Golden Arrow
SELECTED STOCKS FUND LIMITED

3rd Quarter Report
March 31, 2014
(Un-audited)

Quarterly report

Partner
with AKD
Profit from the
Experience

AKD Investment
Management Ltd.

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN
Mr. Ahmed Abdul Sattar*

DIRECTOR & CHIEF EXECUTIVE OFFICER
Mr. Imran Motiwala*

DIRECTORS
Mr. Aurangzeb Ali Naqvi*
Mr. Muhammad Siddiq Khokhar*
Mr. Abdul Karim Memon*
Mr. Muhammad Yaqoob*

AUDIT COMMITTEE
Mr. Muhammad Siddiq Khokhar (Chairman)
Mr. Abdul Karim Memon (Member)
Mr. Aurangzeb Ali Naqvi (Member)
Mr. Abdul Qadir Sultan (Secretary)

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT
Mr. Abdul Qadir Sultan

HEAD OF COMPLIANCE
Mr. Rashid Ahmed

MANAGEMENT COMPANY
AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi -74000.

CUSTODIAN
Central Depository Company
of Pakistan Limited
CDC House 99-B, Block 'B'
S.M.CH.S., Main Shahra-e-Faisal,
Karachi-74400.

AUDITORS
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza,
Beaumont Road,
Karachi.

LEGAL ADVISER
Ali Daraz Siddiqui
Room No. 201 Noorani Building,
Campbell Street, Opp. Distt. Court,
Karachi-74200.

REGISTERED OFFICE
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi-74000.

REGISTRAR & SHARE TRANSFER OFFICE
JWAFFS Registrar Services (Pvt.) Ltd.
505, 5th Floor, Kashif Centre,
Near Hotel Mehran, Main Shahrah-e-Faisal
Karachi - 75530.
Tel: 021-35643871-72

RATING
PACRA: MFR 5-Star (3-years period)
PACRA: MFR 5-Star (1-year period)

MANAGEMENT COMPANY
JCR-VIS: AM3 - (AM-Three) Minus

* Approval pending from SECP.

Mission Statement

To set a standard of investing in better performing and result oriented securities by adopting best business practices and ethics.

Vision

To be a leading investment Company in finanical industry with diversifying its business activities by good asset allocation and generating better financial results and yield to the stakeholders.

DIRECTORS' REPORT

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its interim report along with the Funds accounts for the 3rd Quarter ended March 31, 2014.

KSE-100 Index continued its bullish momentum from the previous quarters, reaching historic highs of 27,309.02 on March 11, 2014 before settling to close at 27,159.91 as at March 31, 2014. The KSE-100 index growth recorded in the 3rd Quarter FY14 was 6.06%, whereas the MSCI Frontier Markets Index registered a growth of 5.39% meaning that the benchmark outperformed the MSCI FMI by 0.66%. Foreign portfolio investment during the quarter was USD 41.717 million and it is expected that it will keep on pouring in the capital markets in the last quarter of the fiscal year.

Your Fund for the 3rd Quarter increased by 14.94%, while the KSE-100 index increased by 7.52%. For the nine months period ended March 31, 2014 the return of the Fund was 45.43% compared to KSE-100 index return of 29.30%, outperforming the KSE-100 index benchmark by over 16.13%.

Dividend

The Board of Directors of Golden Arrow Selected Stocks Fund Limited have approved an interim cash dividend of Rs. 1.10/share i.e. 22% of par value of Rs. 5.00 per share for the third quarter ended March 31, 2014 in the meeting held on April 17, 2014. This is in addition to an interim dividend of Rs. 2.2 i.e. 44% of par value of Rs. 5.00 given previously.

Macro Perspective

During the 3rd Quarter of FY14, major improvements were witnessed in the overall macro economic conditions of the country. Since coming into power, the new Government has taken numerous steps to bring the country's economy back on track as some of their economic reform initiatives have started to reap benefits to the broader economy. The security situation remained better during the quarter due to a ceasefire for one month from both sides subsequent to initiation of negotiations between the Government and Taliban. However, no conclusion has as yet been agreed upon and negotiations continue.

The most crucial development during the quarter has been the improved foreign reserves position, which at March 31, 2014 stood at USD 10.074 billion, an increase of 21.18% during the quarter. This was due to USD 1.5 billion assistance provided by Saudi Arabia coupled with the release of another tranche of USD 555.6 million by IMF from its USD 6.8 billion support program approved in September 2013. The FX position is expected to improve further in the coming months as the Government has raised USD 2 billion from the sale of sovereign Eurobonds issued at the beginning of April. Furthermore, the auction of 3G & 4G licenses scheduled in the month of April will propel the foreign reserves further.

On the back of improved FX position, the Pakistani Rupee has, against all expectations, appreciated by an unprecedented 8.32% against the US Dollar since the beginning of the current year. This appreciation has, on one hand, appeased the general public welcoming a decline in inflationary pressures but on the other hand, casting doubts over the benefits the textile sector will be able to derive from export primarily from the GSP Plus status gained recently.

The Consumer Price Index (CPI)-based inflation increased by 8.53% for the period ended March 2014, driven by higher prices of food items and reversing a decline over the previous three months. The State Bank of Pakistan prudently decided to keep the discount rate unchanged at 10% even though some market participants were expecting a cut in the discount rate due to improved current account balance position and better macroeconomic conditions.

Reviews conducted by both the World Bank (WB) and the International Monetary Fund (IMF) at the beginning of April 2014 brought relief to the Government as both institutions were satisfied with the pace of progress of economic development and raised their expectations of GDP growth for FY14. IMF predicted a GDP growth rate of 3.2% whereas WB has increased its GDP forecast from 3.4% to 4%. It is worth mentioning here that the government GDP target is 4.4%. This review helps build the investors' confidence witnessing improved investment activity going forward.

The trade deficit fell to USD 13.931 billion for 9MFY14 from USD 14.740 billion in the corresponding period last year, narrowing the deficit by 5%. The export proceeds witnessed a growth of over 6% while imports witnessed a growth of less than 1% during the period under review over the same period last year. Pakistan's current account deficit till February 2014 swelled to over USD 2 billion as opposed to a deficit of USD 831 million in July-February of 2012-13. Shown as a percentage of the gross domestic product (GDP), the current account deficit widened to 1.2% in July-February as opposed to 0.5% in the same period last year. On the other hand, an impressive growth of over 6% in large scale manufacturing has been recorded during seven months (July-January) of the current financial year which shows that the business environment of the country is improving and businesses are willing to invest for the longer term. This sector growth is important as industrial sector has a 20.9% share in Pakistan GDP while LSM being a sub-sector of manufacturing has 10.6% share. On the other hand, credit to private sector has shown an increase of 9.47% from June 2013, implying that banks are painstakingly slowly but gradually lending money to the private sector as well.

The Government is going all out to address the infrastructural problems plaguing the country and impeding growth. The energy crisis is the biggest issue impacting both the common man and industries alike and the Government has started focusing all its resources into addressing this issue. Numerous new mega energy projects are being planned and the finances for those have been secured, Dasu power plant being one of them. Renewed efforts are being made to improve the energy mix by adding coal based plants and wind power plants.

Equity Market

Oil and gas sector witnessed major rally during the quarter as investors' interest increased due to impeding privatization of Government stakes in OGDCL. Textile and Banking sectors also remained in the limelight due to USD depreciation and aggressive participation by banks in PIBs auction. Top performing sectors during the quarter included Technology Hardware & Equipment (206.1%), Tobacco (141.95%), Household Goods (74.23%) and Beverages (62.12%). On the contrary, Electric and Electrical Goods (-6.03%), Health Care Equipment & Services (-12.15%) and Software & Computer Services (-14.76%) were the major losers during the quarter.

Future Outlook

Going forward, the Macro outlook is expected to be stable to positive with foreign institutional inflows to remain forefront drivers of the market. While the index continues to touch new highs, in terms of valuations it is still far from its record P/E multiples. In the last quarter of the fiscal year, two major developments are expected which will further improve the foreign reserves situation of the country and strengthen PKR. These developments include the long awaited auction of 3G & 4G licenses and the initiation of the privatization of Government entities in line with the IMF agreement. An unprecedented overwhelming response from the global community for Pakistan's Eurobond offer endorses our point of view of foreign appetite for Pakistani securities and further priority on resolving overall law & order situation and social issues and underlying commitment to reforms warrants an eventual positive re-rating of Pakistan.

The renewed efforts of Government to resolve the energy crisis by investing heavily in Mega energy projects are expected to reap benefits in the near future thus curing the biggest problem impeding the overall economic progress of the country. Resolution of this crisis will, on one hand, increase the productivity of the firms thus improving their profitability and on the other hand it will reduce the import bill of the country leading to improved foreign reserve position.

The Pakistani market is still trading at very low multiples as compared to its regional peers and with the improving economic outlook; the index is expected to continue to move to new highs.

We will continue to strive to provide better returns in line with the improving fundamentals of the broader economy.

For and on behalf of the Board

Imran Motiwala
Chief Execcutive Officer

Karachi: April 17, 2014

FUND MANAGER'S REPORT

i) Description of the Collective Investment Scheme Category and type:

Closed - end Equity Scheme.

ii) Statement of Collective Investment Scheme's investment objective:

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

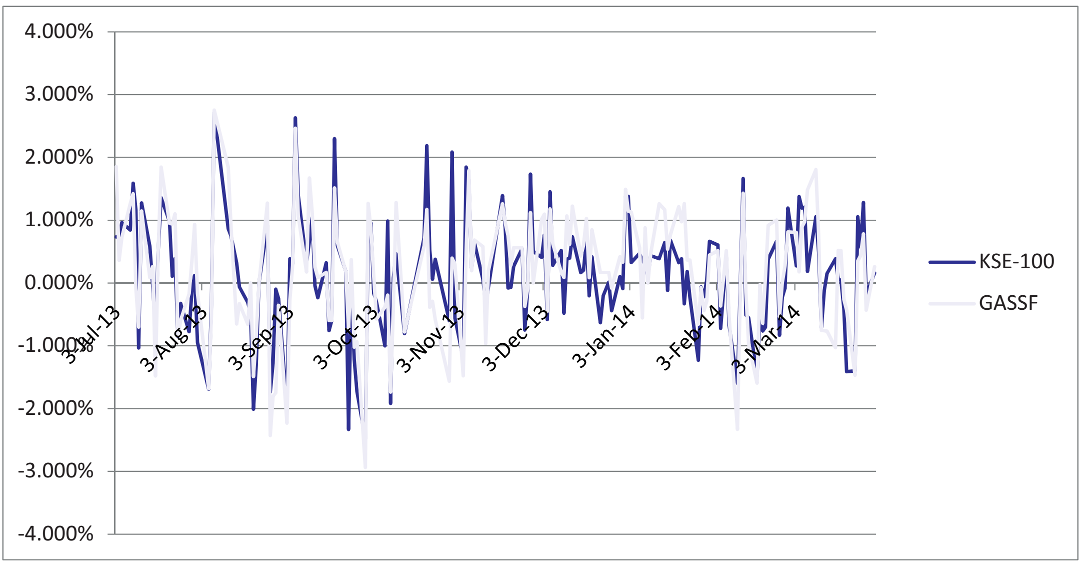
iii) Explanation as to whether Collective Investment Scheme achieved its stated objective:

For the nine months period of FY14, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) stood at a 45.43% versus the benchmark KSE-100 Index of 29.30%, thus significantly outperforming the benchmark by 16.13%.

iv) Statement of benchmark (s) relevant to the Collective Investment Scheme:

KSE -100 Index

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:



Monthly Yield	July-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
GASSF	13.01%	-5.88%	1.11%	-1.27%	7.02%	11.36%	12.69%	-1.53%	3.86%
Benchmark	10.98%	-4.94%	-1.48%	4.32%	6.70%	3.95%	6.03%	-3.74%	5.34%

vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance:

Golden Arrow Selected Stocks Fund Limited is a closed end equity scheme. The return of Fund is generated through investment in value stocks which have strong growth potential. GASSFL is fully complied with the relevant policies and procedures as per fund's regulatory requirement.

vii) Disclosure of Collective Investment Scheme's asset allocation as the date of the report and particulars of significant changes in asset allocation since the last report (if applicable):

Asset Allocation (% of Total Asset)	31-Mar-14	31-Dec-13
Equities	86.47%	93.95%
Cash	12.46%	1.39%
Other Assets	1.07%	4.66%
Leverage	Nil	Nil

viii) Analysis of the Collective Investment Scheme's performance:

Nine month return FY14	45.43%
Benchmark Return	29.30%

ix) Changes in total NAV and NAV per share since the last reviewed period:

Net Asset Value			NAV Per Unit	
31-Mar-14	31-Dec-13	Change in Net Assets	**31-Mar-14**	31-Dec-13
------------------**(Rupees in '000)** ------------------			----------**(Rupees)** ----------	
1,759,858	1,833,900	-4.04%	**11.57**	12.06

x) Disclosure on the markets that the Collective Investment Scheme has invested in including-review of the market (s) invested in and returns during the period:

Economy

The quarter continued to exceed expectations of the broader market. To everyone's surprise, the Government was able to generate foreign funds inflow to meet targets as defined in the agreement signed between the IMF and the Government. The Government's efforts were not just concentrated in increasing the foreign exchange reserves, they also continued their efforts to resolve the energy crisis including the gas and electricity shortfalls and eradicating the menace of insurgency.

The Government has taken concrete steps towards addressing energy shortfalls and in this regard mega long-term projects have been announced and construction work on quite a few projects have already commenced.

Government seems all set to address the menace of insurgency and in this regard committees have been formed on both sides to harness continuing peace in the country.

The Government has continued to work on building foreign exchange reserves and in this regard the Government was able to generate support of USD 1.5 billion from friendly countries, while after a gap of seven years the Government was able to float USD 1 billion Eurobond of 5 and 10 years each. The Government expects to get further inflows of USD 1.2 billion from the auction of 3G and 4G licenses and another USD 800 million from Etisalat as underlying properties the center of the dispute is expected to be amicably resolved. This is in addition to the inflows that have already resulted in the Foreign Exchange Reserves to reach USD 10.072 billion as of March 2014 from USD 11.019 billion as at the start of the current fiscal year and a low of USD 7.988 billion as at January 2014.

Other economic factors have also contributed in boosting up investor's confidence in the Pakistani capital markets including the recent growth in the large scale manufacturing sector and increase in private sector credit. On the other hand, unprecedented participation by banks and corporates in longer tenor papers via Pakistan Investment Bonds would indicate imminent liquidity issues in the short-term and less availability for the private sector going forward. When we talk about a country's balance of payment problems it is important to understand that if something can help the country maintain its position, it has to be reliance on a continuous financial inflow rather than one-off grants like those received from Saudi Arabia and loan tranches from the IMF. Needless to say, economic independence will be more achievable when our energy needs are self-reliant.

Even though the increased foreign reserves have resulted in an appreciation of the rupee against the dollar by 8.32% in the first three months of 2014 alone, this is not a welcoming news for the export sector as the rising rupee would make our exports expensive, thereby stopping the country from reaping the benefits that it planned to obtain from the grant of the GSP Plus status. On the contrary, the same would ensure inflation is kept in check and the general public enjoys stability in prices as compared to constant price hikes.

Under the period in concern, Pakistan's economic performance was praised by both the IMF and the World Bank in their reviews of the Country's performance. Such good was the performance that both these supranational bodies increased their expectations of GDP growth of the country. Worth mentioning here is the fact that the Pakistani Government's GDP target for FY14 stood at 4.4% whereas IMF's target was 3.2% and World Bank's 4%.

As far as the money market is concerned, a fundamental shift was witnessed in the recent PIB auction where investors shifted their positions from investing in short term T-Bills to long term Pakistan Investment Bonds. This was majorly a result of contained inflation along with improvement in the overall market sentiment. This would also help Government in its long-term planning where the Government would not need to worry for refinancing in the short-term.

Equity Market Performance

In 3QFY14, a major rally was observed in the oil and gas sector as investors' attention increased towards the sector owing to impeding privatization of Government's stakes in OGDCL. Textile and Banking sectors additionally stayed in the limelight owing to USD depreciation. Top performing sectors across the quarter included Technology Hardware & Equipment (206.1%), Tobacco (141.95%), Household Goods (74.23%) and Beverages (62.12%). On the contrary, Electronic & Electrical Goods (-6.03%), Health Care Equipment & Services (-12.15%) and Software & Computer Services (-14.76%) were the main losers during the quarter.

Future Outlook

As we look ahead, KSE is anticipated to perform well with major dependence being on the strategy of foreign institutional investors. Even though the Index is at the peak of its performance, there still remains a lot to be extracted out of it as it is still trading at multiples which are far below from its regional peers. The major factors that would determine the direction of the KSE-100 Index in the coming quarters include, but are not limited to, the proceeds from the auction of 3G/4G spectrum and the privatization of State Owned Entities in line with the IMF agreement. However, it is pertinent to mention that the image of Pakistan as an investment destination is improving internationally as record participation was witnessed in Pakistan's first Eurobond issue in over 7 years, mostly from intuitional investors. Security conditions of the country along with lack of infrastructure and energy resources are the only points of concern deterring investors from investing in Pakistan.

With Pakistani stocks trading at multiples way cheaper than its regional counterparts, along with an improving economic outlook, the stage seems to be all set for the KSE-100 Index to reach its all-time high. We expect the KSE to perform better in the future and generate higher returns in line with the improving fundamentals of the economy.

xi) Description and explanation of any significant changes in the state of the affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements:

There was no significant change in the state of affairs during the period and up till the date of the Fund Manager's report.

xii) Disclosure on share split (if any), comprising :

There were no share splits during the period.

xiii) Disclosure of circumstances that materially affect any interests of shareholders

Investments are subject to credit and market risk.

xiv) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker (s) or dealer (s) by virtue of transaction conducted by the Collective Investment Scheme.

No soft commission has been received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2014

	Note	(Un-audited) March 31 2014	(Audited) June 30 2013
		-------- (Rupees in '000) --------	
ASSETS			
Bank balances		**230,744**	34,468
Receivable against sale of investments		**3,555**	927
Investments	4	**1,601,827**	1,617,620
Dividends and other receivables		**13,370**	1,162
Tax refundable		**124**	124
Security deposit and prepayments		**2,750**	2,750
Total Assets		**1,852,370**	1,657,051
LIABILITIES			
Payable against purchase of investments		**8,973**	6,208
Payable to Management Company		**2,985**	2,722
Accrued expenses and other liabilities		**8,151**	4,520
Provision for Workers' Welfare Fund	5	**41,175**	27,693
Unclaimed dividend		**31,228**	13,906
Total Liabilities		**92,512**	55,049
NET ASSETS		**1,759,858**	1,602,002
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2013: 250,000,000) ordinary shares of Rs. 5 each		**1,250,000**	1,250,000
Issued, subscribed and paid-up capital			
152,098,344 (June 30, 2013: 152,098,344) ordinary shares of Rs. 5 each		**760,492**	760,492
General reserves		**500**	500
Unrealised appreciation on re-measurement of investments classified as "available-for-sale' - net		**-**	821
Undistributed income		**998,866**	840,189
		1,759,858	1,602,002
		------------ (Rupees)------------	
NET ASSETS VALUE PER SHARE		**11.57**	10.53
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Note	Nine months ended March 31 2014	Nine months ended March 31 2013	Quarter ended March 31 2014	Quarter ended March 31 2013
		----------------- (Rupees in '000) ------------------			
Income					
Capital gain on sale of investments classified as 'financial assets at fair value through profit or loss' - net		**392,242**	177,640	**137,866**	55,930
Capital gain on sale of investments classified as 'available-for-sale' - net		**7,383**	-	**-**	-
Dividend income		**54,083**	53,445	**17,670**	28,323
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	4.3	**260,593**	268,156	**123,661**	44,420
Income on Term Finance Certificates		**-**	12	**-**	-
Reversal of provision against debt security		**-**	3,711	**-**	-
Profit on bank deposits		**4,833**	1,609	**2,605**	318
Total Income		**719,134**	504,573	**281,802**	128,991
Operating expenses					
Remuneration of Management Company		**26,317**	18,729	**9,259**	6,479
Sales Tax on Remuneration of Management Company		**4,884**	2,997	**1,718**	1,037
Federal Exice Duty on Remuneration of Management Company		**4,211**	-	**1,482**	-
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		**1,250**	890	**440**	308
Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC)		**884**	652	**335**	205
Auditors' remuneration		**272**	239	**68**	75
Legal and professional charges		**209**	186	**-**	179
Annual listing fee		**477**	383	**-**	-
Central Depository System charges		**214**	177	**57**	34
Fees and subscription		**338**	349	**186**	202
Securities transaction cost		**4,922**	3,049	**2,085**	620
Provision against debt security		**-**	3,711	**-**	-
Bank charges		**11**	6	**2**	2
Director's fee		**140**	126	**50**	63
Printing and postage		**859**	787	**228**	102
Advertisement		**63**	208	**-**	133
Provision for Workers' Welfare Fund	5	**13,482**	9,442	**5,318**	2,391
Total Expenses		**58,533**	41,931	**21,228**	11,830
Net income before taxation		**660,601**	462,642	**260,574**	117,161
Taxation	7	**-**	-	**-**	-
Net income after taxation		**660,601**	462,642	**260,574**	117,161
Other comprehensive income / (loss) for the period					
Unrealised appreciation / (diminution) during the period on re-measurement of investments classified as 'available for sale' - net		**-**	(1,737)	**821**	(2,082)
Realised loss against sale of investments classified as 'available for sale' - net		**(821)**	-	**-**	-
Total comprehensive income for the period		**659,780**	460,905	**260,574**	115,079
		---------------- (Rupees)----------------			
Earnings per share - basic and diluted		**4.34**	3.04	**1.71**	0.77

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended March 31		Quarter ended March 31	
	2014	2013	2014	2013
	------------------- (Rupees in '000) -------------------			
Undistributed income brought forward	**840,189**	371,934	**1,072,908**	534,897
Net Income after taxation for the period	**660,601**	462,642	**260,574**	117,161
Final dividend for the year ended June 30, 2013 @ 22% (Rs. 1.10 per share) [June 30, 2012 @ 24% (Rs. 1.20 per share)]	**(167,308)**	(182,518)	**-**	-
Interim dividend for the year ending June 30, 2014 @ 44% (Rs. 2.20 per share) [June 30, 2013 @ 20% (Re. 1.00 per share)]	**(334,616)**	(152,098)	**(334,616)**	(152,098)
Undistributed income carried forward	**998,866**	499,960	**998,866**	499,960

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended March 31		Quarter ended March 31	
	2014	2013	2014	2013
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income before taxation	**660,601**	462,642	**260,574**	117,161
Adjustments for non-cash and other items				
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(260,593)**	(268,156)	**(123,661)**	(44,420)
Remuneration to Management Company	**26,317**	18,729	**9,259**	6,479
Dividend income	**(54,083)**	(53,445)	**(17,670)**	(28,323)
Remuneration of custodian	**884**	652	**335**	205
	373,126	160,422	**128,837**	51,102
(Increase) / decrease in assets				
Receivable against sale of investments	**(2,628)**	3,839	**(3,555)**	435
Investments - net	**275,565**	16,990	**324,774**	(29,644)
Advance against share subscription	**-**	-	**64,975**	-
Dividends and other receivables	**(13,112)**	1,019	**(13,022)**	(20)
	259,825	21,848	**373,172**	(29,229)
Increase / (decrease) in liabilities				
Payable against purchase of investments	**2,765**	12,063	**8,910**	11,714
Provision for Workers' Welfare Fund	**13,482**	9,442	**5,318**	9,442
Accrued expenses and other liabilities	**3,563**	(33)	**1,996**	(7,148)
	19,810	21,472	**16,224**	14,008
Net cash generated from operations	**652,761**	203,742	**518,233**	35,881
Remuneration paid to the Management Company	**(26,054)**	(18,020)	**(9,267)**	(6,492)
Remuneration paid to Custodian	**(816)**	(624)	**(302)**	(189)
Dividend received	**54,987**	37,344	**17,670**	11,651
Net cash generated from operating activities	**680,878**	222,442	**526,334**	40,851
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(484,602)**	(180,660)	**(321,935)**	(743)
Net cash used in financing activities	**(484,602)**	(180,660)	**(321,935)**	(743)
Net increase in cash and cash equivalents	**196,276**	41,782	**204,399**	40,108
Cash and cash equivalents at the beginning of the period	**34,468**	14,569	**26,345**	16,243
Cash and cash equivalents at the end of the period	**230,744**	56,351	**230,744**	56,351

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Share capital	General reserves	Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available-for-sale' - net	Undistributed income	Total
			(Rupees in '000)		
Balance as at December 31, 2012	760,492	500	2,365	534,897	1,298,254
Net Income after taxation	-	-	-	117,161	117,161
Other comprehensive loss for the period	-	-	(2,082)	-	(2,082)
Total comprehensive income for the quarter ended March 31, 2013	-	-	(2,082)	117,161	115,079
Interim dividend for the year ending June 30, 2013 @ 20% (Re.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at March 31, 2013	**760,492**	**500**	**283**	**499,960**	**1,261,235**
Balance as at June 30, 2012	760,492	500	2,020	371,934	1,134,946
Net Income after taxation	-	-	-	462,642	462,642
Other comprehensive loss for the period	-	-	(1,737)	-	(1,737)
Total comprehensive income for the nine months period ended March 31, 2013	-	-	(1,737)	462,642	460,905
Final dividend for the year ended June 30, 2012 @ 24% (Rs.1.20 per share)	-	-	-	(182,518)	(182,518)
Interim dividend for the year ending June 30, 2013 @ 20% (Re.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at March 31, 2013	**760,492**	**500**	**283**	**499,960**	**1,261,235**
Balance as at December 31, 2013	760,492	500	-	1,072,908	1,833,900
Net Income after taxation	-	-	-	260,574	260,574
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive income for the quarter ended March 31, 2014	-	-	-	260,574	260,574
Interim dividend for the year ending June 30, 2014 @ 44% (Rs.2.20 per share)	-	-	-	(334,616)	(334,616)
Balance as at March 31, 2014	**760,492**	**500**	**-**	**998,866**	**1,759,858**
Balance as at June 30, 2013	760,492	500	821	840,189	1,602,002
Net Income after taxation	-	-	-	660,601	660,601
Other comprehensive loss for the period	-	-	(821)	-	(821)
Total comprehensive income for the nine months period ended March 31, 2014	-	-	(821)	660,601	659,780
Final dividend for the year ended June 30, 2013 @ 22% (Rs.1.10 per share)	-	-	-	(167,308)	(167,308)
Interim dividend for the year ending June 30, 2014 @ 44% (Rs.2.20 per share)	-	-	-	(334,616)	(334,616)
Balance as at March 31, 2014	**760,492**	**500**	**-**	**998,866**	**1,759,858**

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

	Nine months ended March 31		Quarter ended March 31	
	2014	**2013**	**2014**	**2013**
	(Rupees)			
Net assets value per share at the beginning of the period	**10.53**	7.46	**12.06**	8.54
Capital gain on sale of investments - net	**2.63**	1.17	**0.91**	0.37
Dividend income	**0.36**	0.35	**0.12**	0.18
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**1.71**	1.76	**0.81**	0.29
Profit on bank deposits	**0.03**	0.01	**0.01**	0.01
Net income for the period	**4.73**	3.29	**1.85**	0.85
Operating expenses	**(0.39)**	(0.25)	**(0.14)**	(0.08)
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available-for-sale'	**-**	(0.01)	**-**	(0.02)
Final dividend for the year ended June 30, 2013 @ 22% (Rs. 1.10 per share) [June 30, 2012 @ 24% (Rs. 1.20 per share)]	**(1.10)**	(1.20)	**-**	-
Interim dividend for the year ending June 30, 2014 @ 44% (Rs. 2.20 per share) [June 30, 2013 @ 20% (Re. 1.00 per share)]	**(2.20)**	(1.00)	**(2.20)**	(1.00)
Net assets value per share as at December 31	**11.57**	8.29	**11.57**	8.29

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Imran Motiwala	**Aurangzeb Ali Naqvi**
Chief Executive Officer	Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014

1 STATUS AND NATURE OF BUSINESS

1.1 Golden Arrow Selected Stocks Fund Limited (the Company) was incorporated on May 09, 1983 in Pakistan as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company got registered as an investment company on April 29, 2005 under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules). The registered office of the Company is situated at 216 - 217, 2nd floor, Continental Trade Centre, Block 8, Clifton, Karachi. The Company is listed on the Karachi and Lahore Stock Exchanges. The Company is a closed-end mutual fund and its principal activity is to make investment in marketable securities.

1.2 The Company is being managed by AKD Investment Management Limited and Central Depository Company of Pakistan Limited is the custodian of the Company.

1.3 JCR-VIS Credit Rating Company Limited has assigned a management quality rating of 'AM3-' to the Management Company and The Pakistan Credit Rating Agency (PACRA) has assigned Company performance ranking of "MFR 5-Star" to the Company.

1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended by Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 1492(I)/2012 dated December 26, 2012 an asset management company managing an Investment Company shall, from the expiry of five years from November 21, 2007, hold within one month of such period a meeting of shareholders to seek their approval to convert the Investment Company into an Open End Scheme (by simple majority) or wind up the Investment Company (by special resolution). Further, during the current year, SECP vide its Notification S.R.O 1399(I) 2012 dated November 28, 2012 extended the timeline for convening the meeting of share holders till January 31, 2013.

In compliance with above referred regulation, the Company convened a meeting of shareholders on January 31, 2013. However, neither the conversion of the Company into an Open End Scheme nor its winding up was approved by the shareholders by the majority specified in the said regulation. This fact was communicated to the stock exchanges and the SECP.

Subsequently, the Company received a notice from SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation and advised the Company to take immediate corrective action by calling another EOGM of shareholders. The Company being aggrieved by the said notice preferred a Constitutional Petition before the Honorable Sindh High Court on the ground that Regulation 65 is ultra vires. The Honorable Sindh High Court, after a preliminary hearing, has granted an ad-interim relief to the Company by restraining the SECP from taking any coercive action against the Company during the pendency of the petition.

The future operations of the Company are dependent on the outcome of the above referred Constitutional Petition. The management and the Company's legal Counsel are of the view that the scheme of Regulation 65 in the way, it has been framed, is not in accordance with the principles of Company Law as well as the Constitution of Pakistan. Furthermore, they are confident that the Honorable Sindh High Court will strike down

Regulation 65 or direct SECP to devise a more practical implementation scheme. However, the management believes that, in the worst case scenario, the winding up of the Company will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materially different from the expected realisable / settlement amounts of the assets and liabilities of the Company. Accordingly, these financial statements have been prepared on a going concern basis.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements are unaudited.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2013.

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
		-------- (Rupees in '000)	--------
4 INVESTMENTS			
Financial assets at fair value through profit or loss			
- Quoted equity securities - held for trading	4.1	**1,598,532**	1,606,185
Available for sale			
- Quoted equity securities	4.2	**3,295**	11,435
		1,601,827	1,617,620

4.1 Quoted Equity Securities - financial assets at 'fair value through profit or loss'

Name of the Investee company	Number of shares					Balance as at March 31, 2014			Percentage in relation to		
	Opening Balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						-----------Rupees in '000'-----------					
SHARES OF LISTED COMPANIES - fully paid ordinary shares of Rs. 10 each unless stated otherwise											
OIL AND GAS											
Attock Refinery Limited	-	463,200	-	143,700	319,500	78,227	70,565	(7,662)	4.41	4.01	0.37
Mari Petroleum Company Limited	-	113,800	-	113,800	-	-	-	-	-	-	-
National Refinery Limited	51,400	-	-	-	51,400	12,366	11,761	(605)	0.73	0.67	0.06
Oil & Gas Dev.Company Limited	-	99,500	-	99,500	-	-	-	-	-	-	-
Pakistan Oilfields Ltd.	-	200,000	-	200,000	-	-	-	-	-	-	-
Pak Petroleum Ltd.	-	50,000	-	50,000	-	-	-	-	-	-	-
Shell Pakistan Limited	-	191,300	-	191,300	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	236,540	252,300	-	428,840	60,000	20,259	25,603	5,344	1.60	1.45	0.03
						110,852	107,929	(2,923)			
CHEMICALS											
Arif Habib Corporation Limited	210,000	-	-	-	210,000	4,654	5,762	1,108	0.36	0.33	0.05
Archroma Pakistan Limited	165,480	151,500	-	176,400	140,580	42,042	41,484	(558)	2.59	2.36	0.41
Biafo Industries Limited	-	500,000	-	50,000	450,000	45,000	43,650	(1,350)	2.73	2.48	2.25
Dynea Pakistan Limited (Face value of Rs.5 each)	895,233	-	-	-	895,233	34,735	43,195	8,460	2.70	2.45	4.74
Engro Polymer & Chemicals Limited	182,000	250,000	-	432,000	-	-	-	-	-	-	-
Engro Corporation Limited	1,100,500	225,000	-	1,325,500	-	-	-	-	-	-	-
Engro Fertilizer Limited	-	719,000	-	719,000	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	1,342,500	-	1,342,500	-	-	-	-	-	-	-
Ghani Gases Limited	6,900	-	172	-	7,072	172	191	19	0.01	0.01	0.01
Nimir Industrial Chemicals Limited	-	481,500	-	481,500	-	-	-	-	-	-	-
Sitara Peroxide Limited	-	461,000	-	461,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	1,000,000	15,000	-	800,000	215,000	1,639	1,520	(119)	0.09	0.09	0.01
						128,242	135,802	7,560			
FORESTRY (PAPER AND BOARD)											
Century Paper and Board Mill Limited	885	100,000	15,132	-	116,017	3,973	6,389	2,416	0.40	0.36	0.10
						3,973	6,389	2,416			
INDUSTRIAL METALS AND MINING											
Crescent Steel and Allied Products Limited	1,050,035	-	-	1,050,035	-	-	-	-	-	-	-
International Steel Limited	1,043,965	136,000	-	753,500	426,465	7,559	10,491	2,932	0.65	0.60	0.10
International Industries Limited	449,500	108,500	-	-	558,000	26,167	31,973	5,806	2.00	1.82	0.47
Huffaz Seamless Pipe Industries Limited	428,745	-	-	-	428,745	9,437	8,905	(532)	0.56	0.51	0.77
						43,163	51,369	8,206			

Name of the Investee company	Number of shares					Balance as at March 31, 2014			Percentage in relation to		
	Opening Balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						Rupees in '000'					
CONSTRUCTION AND MATERIALS											
Akzo Nobel Pakistan Limited	-	49,500	-	-	49,500	4,020	5,899	1,879	0.37	0.34	0.11
Baluchistan Glass Limited	-	110,000	-	-	110,000	782	831	49	0.05	0.05	0.06
Dewan Cement Limited	1,245,500	6,024,000	-	260,000	7,009,500	46,716	60,632	13,916	3.79	3.45	1.80
D.G Khan Cement Company Limited	-	939,000	-	939,000	-	-	-	-	-	-	-
Shabbir Tiles & Ceramics Ltd. (Face Value of Rs 5 each)	257,793	-	12,889	-	270,682	2,526	2,488	(38)	0.16	0.14	0.18
						54,044	69,850	15,806			
GENERAL INDUSTRIALS											
Cherat Packaging Limited	61,499	-	-	-	61,499	2,368	4,058	1,690	0.25	0.23	0.22
Macpac Films Limited	213,629	270,500	-	99,500	384,629	8,070	7,443	(627)	0.46	0.42	0.99
Merit Packaging Ltd.	454,195	85,000	1,156,462	800,000	895,657	10,852	16,131	5,279	1.01	0.92	2.22
Siemens Pakistan Engineering Co. Ltd.	-	9,700	-	9,700	-	-	-	-	-	-	-
Thal Limited (Face value of Rs 5 each)	522,557	132,400	-	554,957	100,000	14,800	16,974	2,174	1.06	0.96	0.12
						36,090	44,606	8,516			
ELECTRONIC AND ELECTRIC GOODS											
Pakistan Cables Limited	-	78,500	-	-	78,500	6,219	6,123	(96)	0.38	0.35	0.28
						6,219	6,123	(96)			
ENGINEERING											
K.S.B. Pumps Company Limited	250,000	-	-	32,000	218,000	18,290	18,094	(196)	1.13	1.03	1.65
						18,290	18,094	(196)			
INDUSTRIAL TRANSPORTATION											
Pakistan International Bulk Terminal Limited	65,000	3,369	-	-	68,369	713	4,612	3,899	0.29	0.26	0.13
Pakistan National Shipping Corporation	198,808	-	-	-	198,808	9,145	14,600	5,455	0.91	0.83	0.15
						9,858	19,212	9,354			
TECHNOLOGY HARDWARE AND EQUIPMENT					-						
TPL Trakker Limited	8,299,000	1,466,000	-	1,663,000	8,102,000	65,950	71,379	5,429	4.46	4.06	3.73
						65,950	71,379	5,429			
SUPPORT SERVICES					-						
TRG Pakistan Limited	16,411,060	-	-	1,000,000	15,411,060	157,039	215,293	58,254	13.44	12.23	4.00
						157,039	215,293	58,254			

Name of the Investee company	Number of shares: Opening Balance	Number of shares: Purchases during the period	Number of shares: Bonus / rights issue	Number of shares: Sales during the period	Number of shares: Closing balance	Balance as at March 31, 2014: Carrying cost	Balance as at March 31, 2014: Market value	Balance as at March 31, 2014: Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Percentage in relation to: Market value as percentage of net assets	Percentage in relation to: Investee paid up capital
						-----------Rupees in '000'-----------					
AUTOMOBILE AND PARTS											
Atlas Battery Limited	13,664	-	2,732	-	16,396	4,626	6,640	2,014	0.41	0.38	0.09
Atlas Honda Limited	145,151	-	-	-	145,151	26,293	42,471	16,178	2.65	2.41	0.14
Exide Pakistan Ltd.	39,510	-	3,951	-	43,461	17,772	16,069	(1,703)	1.00	0.91	0.56
General Tyre & Rubber Co. of Pakistan Limited	152,892	-	-	-	152,892	6,452	7,856	1,404	0.49	0.45	0.26
Honda Atlas Cars (Pakistan) Limited	10,000	-	-	-	10,000	437	552	115	0.03	0.03	0.01
						55,580	73,588	18,008			
BEVERAGES											
Murree Brewery Company Limited	183,901	10,800	-	194,701	-	-	-	-	-	-	-
						-	-	-			
FOOD PRODUCERS											
Colony Sugar Mills Limited	401,000	-	-	23,000	378,000	2,359	3,081	722	0.19	0.18	0.38
Habib - ADM Limited (Face value of Rs 5 each)	74,889	-	-	-	74,889	1,863	2,397	534	0.15	0.14	0.19
JDW Sugar Mills Limited	11,573	-	-	-	11,573	1,250	2,199	949	0.14	0.12	0.02
Noon Pakistan Limited	31,689	501	-	32,190	-	-	-	-	-	-	-
Noon Sugar Mills Limited	1,002,091	121,500	-	-	1,123,591	28,194	30,337	2,143	1.89	1.72	6.80
Punjab Oil Mills Limited	99,000	-	-	-	99,000	6,287	9,504	3,217	0.59	0.54	1.84
Quice Food Ltd.	-	1,087,000	-	646,500	440,500	3,432	3,484	52	0.22	0.20	0.84
Shahtaj Sugar Mills Limited	24,537	-	-	-	24,537	2,012	1,818	(194)	0.11	0.10	0.20
Shakarganj Mills Limited	2,617,002	1,421,500	-	409,000	3,629,502	75,820	67,073	(8,747)	4.19	3.81	5.22
Kohinoor Sugar Mills Limited	209,500	-	-	209,500	-	-	-	-	-	-	-
National Foods Limited	-	9,900	-	9,900	-	-	-	-	-	-	-
Tandlianwala Sugar Mills Limited	5,356	-	-	-	5,356	482	375	(107)	0.02	0.02	-
						121,699	120,268	(1,431)			
PERSONAL GOODS (TEXTILE)											
Crescent Cotton Mills Limited	-	400,000	-	-	400,000	18,400	21,128	2,728	1.32	1.20	1.87
Crescent Fibres Limited	42,000	-	-	-	42,000	1,315	1,427	112	0.09	0.08	0.34
Dawood Lawrencepur Limited	43,159	-	-	-	43,159	2,590	3,668	1,078	0.23	0.21	0.07
Fazal Cloth Mills Limited	10,339	-	2,067	-	12,406	954	2,470	1,516	0.15	0.14	0.04
Gul Ahmed Textile Mills Limited	628,576	75,000	125,715	829,291	-	-	-	-	-	-	-
Rupali Polyester Limited	12,701	-	-	-	12,701	296	229	(67)	0.01	0.01	0.04
Din Textile Mills Limited	545,209	-	54,520	545,000	54,729	3,035	7,121	4,086	0.44	0.40	0.24
Ellcot Spinning Mills Limited	875,554	-	-	40,000	835,554	54,219	74,264	20,045	4.64	4.22	7.63
Fazal Textile Mills Limited	600	22,200	-	-	22,800	9,299	11,970	2,671	0.75	0.68	0.37

Name of the Investee company	Number of shares					Balance as at March 31, 2014			Percentage in relation to		
	Opening Balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						-----------Rupees in '000'-----------					
Ishaq Textile Mills Limited	6,500	-	-	-	6,500	106	183	77	0.01	0.01	0.07
Island Textile Mills Limited	38,300	3,250	-	3,700	37,850	23,440	37,301	13,861	2.33	2.12	7.57
Masood Textile Mills Limited	469,170	-	-	469,170	-	-	-	-	-	-	-
Prosperity Weaving Mills Limited	84,591	-	-	-	84,591	2,659	3,829	1,170	0.24	0.22	0.46
Saif Textile Mills Limited	181,500	-	-	-	181,500	4,427	5,303	876	0.33	0.30	0.69
Sapphire Fibres Limited	47	-	-	-	47	8	14	6	0.00	0.00	-
Service Industries Limited	61,188	-	-	7,900	53,288	13,908	25,685	11,777	1.60	1.46	0.44
ZIL Limited	118,135	-	-	18,000	100,135	10,587	15,020	4,433	0.94	0.85	1.88
						145,243	209,612	64,369			
FIXED LINE TELECOMMUNICATION											
PAK Datacom Limited	654,031	-	-	-	654,031	48,078	42,676	(5,402)	2.66	2.42	6.67
Pakistan Telecommunication Company Limited	657,500	350,000	-	1,007,500	-	-	-	-	-	-	-
Telecard Limited	1,442,000	826,500	-	-	2,268,500	11,765	11,978	213	0.75	0.68	0.76
Wateen Telecom Limited	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-
WorldCall Telecom Limited	2,000,000	752,000	-	-	2,752,000	7,880	6,935	(945)	0.43	0.39	0.32
						67,723	61,589	(6,134)			
ELECTRICITY											
K- Electric Limited	-	17,500,000	-	7,893,500	9,606,500	56,198	61,866	5,668	3.86	3.52	0.03
Kohinoor Energy Limited	1,462,750	-	-	1,462,750	-	-	-	-	-	-	-
Sitara Energy Limited	263,151	-	-	-	263,151	8,342	9,013	671	0.56	0.51	1.38
						64,540	70,879	6,339			
MULTIUTILITIES (GAS AND WATER)											
Sui Northern Gas Pipelines Limited	143,550	1,578,000	-	824,500	897,050	19,375	20,094	719	1.25	1.14	0.16
Sui Southern Gas Company Limited	4,362,240	4,334,760	-	6,101,500	2,595,500	67,986	74,465	6,479	4.65	4.23	0.29
						87,361	94,559	7,198			
COMMERCIAL BANKS											
Askari Bank Limited	219,221	250,000	120,571	-	589,792	7,666	10,233	2,567	0.64	0.58	0.05
Summit Bank Limited	7,762,159	1,400,000	-	-	9,162,159	22,517	31,151	8,634	1.94	1.77	0.85
Bank Al-Habib Limited	200,000	500,000	28,600	414,000	314,600	8,759	11,675	2,916	0.73	0.66	0.03
Bank Al-Falah Limited	1,086,500	2,000,000	-	2,545,000	541,500	11,052	14,469	3,417	0.90	0.82	0.04
BankIslami Pakistan Limited	850,000	1,896,000	-	2,319,500	426,500	4,406	4,470	64	0.28	0.25	0.08
Habib Bank Limited	283,490	175,010	34,790	110,600	382,690	49,042	66,707	17,665	4.16	3.79	0.03
Habib Metropolitan Bank Limited	513,382	-	-	-	513,382	8,912	13,702	4,790	0.86	0.78	0.05
NIB Bank Limited	4,372,955	-	-	-	4,372,955	10,145	10,058	(87)	0.63	0.57	0.04
						122,499	162,465	39,966			

Name of the Investee company	Number of shares					Balance as at March 31, 2014			Percentage in relation to		
	Opening Balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						Rupees in '000'					
NON LIFE INSURANCE											
Askari General Insurance Company Limited	526,000	-	-	-	526,000	9,994	10,820	826	0.68	0.61	1.35
Century Insurance Company Limited	451,312	-	-	-	451,312	6,359	7,781	1,422	0.49	0.44	0.99
Habib Insurance Company Ltd.(Face value of Rs 5 each)	249,000	-	-	-	249,000	3,175	5,881	2,706	0.37	0.33	0.25
Premier Insurance Ltd. (Face value of Rs 5 each)	3,210,889	17,500	-	3,228,389	-	-	-	-	-	-	-
TPL Direct Insurance Company Limited	239,500	-	-	-	239,500	2,247	2,491	244	0.16	0.14	0.52
						21,775	26,973	5,198			
FINANCIAL SERVICES											
First Capital Securities Corporation Limited	317,605	-	-	-	317,605	1,267	867	(400)	0.05	0.05	0.10
						1,267	867	(400)			
HEALTH CARE EQUIPMENT AND SERVICES											
Shifa International Hospitals	355,500	98,000	-	201,500	252,000	12,890	27,922	15,032	1.74	1.59	0.50
						12,890	27,922	15,032			
PHARMA AND BIO TECH											
GlaxoSmithkline (Pakistan) Limited	-	196,000	-	196,000	-	-	-	-	-	-	-
The Searle Company Limited.	-	50,000	-	50,000	-	-	-	-	-	-	-
Wyeth Pakistan Limited	23,329	1,500	-	24,829	-	-	-	-	-	-	-
						-	-	-			
TRAVEL AND LEISURE											
Pakistan Services Ltd.	-	13,200	-	-	13,200	3,638	3,762	124	0.23	0.21	0.04
						3,638	3,762	124			
IMPAIRED EQUITY SECURITIES											
FINANCIAL SERVICES											
Security Leasing Corporation Limited (9.1% Preference Shares)	1,489	-	-	-	1,489	2	2	-	0.00	0.00	0.01
						2	2	-			
Total listed equity securities as at March 31, 2014						**1,337,937**	**1,598,532**	**260,595**			
Total listed equity securities as at June 30, 2013						1,137,314	1,606,185	468,871			

4.2 Quoted equity securities - 'available-for-sale'

Name of the investee company	Note	Number of shares: Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Balance as at March 31, 2014: Carrying Cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Percentage in relation investee paid-up capital
							Rupees in '000'					
Financial services												
Security Leasing Corporation Limited (9.1% Preference shares)	4.2.1	1,000,000	-	-	-	1,000,000	10,166					
Less: Impairment							(6,871)					
							3,295	3,295	-	0.21	0.21	2.10
General industrials												
Siemens Engineering (Pakistan) Limited		12,500	-	-	12,500	-	-	-	-	-	-	-
Total listed equity securities as at March 31, 2014							**3,295**	**3,295**	**-**			
Total listed equity securities as at June 30, 2013							12,634	11,435	(1,199)			

4.2.1 Security Leasing Corporation Limited has deferred the payment of 3rd redemption amounting to Rs.2,720,000 (pertaining to 500,000 shares of Rs.10 each) on the basis of the current adverse financial position of the company. As per the terms of the preference shares, the redemption amount will be the lower of par value and breakup value as per latest available audited financial statements. The breakup value (per share of Security Leasing Corporation Limited) as per the financial statements for the year ended June 30, 2009 is Rs.5.44, which is lower than the face value. Further, the breakup value of shares as per the financial statements of the company for the nine months ended March 31, 2010 is Rs.1.15. Therefore, the redemption of 500,000 shares due on November 30, 2009 have been valued at Rs.5.44 per share and the remaining shares have been valued at Rs.1.15 per share. Negotiations are currently underway with the investee company to recover the outstanding amount of preference shares.

		Note	Unaudited March 31, 2014	Audited June 30, 2013
			---------- (Rupees in '000) ---------	
4.3	**Unrealised diminution on re-measurement of investments classified as 'fair value through profit or loss' - net**			
	Market value of securities	4.1	**1,598,532**	1,606,185
	Less: carrying cost of securities	4.1	**1,337,937**	1,137,314
			260,595	468,871
4.4	**Net unrealised appreciation on re-measurement of investments classified as ' available-for-sale ' - net**			
	Market value of securities	4.2	**3,295**	11,435
	Less: Cost of securities	4.2	**3,295**	10,614
			-	821
4.5	**Net unrealised appreciation in fair value of investments classified as 'available-for-sale'**			
	Market value of investments		**3,295**	11,435
	Less: Cost of investments		**(3,295)**	(10,614)
			-	821
	Less: Net unrealised appreciation in fair value of investments at the beginning of year		**-**	(2,020)
			-	(1,199)

5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) has issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 are declared unconstitutional and therefore struck down.

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of abundant caution, has decided to retain and continue to make the provision for WWF which amounted to Rs.41.175 million (including Rs.13.482 million pertaining to the current period) (June 30, 2013: Rs.27.693 million) at the period end. Had the provision not been made, the net asset value per share of the Company would be higher by Re.0.271 (2.34%) per share [June 30, 2013: Re.0.182 (1.73%) per share] and the net income for the period would have increased by Re.0.089 per share.

6 CONTIGENCIES AND COMMITMENTS

There were no Contigencies and Commitments as at March 31, 2014 and June 30, 2013.

7 TAXATION

The income of the company is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders.

The company is also exempt from the provisions of section 113 (minimum tax) under clause 11 of part 1V of the Second Schedule to the Income Tax Ordinance, 2001.

8 FEDERAL EXCISE DUTY ON REMUNERATION OF MANAGEMENT COMPANY

The Finance Act 2013 introduced an amendment to Federal Excise Act 2005 where by Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. However the MUFAP has filed a petition in the Sindh High Court (SHC) challenging the levy of FED on assets management services. The SHC in its short order of September 2013 directed the FBR not to take any coercive action against the petitioners pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to retain and continue with the provision of FED in this condensed interim financial information which aggregates to Rs. 0.2 million as at March 31, 2014. Had this provision not been made the net asset value would have increase by Re. 0.027 per share and the net income increase Re. 0.027 per share.

9 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES

Connected persons include AKD Investment Management Limited, being the Management Company, Central Depository Company of Pakistan Limited, being the custodian, Aqeel Karim Dhedi Securities Investment (Private) Limited, AKD Securities Limited, other collective schemes managed by the Management Company, directors and officers of the Management Company, directors of the Company and their connected persons.

The transactions with connected persons are in the normal course of business, at contracted rates. Details of transactions and balances with connected persons are as follows:

	Nine months ended March 31	
	2014	2013
9.1 Transactions during the period	--------- (Rupees in '000) --------	
AKD Investment Management Limited		
Remuneration to Management Company	**26,317**	18,729
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**38,407**	33,018
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**76,814**	34,915

	Nine months ended March 31 2014	Nine months ended March 31 2013
	(Rupees in '000)	(Rupees in '000)
AKD Securities Limited - Group Company		
Sale of shares of various companies	**49,987**	21,612
Purchase of shares of various companies	**114,528**	114,875
Brokerage	**211**	233
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**3**	14,763
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**6**	3
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**2,302**	2,511
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**4,604**	2,093
AKD Investment Management Limited - Staff Provident Fund		
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**661**	721
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**1,322**	601
Oil & Gas Investment Limited - Group Company		
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**2,420**	2,640
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**4,840**	2,200
Directors of the Company		
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**7,348**	80
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**14,804**	6,730
Key Management Personnel of the Company		
Final cash dividend paid @ 22% i.e. Rs.1.10 per share (2012: 24% i.e. Rs.1.20 per share)	**11**	72
Interim cash dividend paid @ 44% i.e. Rs.2.20 per share (2013: 20% i.e. Re.1.00 per share)	**22**	-
AKD Opportunity Fund - Common Management Company		
Purchase of shares	**51,761**	13,486
AKD Index Tracker Fund - Common Management Company		
Purchase of shares	**63**	-

	Nine months ended March 31 2014	Nine months ended March 31 2013
	-------- (Rupees in '000) --------	
Miss Ayesha Aqeel		
Purchase of shares	**15,000**	-
Ms. Yasmeen Dhedhi		
Purchase of shares	**17,500**	-
Sale of shares	**5,000**	-
PAK Datacom Limited		
Dividend received during the period	**1,962**	2,580
BIAFO Industries Limited		
Purchase of shares	**32,500**	-
Sale of shares	**5,000**	-
Dividend received during the period	**1,650**	-
Central Depository Company of Pakistan Limited (Custodian)		
Fee charged during the period (including transaction charges)	**1,098**	590

9.2 Transactions outstanding at the period / year end

	(Un-audited) March 31, 2014	(Audited) June 30, 2013
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**2,985**	2,722
Sales Tax Provincial on Management Remuneration	**554**	477
Federal Excise Duty on Management Remuneration	**4,470**	260
Shares in issue (No. of shares: March 31, 2014; 34,915,395 June 30, 2013: 34,915,395)	**174,577**	174,577
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (No. of shares: March 31, 2014 : 2,092,812; June 30, 2013: 2,092,812)	**10,464**	10,464
AKD Securities Limited		
Shares in issue (No. of shares: March 31, 2014; 2,889 June 30, 2013: 2,889)	**14**	14
Brokerage Payable	**8**	111
AKD Investment Management Limited Staff Provident Fund		
Shares in issue (No. of shares: March 31, 2014, 601,046; June 30, 2013: 601,046)	**3,005**	3,005
Oil & Gas Investment Limited - Group Company		
Shares in issue (No. of shares: March 31, 2014, 2,200,000; June 30, 2013: 2,200,000)	**11,000**	11,000

	(Un-audited) March 31, 2014	(Audited) June 30, 2013
	--------- (Rupees in '000)	--------
Directors of the Company		
Shares of the Company held		
(No. of shares: March 31, 2014: 6,729,861;		
June 30, 2013: 6,679,861)	**33,649**	33,399
Key management personnel		
Shares of the Company held		
(No. of shares: March 31, 2014: 10,000;		
June 30, 2013: 10,000)	**50**	50
Central Depository Company of Pakistan Limited (Custodian)		
Fee payable	**140**	88
AKD Aggressive Income Fund - Common Management Company		
Receivable against sale of investment	**-**	3,712
PAK Datacom Limited		
Shares held by the Company		
(No. of shares: March 31, 2014: 654,031;		
June 30, 2013: 654,031)	**42,676**	48,078
Dividend receivable	**1,308**	-
BIAFO Industries Limited		
Shares held by the Company		
(No. of shares: March 31, 2014: 450,000;		
June 30, 2013: Nil)	**43,650**	-
Dividend receivable	**1,125**	-

10 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Management Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

The Company has determined the operating segments based on the reports reviewed by the Investment Committee, which are used to make strategic decisions.

The Investment Committee is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Investment Committee's asset allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The Company trades in listed Pakistani equity securities with an objective to generate capital growth.

The internal reporting provided to the Investment Committee for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no changes in the reportable segments during the period.

The Company is domiciled in Pakistan. All of the Company's income is from investments in entities incorporated in Pakistan.

The Company has a highly diversified portfolio of investments and no single investment accounts for more than 10% of the net assets of the Company.

11 SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on April 17, 2014 have declared an interim dividend at the rate of 22% i.e. Rs. 1.1 per share (March 31, 2013: Nil). These condensed interim financial statements of the Company for the period ended March 31, 2014 do not include the effect of the dividend which will be accounted for in the financial statements of the Company subsequent to the period end.

12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purposes of comparison. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 17, 2014 by the Board of Directors of the Company.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees.

14.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

AKD Investment Management Ltd.

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