



Fund Performance % (Dividends Re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	1.65%	-2.23%	14.61%	8.01%	31.83%
Golden Arrow	5.32%	-0.84%	16.92%	10.82%	43.73%

Market Performance

November was an action-packed month in the political history of Pakistan. Similarly, the market (a barometer of the economy and investor confidence) also had its share of highs and lows. The month started with imposition of Emergency, which did not prove to be positive omen for the market, and the KSE-100 Index lost 635 points on the very next working day, and in subsequent trading sessions the KSE-100 Index made an intra-month low of 13,082 points on November 16th 2007. SCRA figures also dipped making a low of \$53.32mn on November 26, 2007 (improving later on to close the month at \$76.48mn). However, with the improvement in political scene the market also staged a recovery regaining much of the lost ground and ending the month at 13,998 points, down 321 points or -2% MoM.

Fund Activity during the month

Uncertain domestic political situation and the expected slowdown in US economy (affecting overall global economy) convinced us to keep a cautious stance on the market, which helped us to outperform the benchmark KSE-100 Index (MoM). Key activity during the month were trimming the exposure in Oil and Gas, E&P sector, Banking sector and Automobile sector. As international oil prices made a peak of US\$100, the fund managers booked some profits at the inflated level, as we did not expect oil prices to remain above US\$100 for long. Similarly, exposure in banking sector was reduced in order to protect investors from any negative repercussions from the FSV hit. In view of the lower demand for passenger cars and new stringent rules for auto financing by large consumer banks (some consumer banks have stopped giving auto loans for the time being) we also trimmed our auto sector weightage to 5.8% from 8.8% (at the end of previous month). Overall, we maintained the cautious stance from previous month and kept a decent 27.35% cash available to invest at attractive levels.

Portfolio Details

Portfoilio Composition (% of assets under management)

Equities 71.64%	**Debt** 1.01%	**Cash** 27.35%

Top 5 Holdings (30th November 2007)

Security	%
Oil and Gas Dev Co	8.40
Pakistan Petroleum Ltd	7.93
National Bank of Pakistan	7.33
Pakistan State Oil	5.76
Nishat Mills	3.50

Fund Characteristics

Statistics	
Price to Earnings Ratio	8.68x
Price to Book Value Ratio	2.65x
EPS Growth	8.00%
Dividend Yield	2.23%
No of long-term positions	34
Beta	0.70

Sector Breakdown (30th November 2007)