Golden Arrow
SELECTED STOCKS FUND LIMITED

3rd Quarter Report
March 31, 2017
(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. Javaid Bashir Sheikh

DIRECTOR & CHIEF EXECUTIVE OFFICER
Mr. Imran Motiwala*

DIRECTORS
Ms. Anum Dhedhi
Mr. Aurangzeb Ali Naqvi
Mr. Muhammad Siddiq Khokhar
Mr. Abdul Karim Memon
Mr. Muzammil Abdul Karim

AUDIT COMMITTEE
Mr. Muhammad Siddiq Khokhar (Chairman)
Mr. Abdul Karim Memon (Member)
Mr. Aurangzeb Ali Naqvi (Member)
Ms. Noureen Nadir Ali (Secretary)

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT
Ms. Noureen Nadir Ali

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
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Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharah-e-Faisal
Karachi-75350, Pakistan.

LEGAL ADVISER
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Campbell Street, Opp. Distt. Court,
Karachi-74200.

REGISTERED OFFICE
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Clifton, Karachi-74000.

REGISTRAR & SHARE TRANSFER OFFICE
JWAFFS Registrar Services (Pvt.) Ltd.
407-408, Al Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.
Tel: 021-35662023-24

RATING - GASSFL
PACRA: MFR 4-Star (5-year period)
PACRA: MFR 4-Star (3-year period)
PACRA: MFR 4-Star (1-year period)

RATING-MANAGEMENT COMPANY
PACRA: AM3+ (AM Three Plus)

*CEO Approval Pending from the 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 account report along with the Fund's account for the Nine months of fiscal year 2017 (9MFY'17), ended March 31, 2017.

The Fiscal year 2017 started with renewed optimism in Pakistani equities on the back of expected stability in international oil prices, successful completion of IMF program, reclassification of Pakistan into emerging market Index by Morgan Stanley Capital International Index (MSCI) and massive investment prospects from China Pakistan Economic Corridor (CPEC).

KSE-100 index recorded a return of 27.45% in 9MFY'17 against -3.66% in 9MFY'16. Comparatively MSCI Frontier/Emerging Markets Index recorded a return of 16.6/16.4% in 9MFY'17, while the Pakistani rupee remained relatively stable during the period under review.

Going forward, we expect the index to remain under pressure due to volatility on the political front. However our long term view remains optimistic, mainly due to resolution of supply side bottlenecks, robust consumer demand, CPEC led infrastructure growth and improved liquidity.

Fund's Financial Performance

For 9MFY'17, the return of the Golden Arrow Selected Stocks Fund was 54.63% compared to the KSE-100 Index return of 27.45%, thus significantly outperforming KSE-100 index benchmark almost by a factor of 2.

Dividend

The Board of Directors of Golden Arrow Selected Stocks Fund Limited has approved an interim cash dividend of Rs1.10/share for the quarter ended March 31, 2017 in the meeting held on April 25, 2017.

Macro Perspective

The major macroeconomic indicators continued their positive trend in 9MFY17, on the back of strong growth led by China Pakistan Economic Corridor (CPEC), stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up gradation of Pakistan's capital market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan stock market exchange in the global market.

CPI inflation during 9MFY17 clocked in 4.00% YoY as compared to 2.65% YoY during the corresponding period last year. Throughout 9MFY17, inflation remained within the SBP target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent.

During the period under review, international oil prices recovered and traded in the range of USD 45-55 per barrel, positively impacted by OPEC's production cuts. The next OPEC meeting will take place in May 2017 where key decisions of supply cuts will have a significant impact on the oil prices going forward.

On the other hand, we believe that there will be an upward inflationary trend in 4Q FY17, driven by seasonal impact (Ramzan/Eid-ul-fitr) and pass-through impact of oil prices. We believe the Consumer Price Index (CPI) will remain within the SBP's target range of 4.5-5.5% for FY17. A reversal in the monetary policy seems less probable in FY17 due to SBP focus on investment growth and improved private sector lending. (+13.6% YoY as of Feb'17)

According to SBP, the current account deficit (CAD) clocked in at USD 6.13 billion (2.6% of GDP) in 9MFY17 against USD 2.35 billion (1.1% of GDP) in corresponding period last year. This is due to the tepid remittances in 9MFY17 (-2.3% YoY) and the trade balance deficit of USD 22.94 billion, up 26.8%.

Imports have increased by 12% YoY, on the back of rising machinery and equipment demand for CPEC related projects. While at the same time exports have suffered a decline of 2%, mainly owing to strong PKR relative to regional currencies, hurting the competitiveness of our export oriented industry. In this regard the Government has offered an incentive package for the Textile Industry to support its ailing exports, the Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

The total liquid foreign exchange reserves of Pakistan reached USD 21.55 billion (5-6 month import cover) by the end of 9MFY17, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn- 1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June FY'17, while IMF re-payments will start in FY18. Despite these expected outflows, we expect foreign inflows (Eurobond issue, Multilateral and CPEC Loans) to compensate the same.

On the fiscal front, FBR has collected total tax revenue of PKR 2,258 bn in 9MFY17, reflecting shortfall of 7% (PKR 168 bn) against target PKR 2,426 bn for the period. The Government has set the target of tax collection to PKR 3.62 tn for FY17, which is ambitious in our view.

FDI has posted an increase of 12% YoY during the 9MFY17 as reported by SBP. Pakistan attracted FDI of USD 1.602 billion compared to USD 1.425 billion in the same period last year. Net foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment increased by 116.4 percent to USD 2.232 billion in July-March of FY17 compared to USD 1.032 billion in the same period of last fiscal year. The increase is mainly due to foreign acquisitions of local companies as well as other funds from bilateral and multilateral sources. This is going to be a positive sign in future as China and other countries are expressing interest in investing in Pakistan to provide support to the external account.

In this regard, the National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax on the difference between the property prices notified in FBR valuation tables and the rates recorded by the property registration authority in transfer documents. As per the news flows, an amount of PKR 1.1 billion tax revenue has so far been collected by FBR under the amnesty scheme, implying total asset declaration of PKR 37 billion. The government is also considering introducing another amnesty scheme to bring back assets of Pakistan in overseas accounts.

Equity market Review

The 9MFY'17, has been an impressive period for the KSE-100 index, which posted its all-time high closing of 50,192 in January, posting a return of 27.45% in 9MFY'17. Major bull run was seen in the months of November and December, in which the index grew by 7% and 12% respectively; subsequently the index has remained highly volatile since the start of the calendar year, advancing only 0.73% since January, mainly due to crack-down on In-house financing by brokers and pending decision of the Panama case

The performance of the index in 9MFY'17 is mainly attributed to

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.

- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan into Emerging Market Index.
- Country's successful completion of IMF program.
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.
- S&P raising Pakistan's sovereign credit rating to B from B-.
- Announcement of a PKR 180 billion Export/Textile package to boost exports.
- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR 28/share for the 40% strategic stake.
- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.
- SECP's crack-down on In-house lending activities of brokerage houses.
- Supreme Court's proceedings and un-disclosed verdict on Panama case.

Future Outlook

Pakistani equity market offer great opportunities for long term fundamental investors, after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, increasing business confidence and democratic stability.

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.3% in the last three years; while Fiscal year 2016's GDP growth of 4.7% is the highest since FY07. We foresee that the government's target GDP growth rate of 7% by FY'19 is well within the reach mainly owing to resolution of supply side bottlenecks and materialization of CPEC.

The KSE-100 index has out-performed both MSCI Emerging and Frontier Markets, consistently in the past 5 years (posting an average annual surplus return of 31% above the MSCI EM&FM index).

Furthermore, in September Pakistan became signatory of "Multilateral Convention on Mutual Administrative Assistance in Tax Matters", a framework created by OECD. The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

By becoming a signatory of the convention, Pakistan has sent a strong signal of its intention to curb offshore tax evasion and avoidance. The benefit of such a step will be two folds, first it will help increase the tax net and secondly, it might trigger another wave of liquidity in local equity markets.

In addition to foreign portfolio investments, we believe many strategic investments (apart from CPEC related investments), similar to RFC of Netherlands acquiring Engro Foods and Shanghai Electric's management takeover of K-Electric, are going to be the prime drivers of growth in the coming years.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: April 25, 2017

ڈائریکٹرز رپورٹ:

گولڈن ایروسلیکٹڈ اسٹاکس فنڈلمیٹیڈ(GASSFL) کے بورڈ آف ڈائریکٹرا پنی عبوری اکاؤنٹ رپورٹ کے ساتھ 2017کے مالی سال کےنو ماہ(9MFY17) کےفنڈ اکاؤنٹ کی تفصیل جو31مارچ2017 کوختم ہوا،پیش کرتے ہوئے مسرت محسوس کررہے ہیں۔

بین الاقوامی مارکیٹ میں تیل کی قیمتوں میں استحکام،آئی ایم ایف(IMF) کی پروگرام کی کامیابی سے تکمیل،مورگن اسٹینلے کیپیٹل انٹرنیشنل انڈیکس(MSCI) کی ایمرجنگ مارکیٹ انڈیکس میں پاکستان کی ازسرنو درجہ بندی اور چائنا پاکستان اقتصادی راہداری(CPEC) میں چین کی متوقع کثیرسرمایہ کاری کے باعث پاکستانی ایکوٹیز میں2017 کامالی سال نئے جذبے سے شروع ہوا۔

9MFY17میںKSE-100انڈیکس نے9MFY16کے3.66%-کے مقابلے میں 27.45% کا منافع ریکارڈ کیا۔ایم ایس سی آئی فرنٹیئر /ایمرجنگ مارکیٹیں انڈیکس(MSCI FRONTIER/EMERGING MARKET INDEX)نے9MFY17میں16.6/16.4% کا منافع ریکارڈ کیا،جبکہ زیر جائزہ دورانیہ میں پاکستان روپے میں بھی مقابلتاً استحکام رہا۔سیاسی محاذ پر ہیجان کے باعث ہمیں مستقبل میں انڈیکس زیردباؤ نظر آرہا ہے۔طویل المدتی بنیادوں پر سپلائی کی سطح پر مشکلات کے حل،تیزی سے بڑھتی ہوئی صارفین کی ڈیمانڈ،سی پیک(CPEC) سے متعلق بنیادی ڈھانچوں میں اضافہ اورلیکوڈیٹی میں بہتری کے باعث طویل المدتی جائزہ میں ہم پراُمید ہیں۔

فنڈ کی مالی کارکردگی:

9MFY17میں گولڈن ایروسلیکٹڈ اسٹاکس فنڈلمیٹیڈ(GASSFL) کا منافعKSE-100انڈیکس کے27.45%کے مقابلےمیں54.63%تھاجوKSE-100انڈکس کے بنچ مارک کےمقابلےمیں تقریباًدگنا تھا۔

منافع منقسمہ:

گولڈن ایروسلیکٹڈ اسٹاکس فنڈلمیٹیڈ(GASSFL) کے بورڈ آف ڈائریکٹرز نے25اپریل2017کے منعقدہ اجلاس میں31مارچ2017 کوختم ہونے والے سہ ماہی کیلئے عبوری منافع منقسمہ بحساب1.10روپےفی شیئرکی منظوری دی ہے۔

میکروپرسپیکٹو:

نمایاں میکرواکنامکس کے اشاریوں نے پاک چائنا اقتصادی راہداری کے باعث ہونے والی ترقی،مستحکم شرح مبادلہ اور مناسب زرمبادلہ کے ذخائر،مثبت رجحانات کا مظاہرہ جاری رکھا۔مزید برآں سی پیک(CPEC) کی وجہ سے براہ راست غیرملکی سرمایہ کاری(FDI)،پاکستان کی کیپیٹل مارکیٹ کی ایم ایس سی آئی(MSCI)فرنٹیئر مارکیٹ(FM) سے ایم ایس سی آئی

(MSCI)ایمرجنگ مارکیٹ(EM) میں اپ گریڈیشن سے عالمی مارکیٹ میں پاکستان اسٹاک مارکیٹ ایکسچینج کی حیثیت مزید بہتر ہونے کا امکان ہے۔

سی پی آئی(CPI)افراطِ زر9MFY17میں سال بہ سال بنیاد پر4.00%رہا جو کہ اسی مدت کیلئے گزشتہ سال 2.65%تھا9MFY17کے دوران افراط زر اسٹیٹ بینک کے4.5%-5.5%کے ہدف میں رہا جس کی وجہ سے اسٹیٹ بینک پاکستان(SBP)نے اپنا پالیسی ریٹ5.75%رکھا۔

زیر جائزہ دورانیہ کیلئے OPEC کی تیل کی پیداوار میں کمی کے فیصلے کی وجہ سے تیل کی بین الاقوامی قیمتوں میں بہتری نظر آئی جو کہ USD 45-55 کے درمیان ہے۔OPEC کی اگلی میٹنگ مئی2017 میں ہے جس میں تیل کی سپلائی میں کمی کا فیصلہ مستقبل میں تیل کی قیمتوں پر گہرا اثر ڈالے گی۔

ہمارا یہ بھی خیال ہے کہ4QFY17میں افراط زر میں رمضان اور عیدالفطر کے باعث اور تیل کی قیمتوں کی وجہ سے اضافے کا رجحان رہے گا۔ہمیں یقین ہے کہ کنزیومر پرائس انڈکس(CPI)FY17 میں اسٹیٹ بینک کے4.5%-5.5%کے ہدف میں رہے گا۔FY17میں معاشی پالیسی میں واپسی کا امکان کم نظر آتا ہے کیونکہ اسٹیٹ بینک پاکستان سرمایہ کاری میں اضافہ اور نجی شعبے میں قرضے کے اوپر توجہ دے رہی ہے۔

اسٹیٹ بینک کے مطابق کرنٹ اکاؤنٹ میں خسارہ9MFY17میں6.13بلین ڈالر(GDP کا2.6%) تک جا پہنچا جبکہ گذشتہ سال کے اسی دورانیے کیلئے یہ خسارہ2.35بلین ڈالر(GDP کا1.1%) تھا اس کی وجہ9MFY17میں ترسیلات زر میں کمی اور22.94بلین ڈالر کا(26.8%) کا تجارتی خسارہ ہے۔

سال بہ سال بنیاد پر درآمدات میں12% کا اضافہ ہوا ہے جس کی وجہ سی پیک(CPEC) منصوبوں سے متعلق مشینری و آلات کی طلب میں اضافہ ہے۔اسی اثنا برآمدات میں بھی2% کی کمی واقع ہوئی ہے جسکی وجہ دیگر علاقائی ممالک کے مقابلے میں پاکستان روپے کی قدر میں اضافہ جو ہمارے برآمدات سے متعلق صنعتوں کو نقصان پہنچانے کا سبب بنا حکومت نے اس حوالے سے ٹیکسٹائل کی صنعت کو اپنی گرتی برآمدات کو سنبھالنے کیلئے ترغیبی پیکج کا اعلان کیا ہے۔حکومت نے کچھ چیزوں کی درآمدات کیلئے100% کیش بیلنس کی بھی پابندی لگائی ہے تاکہ کچھ مخصوص چیزوں کی درآمدات کی حوصلہ شکنی کی جا سکے۔

9MFY17 کے اختتام پر پاکستان کے کل بیرونی زرمبادلہ کے ذخائر اکتوبر2016 کے بلند ترین سطح کے مقابلے میں21.55بلین ڈالر ہوگیا۔ہمارے خیال میں ذخائر پر مزید دباؤ تب آئے گا جب بیرونی ادائیگیاں (مجموعی طور پر 1.5 بلین ۔1.75بلین ڈالر) جن میں یورو بونڈ، پیرس کلب اور چائنا سیف(SAFE) ریٹائرمنٹJUNFY17میں شروع

ہونگی جبکہ IMF کی ادائیگیوں کا FY18 میں آغاز ہوگا۔ان متوقع ادائیگیوں کی تلافی کے طور پر ہم کچھ فنڈز کی آمد (یورو بونڈ کا اجراء، ملٹی لیٹرل Multilateral اور CPEC قرضے) کی بھی توقع کر رہے ہیں۔

معاشی محاذ پر ایف بی آر (FBR) نے 9MFY17 کیلئے 2,258 بلین روپے ٹیکس کی مد میں اکٹھا کئے جو کہ اس مدت میں ٹارگٹ کے مقابلے میں 2,426 بلین روپے کی کمی دیکھی گئی۔حکومت نے FY17 کیلئے 3.62 ٹریلین روپے کا ہدف مقرر کیا ہے جو ہمارے خیال میں اولوالعزمی ہے۔

اسٹیٹ بینک پاکستان نے سال بہ سال کی بنیاد پر براہ راست بیرونی سرمایہ کاری میں 12% کا اضافہ بتایا ہے۔ پاکستان میں گزشتہ سال اسی مدت میں ہونے والی براہ راست 1.425 بلین ڈالر کی براہ راست سرمایہ کاری کے مقابلے میں 1.602 بلین ڈالر کی سرمایہ کاری ہوئی ہے۔ پاکستان میں کل بیرونی سرمایہ کاری جن میں براہ راست بیرونی سرمایہ کاری، پورٹ فولیو انوسٹمنٹ اور بیرونی ملک پبلک انوسٹمنٹ شامل ہیں۔Jul-MarFY کے مالی دورانیے کیلئے 116.4% کے اضافے کیساتھ 2.232 بلین ڈالر ہوگی جو کہ اسی دورانیے کیلئے گزشتہ مالی سال میں 1.032 بلین ڈالر تھی۔اس اضافے کی بڑی وجہ مقامی کمپنیوں کی بیرونی ذرائع سے خریداری اور اس کے علاوہ دوطرفہ اور کئی طرفہ ذرائع کی طرف سے فنڈز کی فراہمی ہے۔چائنا اور دوسرے ممالک کا پاکستان میں سرمایہ کاری میں دلچسپی کا اظہار بیرونی اکاؤنٹ کو سپورٹ کرنے میں مثبت کردار ادا کرے گا۔

اس حوالے سے قومی اسمبلی نے دسمبر میں رئیل اسٹیٹ سیکٹر کیلئے ایک بڑی ٹیکس ایمنسٹی اسکیم منظور کی ہے۔اس اسکیم کے تحت پراپرٹی کی ٹرانسفر کے کاغذات میں دی گئی قیمت اور FBR کی قیمت کے تعین کے فرق کا 3 فیصد ادا کرنے کے بعد اس پراپرٹی میں استعمال شدہ سرمایہ کالا دھن سے سفید ہوجائیگا۔اس ایمنسٹی اسکیم کے تحت ایک خبر کے مطابق اب تک 1.1 بلین روپے کی ٹیکس کی مد میں آمدنی ہوئی ہے۔جس سے 37 بلین روپے کے اثاثے ظاہر کئے گئے۔حکومت پاکستان سے باہر موجود اثاثوں کیلئے بھی ایمنسٹی اسکیم پر غور کر رہی ہے۔

ایکوٹی مارکیٹ کا جائزہ:

9MFY17 KSE-100 انڈیکس کیلئے متاثر کن دورانیہ رہا جس میں جنوری میں تمام وقتوں کی 50,192 کی بلند ترین سطح حاصل ہوئی، یعنی 9MFY17 میں 27.45% کا منافع ریکارڈ کیا۔نمایاں تیزی نومبر اور دسمبر کے مہینوں میں دیکھنے میں آئی جس میں انڈیکس بالترتیب 7% اور 12% سے بڑھا۔سال کے آغاز سے، بروکرز کی ان ہاؤس فائنسنگ اور پانامہ کیس کے فیصلے میں تاخیر کے باعث، انڈیکس انتہائی غیر مستحکم رہا اور جنوری سے صرف 0.73% کا اضافہ ہوا۔

9MFY17 میں انڈیکس کی کارکردگی کی وجوہات درج ذیل ہیں۔

ا) سی پیک (CPEC) پروجیکٹس کی مثبت ڈیولپمنٹ، جو بجلی کی کمی کو پورا کر کے معیشت میں دوبارہ جان ڈال سکتے ہیں۔

۲) مورگن اسٹینلے کیپٹل انٹرنیشنل(MSCI) کی پاکستان کی ایمرجنگ مارکیٹ انڈیکس میں ازسرنو درجہ بندی نے سرمایہ کاروں کا اعتماد بحال کردیا۔

۳) ملک میں IMF پروگرام کی کامیابی کی تکمیل۔

۴) اوپیک(OPEC) ممبران کی آٹھ سالوں میں پہلی بار تیل کی پیداوار میں کمی کے باعث تیل کی قیمت میں استحکام۔

۵) صارفین کی قوت خرید اور کنزیومر فائنینگ میں کی وجہ سے آٹو سیکٹر کی سیلز میں اضافہ۔

۶) ایس اینڈ پی(S&P) کا پاکستان کو سوورین(Soverign) کریڈٹ ریٹنگ میں B- سے B میں کردینا۔

۷) برآمدات میں اضافہ کیلئے 180 بلین روپے کا ٹیکسٹائل کی برآمدات کے پیکج کا اعلان۔

۸) PSX کی مینجمنٹ کیلئے 40% اسٹیک(Stake) کی فروخت جسمیں ایک کنسورشم جو چائنا فیوچر ایکسچینج، شنگھائی اسٹاک ایکسچینج، شینزن اسٹاک ایکسچینج، پاک چائنا انوسٹمنٹ کمپنی اور حبیب بینک لمیٹیڈ (HBL) پر مشتمل ہے۔ 40% اسٹریٹیجک اسٹیک(Startegic Stake) کیلئے 28 روپے فی شیئر کی بلند ترین بولی(Bid) دی گئی۔

۹) ایف بی آر(FBR) کی جائیدادوں کی ازسرنو تخمینہ لگانا اور رئیل اسٹیٹ سیکٹر کو ٹیکس کے دائرہ کار میں لانے کیلئے ریگولر ائیزیشن، کیونکہ کئی سرمایا کار رئیل اسٹیٹ سیکٹر سے ایکوٹی مارکیٹ کی طرف مبذول ہوئے۔

۱۰) ایس ای سی پی کا ان ہاؤس قرضوں کی سرگرمیوں پر کاری ضرب۔

۱۱) پانامہ کیس پر سپریم کورٹ کی کاروائی اور غیر منکشف فیصلہ۔

مستقبل کی شکل:

سپلائی کی مشکلات کے باعث معیشت کافی عرصے تک بری کارکردگی کا مظاہرہ کرنے کے بعد پاکستان کی ایکوٹی مارکیٹ طول المدتی فنڈامینٹل سرمایہ کاروں کیلئے روشن مواقع رکھتی ہے۔ سی پیک(CPEC) کیوجہ سے حوصلہ افزاء سرمایہ کاری، تیل کی کم قیمت، برآمدات کی ترغیبات، بڑھتے ہوئے کاروباری اعتماد اور جمہوری استحکام کیوجہ سے معیشت ٹیک آف کیلے پوری طرح سے تیار ہے۔

گذشتہ سیاسی حکومت کے دور میں جی ڈی پی(GDP) کی نمو اوسطاً 3% کے نیچے تھی، حالیہ حکومت نے گذشتہ 3 سالوں میں اوسطاً نمو 4.3% دی ہے۔ مالی سال 2016 میں حاصل ہونے والی 4.7% شرح نمو، FY07 کے بعد بلند ترین تھی، ہم پیش گوئی کرسکتے ہیں کہ سپلائی کی مشکلات کے حل اور سی پیک(CPEC) پر عمل درآمدگی کے باعث FY19 میں حکومت کی 7% شرح نمو کے ہدف کو حاصل کرلینا عین ممکن ہے۔

KSE-100 انڈیکس نے MSCI ایمرجنگ اور فرنٹیئر مارکیٹس کو مسلسل 5 سالوں میں کافی پیچھے چھوڑ دیا ہے (دونوں

MSCI ایمرجنگ مارکیٹ اور فرنٹیئر مارکیٹس انڈیکس کے مقابلے میں KSE-100 انڈیکس نے 31% اضافی منافع دیا)

مزید برآں، ستمبر میں پاکستان ٹیکس کے معاملات میں میوچل ایڈ منسٹریٹو اسسٹنس کے ملٹی لیٹرل کنونشن کا دستخط کنندہ ہو گیا، اس فریم ورک کو OECD نے تخلیق کیا ہے۔ یہ کنونشن بین الاقوامی سطح پر ٹیکس کے معاملات پر تعاون کا طاقتور ترین نظام ہے۔ یہ ٹیکس کے معاملات میں تمام اشکال کی انتظامی مدد کی درخواست پر معلومات کا تبادلہ، موقع پر تبادلہ، خودکار تبادلہ، بیرون ملک ٹیکس کی ایگزامینیشن، بیک وقت ٹیکس ایگزامینیشن اور ٹیکس کے حصول میں مدد شامل ہیں۔ یہ ٹیکس دہندہ کے حقوق کی مکمل تحفظ کی ضمانت دیتا ہے۔

دستخط کنندہ ہونے کے باعث پاکستان نے آف شور ٹیکس کی چوری اور پہلو تہی کو روکنے کے حوالے سے اپنی نیت کے بارے میں کافی مظبوط ارادوں کا اظہار کیا ہے۔ اس قدم کے دو پہلو فوائد ہونگے، اول یہ کہ ٹیکس نیٹ میں اضافہ اور دوسرا یہ کہ اس سے مقامی ایکوٹی مارکیٹ میں لیکوڈیٹی کی دوسری لہر آسکتی ہے۔

پورٹ فولیو انوسٹمنٹ کے ساتھ ساتھ ہمیں یقین ہے کہ کئی اسٹریٹیجک انوسٹمنٹ (CPEC) سے متعلق سرمایہ کاری کے علاوہ، جیسا کہ اینگرو فوڈ کو ہالینڈ کی آر ایف سی (RFC) کا حاصل کر لینا، شنگھائی الیکٹرک کا کے الیکٹرک (K-Electric) کو لے لینا شامل ہیں، آنے والے سالوں میں ترقی کیلئے اہم وجہ ہوگی۔

برائے و منجانب بورڈ

عمران موتی والا

چیف ایگزیکیٹو آفیسر

کراچی 25 اپریل 2017

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.

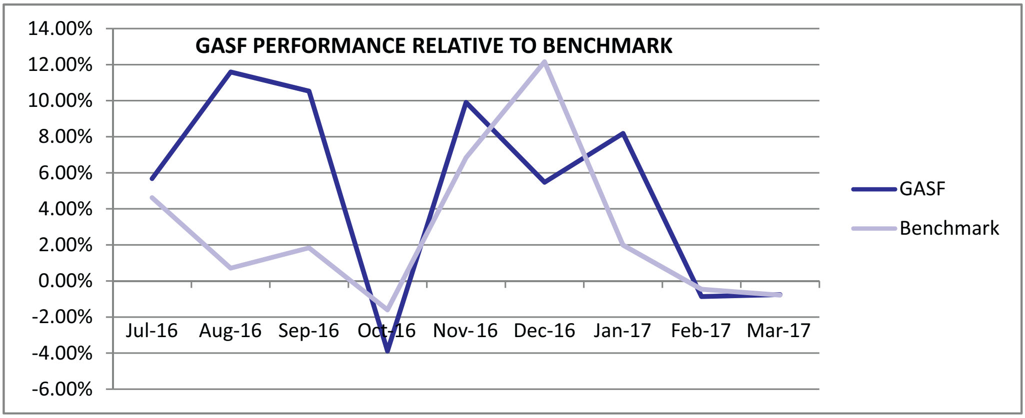
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For 9MFY17, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) was 54.63% compared to the benchmark KSE-100 Index return of 27.45%, thus significantly outperforming KSE-100 index benchmark by over 2718 bps.

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

KSE - 100 Index

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



Monthly yield (annualized)	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
GASF	5.68%	11.59%	10.53%	-3.88%	9.91%	5.48%	8.19%	-0.86%	-0.75%
Benchmark	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	1.99%	-0.46%	-0.78%

v) 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.

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

Asset Allocation (% of Total Assets)	31-Mar-17	31-Dec-16
Equities	92.24%	95.66%
Cash	7.35%	3.80%
Other Assets	0.41%	0.54%

vii) Analysis of the Collective Investment scheme's Performance:

9MFY17 Return	54.63%
Benchmark Return	27.45%

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

Net Asset Value			NAV Per Unit	
31-Mar-17	31-Dec-16	Change	31-Mar-17	31-Dec-16
(Rupees In "000")			Rs.	Rs.
2,111,451	2,136,132	-1.17%	13.88	14.04

ix) 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 major macroeconomic indicators continued their positive trend in 9MFY17, on the back of strong growth led by China Pakistan Economic Corridor (CPEC), stable exchange rate and adequate foreign reserves. Moreover, foreign direct investment (FDI) from CPEC and up-gradation of Pakistan's capital market from MSCI frontier Markets (FM) index to MSCI Emerging Market (EM) index is expected to further improve the stance of Pakistan stock market exchange in the global market.

CPI inflation during 9MFY17 clocked in 4.00% YoY as compared to 2.65% YoY during the corresponding period last year. Throughout 9MFY17, inflation remained within the SBP target range of 4.5%-5.5% and as a result the State Bank of Pakistan (SBP) kept its policy rate unchanged at 5.75 percent.

During the period under review, international oil prices recovered and traded in the range of USD 45-55 per barrel, positively impacted by OPEC's production cuts. The next OPEC meeting will take place in May 2017 where key decisions of supply cuts will have a significant impact on the oil prices going forward.

On the other hand, we believe that there will be an upward inflationary trend in 4Q FY17, driven by seasonal impact (Ramzan/Eid-ul-fitr) and pass-through impact of oil prices. We believe the Consumer Price Index (CPI) will remain within the SBP's target range of 4.5-5.5% for FY17. A reversal in the monetary policy seems less probable in FY17 due to SBP focus on investment growth and improved private sector lending. (+13.6% YoY as of Feb'17)

According to SBP the current account deficit (CAD) clocked in at USD 6.13 billion (2.6% of GDP) in 9MFY17 against USD 2.35 billion (1.1% of GDP) in corresponding period last year. This is due to the tepid remittances in 9MFY17 (-2.3% YoY) and the trade balance deficit of USD 22.94 billion, up 26.8%.

Imports have increased by 12% YoY, on the back of rising machinery and equipment demand for CPEC related projects. While at the same time exports have suffered a decline of 2%, mainly owing to strong PKR relative to regional currencies, hurting the competitiveness of our export oriented industry. In this regard the Government has offered an incentive package for the Textile Industry to support its ailing exports. The Government has also imposed restriction to maintain 100% cash balance on the import of certain items to curb imports.

The total liquid foreign exchange reserves of Pakistan reached USD 21.55 billion (5-6 month import cover) by the end of 9MFY17, from its all-time high level of USD 24.02 billion in October 2016. Going forward, we expect some pressure on the reserves as external repayments (cumulative USD 1.5 bn-1.75 bn) under Eurobond, Paris Club and China SAFE debt retirement to begin in June FY'17, while

IMF re-payments will start in FY18. Despite these expected outflows we expect foreign inflows (Eurobond issue, Multilateral and CPEC Loans) to compensate the same.

On the fiscal front, FBR has collected total tax revenue of PKR 2,258bn in 9MFY17, reflecting shortfall of 7% (PKR 168 bn) against target PKR 2,426bn for the period. The Government has set the target of tax collection to PKR 3.62 tn for FY17, which is ambitious in our view.

FDI has posted an increase of 12% YoY during the 9MFY17 as reported by SBP. Pakistan attracted FDI of USD 1.602 billion compared to USD 1.425 billion in the same period last year. Net foreign investment in Pakistan, comprising FDI, portfolio investment and foreign public investment increased by 116.4 percent to USD 2.232 billion in July-March of FY17 compared to USD 1.032 billion in the same period of last fiscal year. The increase is mainly due to foreign acquisitions of local companies as well as other funds from bilateral and multilateral sources. This is going to be a positive sign in future as China and other countries are expressing interest in investing in Pakistan to provide support to the external account.

In this regard The National Assembly in December, approved a mega tax amnesty scheme for real estate sector that would approve whitening of black money invested in the sector by paying only three per cent tax on the difference between the property prices notified in FBR valuation tables and the rates recorded by the property registration authority in transfer documents. As per the news flows, an amount of PKR 1.1 billion tax revenue has so far been collected by FBR under the amnesty scheme, implying total asset declaration of PKR 37 billion. The government is also considering introducing another amnesty scheme to bring back assets of Pakistan in overseas accounts.

Equity Market Performance

The 9MFY'17, has been an impressive period for the KSE-100 index, which posted its all-time high closing of 50,192 in January, posting a return of 27.45% in 9MFY'17. Major bull run was seen in the months of November and December, in which the index grew by 7% and 12% respectively; subsequently the index has remained highly volatile since the start of the calendar year, advancing only 0.73% since January, mainly due to crack-down on In-house financing by brokers and pending decision of the Panama case

The performance of the index in 9MFY'17 is mainly attributed to

- Positive developments on CPEC projects, which are expected to reduce the power shortage and revitalize the economy.
- Renewed investor confidence due to Morgan Stanley Capital International (MSCI)'s re-classification of Pakistan into Emerging Market Index.
- Country's successful completion of IMF program.
- Oil price stability, as OPEC producers agreed to its first oil output cut in 8 years.
- Sales uptick in Pakistan auto sector, on the back of renewed consumer spending and rise in consumer financing.
- S&P raising Pakistan's sovereign credit rating to B from B-.
- Announcement of a PKR 180 billion Export/Textile package to boost exports.
- 40% stake sale in the management of PSX, a consortium consisting of China Futures Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, Pak-China Investment Company (PCIC), and Habib Bank Ltd. (HBL) submitted the highest bid of PkR28/share for the 40% strategic stake.
- FBR's Revaluation of properties and regularization of real estate sector to increase tax net, as many investors switched from real estate to equity markets.
- SECP's crack-down on In-house lending activities of brokerage houses.
- Supreme Court's proceedings and un-disclosed verdict on Panama case.

Future Outlook

Pakistani equity market offer great opportunities for long term fundamental investors, after a long period of under-performance of the economy due to supply side bottlenecks, the economy is finally taking-off, spurred by capital investments under CPEC, low oil prices, export incentivization, increasing business confidence and democratic stability.

Annual GDP growth averaged at 3% under the previous political regime, the current government has delivered average growth of 4.3% in the last three years; while Fiscal year 2016's GDP growth of 4.7% is the highest since FY07. We foresee that the government's target GDP growth rate of 7% by FY'19 is well within the reach mainly owing to resolution of supply side bottlenecks and materialization of CPEC.

The KSE-100 index has out-performed both MSCI Emerging and Frontier Markets, consistently in the past 5 years (posting an average annual surplus return of 31% above the MSCI EM&FM index).

Furthermore, In September Pakistan became signatory of "Multilateral Convention on Mutual Administrative Assistance in Tax Matters", a framework created by OECD. The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights.

By becoming a signatory of the convention, Pakistan has sent a strong signal of its intention to curb offshore tax evasion and avoidance. The benefit of such a step will be two folds, first it will help increase the tax net and secondly, it might trigger another wave of liquidity in local equity markets.

In addition to foreign portfolio investments, we believe many strategic investments (apart from CPEC related investments), similar to RFC of Netherlands acquiring Engro Foods and Shanghai Electric's management takeover of K-Electric, are going to be the prime drivers of growth in the coming years.

x) 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 affair during the period and up till the date of the Fund Manager's report.

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

There was no share split during the period.

xii) Disclosure of circumstances that materially affect any interest of shareholders:

Investments are subject to credit and market risk.

xiii) 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 dealers 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, 2017

	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
		------- (Rupees in '000) -------	
ASSETS			
Bank balances		**172,984**	72,279
Investments	4	**2,169,422**	1,754,500
Loans and receivables		**1,482**	-
Dividend and profit receivable		**6,362**	510
Income tax refundable		**306**	205
Security deposit and prepayments		**2,880**	2,750
Total assets		**2,353,436**	1,830,244
LIABILITIES			
Payable against purchase of investments		**-**	-
Payable to the Management Company		**5,541**	4,031
Accrued and other liabilities		**39,553**	19,489
Provision for Sindh Welfare Worker Fund		**28,622**	-
Provision for Workers' Welfare Fund		**-**	54,216
Unclaimed dividend		**168,269**	38,193
Total liabilities		**241,985**	115,929
NET ASSETS		**2,111,451**	1,714,315
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2016: 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, 2016: 152,098,344) Ordinary shares of Rs.5 each		**760,492**	760,492
General reserve		**500**	500
Undistributed income		**1,350,459**	953,323
		2,111,451	1,714,315
		---------- (Rupees) ----------	
NET ASSETS VALUE PER SHARE		**13.88**	11.27

CONTINGENCIES AND COMMITMENTS 8

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Note	Nine months ended March 31, 2017	Nine months ended March 31, 2016	Quarter ended March 31, 2017	Quarter ended March 31, 2016
		---------------- (Rupees in '000) ----------------			
Income					
Capital gain on sale of investment - net		**414,046**	65,643	**182,989**	10,776
Dividend income		**35,453**	25,667	**7,508**	9,128
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held-for-trading		**457,193**	(115,957)	**(59,074)**	(75,723)
Profit on bank deposits		**3,921**	5,166	**902**	1,796
Total income		**910,613**	(19,481)	**132,325**	(54,023)
Operating expenses					
Remuneration of the Management Company		**31,499**	25,044	**11,193**	7,127
Sales tax on management fee		**4,095**	4,067	**1,455**	1,157
Federal excise duty on management fee		**-**	4,007	**-**	1,140
Annual fee of Securities and Exchange Commission of Pakistan (SECP)		**1,496**	1,190	**531**	339
Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC)		**907**	765	**304**	216
Auditors' remuneration		**305**	356	**99**	104
Legal and professional charges		**81**	252	**-**	-
Annual listing fee		**289**	555	**95**	-
Central depository system charges		**92**	253	**24**	23
Fees and subscription		**341**	374	**84**	178
Securities transaction cost		**3,074**	3,290	**767**	607
Bank charges		**7**	12	**2**	6
Directors' fee		**266**	195	**75**	75
Printing and postage		**429**	216	**61**	43
Sales tax on custodian and central depository system charges		**129**	142	**42**	33
Advertising		**166**	-		
Expenses allocated by the Management Company		**1,575**	271	**560**	271
Reversal of Workers Welfare Fund (WWF)		**(54,216)**	-	**(54,216)**	-
Sindh Workers Welfare Fund		**28,622**	-	**28,622**	-
Total expenses		**19,157**	40,989	**(10,302)**	11,319
Net income before taxation		**891,456**	(60,470)	**142,627**	(65,342)
Taxation	9	**-**	-	**-**	-
Net income after taxation		**891,456**	(60,470)	**142,627**	(65,342)
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income for the period		**891,456**	(60,470)	**142,627**	(65,342)
		-------------------- (Rupees) --------------------			
Earnings per share - basic and diluted		**5.86**	(0.40)	**0.94**	(0.43)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended March 31,		Quarter ended March 31,	
	2017	**2016**	**2017**	**2016**
	(Rupees in '000)			
Undistributed income brought forward	**953,323**	983,814	**1,375,140**	798,563
Net income/(loss) after taxation for the period	**891,456**	(60,470)	**142,627**	(65,342)
Final dividend for the year ended				
June 30, 2016 @ 21% (Rs.1.05 per share)	**(159,704)**	-	**-**	-
June 30, 2015 @ 25% (Rs.1.25 per share)	**-**	(190,123)	**-**	-
Interim dividend for the year ending				
June 30, 2017 @ 22% (Rs.1.10 per share)	**(167,308)**	-	**-**	-
June 30, 2017 @ 22% (Rs.1.10 per share)	**(167,308)**	-	**(167,308)**	-
Undistributed income carried forward	**1,350,459**	733,221	**1,350,459**	733,221

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Income / (loss) before taxation	**891,456**	(60,470)	**142,627**	(65,342)
Adjustments:				
Capital Gain on sale of investments classified as financial assets at fair value through profit or loss'	**(414,046)**	(65,643)	**(182,989)**	(10,776)
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(457,193)**	115,957	**59,074**	75,723
Federal excise duty on management fee	**-**	4,007	**-**	1,140
	20,217	(6,149)	**18,712**	745
Decrease / (increase) in assets				
Receivable against sale of investments	**-**	76,131	**-**	-
Investments	**456,317**	103,398	**144,553**	23,751
Loans and receivables	**(1,482)**	-	**-**	-
Dividend and other receivables	**(5,852)**	(2,548)	**2,864**	(2,556)
Income tax refundable	**(101)**	(81)	**1**	(14)
Security deposit and prepayments	**(130)**	(35)	**60**	(35)
	448,752	176,865	**147,478**	21,146
Increase / (decrease) in liabilities				
Payable against purchase of investments	**-**	(3,780)	**(25,977)**	-
Payable to the Management Company	**1,510**	(83)	**771**	(23)
Provision for Workers Welfare Fund	**(54,216)**	-	**(54,216)**	-
Provision for Sindh Welfare Workers Fund	**28,622**	-	**28,622**	-
Accrued and other liabilities	**20,064**	(2,280)	**20,847**	(652)
	(4,020)	(6,143)	**(29,953)**	(675)
Net cash generated from operating activities	**464,949**	164,573	**136,237**	21,216
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	**(364,244)**	(188,194)	**(50,293)**	(1,484)
Net cash used in financing activities	**(364,244)**	(188,194)	**(50,293)**	(1,484)
Net increase / (decrease) in cash and cash equivalents	**100,705**	(23,621)	**85,944**	19,732
Cash and cash equivalents at the beginning of the period	**72,279**	107,418	**87,040**	64,065
Cash and cash equivalents at the end of the period	**172,984**	83,797	**172,984**	83,797

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Share capital	General reserve	Undistributed income	Total
	(Rupees in '000)			
Balance as at December 31, 2015	760,492	500	798,563	1,559,555
Net loss after taxation	-	-	(65,342)	(65,342)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the quarter ended March 31, 2016	-	-	(65,342)	(65,342)
Balance as at March 31, 2016	760,492	500	733,221	1,494,213
Balance as at June 30, 2015	760,492	500	983,814	1,744,806
Net loss after taxation	-	-	(60,470)	(60,470)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the nine months period ended March 31, 2016	-	-	(60,470)	(60,470)
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share)	-	-	(190,123)	(190,123)
Balance as at March 31, 2016	**760,492**	**500**	**733,221**	**1,494,213**
Balance as at December 31, 2016	760,492	500	1,375,140	2,136,132
Net income for the period	-	-	142,627	142,627
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the quarter ended March 31, 2017	-	-	142,627	142,627
Interim dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
Balance as at March 31, 2017	**760,492**	**500**	**1,350,459**	**2,111,451**
Balance as at June 30, 2016	760,492	500	953,323	1,714,315
Net income for the period	-	-	891,456	891,456
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2017	-	-	891,456	891,456
Final dividend for the year ended June 30, 2016			(159,704)	(159,704)
Interim dividend for the year ending June 30, 2017 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
June 30, 2017 @ 22% (Rs.1.10 per share)			(167,308)	(167,308)
Balance as at March 31, 2017	**760,492**	**500**	**1,350,459**	**2,111,451**

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

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

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees)			
Net assets value per share at the beginning of the period	**11.27**	11.47	**14.04**	10.25
Capital gain on sale of investments - net	**2.72**	0.43	**1.20**	0.07
Dividend income	**0.23**	0.17	**0.05**	0.06
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**3.01**	(0.76)	**(0.38)**	(0.50)
Profit on bank deposits	**0.03**	0.03	**0.01**	0.01
Net income for the period	**5.99**	(0.13)	**0.88**	(0.36)
Operating expenses	**(0.13)**	(0.27)	**0.06**	(0.07)
Final dividend for the year ended				
June 30, 2016 @ 21% (Rs.1.05 per share)	**(1.05)**	-	**-**	-
[June 30, 2015 @ 25% (Rs.1.25 per share)]	**-**	(1.25)	**-**	-
Interim dividend for the year ending				
June 30, 2017 @ 22% (Rs.1.10 per share)	**(1.10)**	-	**-**	-
June 30, 2017 @ 22% (Rs.1.10 per share)	**(1.10)**	-	**(1.10)**	-
Net assets value per share	**13.88**	**9.82**	**13.88**	**9.82**

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2017

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 Pakistan Stock Exchange (formerly 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 The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset manager rating of 'AM3+' to the Management Company dated June 08, 2016 and has assigned "4-Star" Star Performance Ranking to the Company dated December 07, 2016.

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). In 2013, SECP vide its Notification S.R.O 1399 (1) 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 extra ordinary general meeting of shareholders. The Company being aggrieved by the said notice preferred a Constitutional Petition before the Honorable Sindh High Court on the ground that aforementioned regulation 65 is ultra vires the Constitution and Companies Ordinance, 1984. 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 relevant lawsuit is pending adjudication at the Honorable Sindh High Court.

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 regulation 65 is in contravention of the fundamental right of business guranteed by the Constitution of Pakistan Therefore, 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, this condensed financial information has been prepared on a going concern basis.

2. STATEMENT OF COMPLIANCE

These condesed interim financial information have been prepared in accordance with the requirements of approved international accounting standards as applicable in Pakistan, the Trust Deed, 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). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

This condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2016.

These condensed interim financial information are un-audited. The condensed interim financial information are presented in Pakistani Rupees which is the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2016. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 01, 2016, which do not have any impact on these condensed interim financial information.

The preparation of these condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2016.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company and therefore not disclosed in this condensed interim financial information.

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company as at and for the year ended June 30, 2016.

			(Unaudited) March 31 2017	(Audited) June 30 2016
4.	**INVESTMENTS**		---- Rupees in '000 -----	
	Financial assets at fair value through profit or loss			
	- Quoted equity securities - held-for-trading	4.1	**2,169,422**	1,753,020
	Available-for-sale			
	- Quoted equity securities		**-**	1,480
			2,169,422	1,754,500

4.1 Quoted Equity Securities - Financial assets at 'fair value through profit or loss' - held for trading

Name of the investee company	Face value per share	Number of shares					Balance as at March 31, 2017			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / right 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												
Automobile Assembler												
Atlas Honda Limited	10	11,451	-	-	11,451	-	-	-	-	-	-	-
Dewan Farooq Motors Limited	10	391,500	-	-	391,500	-	-	-	-	-	-	-
							-	**-**	**-**			
Automobile Parts & Accessories												
Atlas Battery Limited	10	4,346	4	-	4,350	-	-	-	-	-	-	-
Thal Limited	5	509,000	-	-	229,000	280,000	79,246	148,400	69,154	6.84	7.03	0.35
The General Tyre and Rubber Company of Pakistan Limited	10	-	50,000	-	50,000	-	-	-	-	-	-	-
							79,246	**148,400**	**69,154**			
Cable & Electrical Goods												
Johnson & Phillips (Pakistan) Limited	10	17,000	-		17,000	-	-	-	-	-	-	-
Pak Elektron Limited	10	-	125,500		125,500	-	-	-	-	-	-	-
Pakistan Cables Limited	10	295,100	-		16,700	278,400	47,473	82,209	34,736	3.79	3.89	0.98
					-	-	**47,473**	**82,209**	**34,736**			
Cement												
Dewan Cement Limited	10	1,957,500	628,000		2,585,500	-	-	-	-	-	-	-
Javedan Corporation Limited	10	4,892,800	71,500		-	4,964,300	146,458	174,197	27,739	8.03	8.25	3.84
							146,458	**174,197**	**27,739**			
Chemical												
Archroma Pakistan Limited	10	140,580	-		21,300	119,280	58,131	90,653	32,521	4.18	4.29	0.35
Buxly Paints Limited	10	36,500	-		-	36,500	1,442	4,745	3,303	0.22	0.22	2.53
Dynea Pakistan Limited	5	361,733	-		-	361,733	16,459	23,694	7,235	1.09	1.12	1.92
Engro Polymer & Chemicals	10		500,000			500,000	11,000	12,640	1,640	0.58	0.60	0.08
Ghani Gases Limited	10	120	-		-	120	2	4	2	0.00	0.00	-
Lotte Chemical Pakistan Limited	10		1,050,000			1,050,000	10,925	11,130	205	0.51	0.53	0.07
Nimir Industries Chemicals Limited	10	672,500	-		-	672,500	20,175	33,551	13,376	1.55	1.59	0.61
							118,134	**176,417**	**58,282**			

Name of the investee company	Face value per share	Number of shares					Balance as at March 31, 2017			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / right 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					
Commercial Banks												
Allied Bank of Pakistan	10	-	237,500		-	237,500	22,800	22,325	(475)	1.03	1.06	0.02
BankIslami Pakistan Limited	10	1,559,928	2,742,500	-	-	4,302,428	50,563	55,931	5,368	2.58	2.65	0.43
JS Bank Limited	10	-	856,500		856,500	-	-	-	-	-	-	-
NIB Bank Limited	10	6,272,955	-		-	6,272,955	11,981	11,479	(502)	0.53	0.54	0.06
Summit Bank Limited	10	1,940,159	3,500,000		1,500,000	3,940,159	13,074	17,061	3,987	0.79	0.81	0.22
The Bank of Punjab	10	-	762,000		762,000	-	-	-	-	-	-	-
							98,418	**106,796**	**8,378**			
Engineering												
Aisha Steel Mills Limited	10	3,206,000	1,624,000		1,374,000	3,456,000	49,874	87,990	38,115	4.06	4.17	1.27
Huffaz Seamless Pipe Industries Limited	10	391,745	-		-	391,745	6,856	9,194	2,338	0.42	0.44	0.71
International Steels Limited	10	79,500	-		79,500	-	-	-	-	-	-	-
							56,730	**97,184**	**40,453**			
Fertilizer												
Engro Corporation Limited	10	-	156,100		-	156,100	48,469	57,448	8,979	2.65	2.72	0.03
Engro Fertilizer Limited	10	-	200,000		-	200,000	14,060	12,532	(1,528)	0.58	0.59	0.02
							62,529	**69,980**	**7,451**			
Food & Personal Care-Products												
Al Shaheer Corporation Limited	10	-	145,000		145,000	-	-	-	-	-	-	-
Engro Foods Limited	10	-	149,900		149,900	-	-	-	-	-	-	-
Murree Brewery Company Limited	10	25,000	48,950		36,000	37,950	38,893	29,222	(9,671)	1.35	1.38	0.16
Quice Food Industries Limited	10	4,954,500	434,500		1,813,500	3,575,500	29,915	31,786	1,871	1.47	1.51	3.63
							68,808	**61,008**	**(7,800)**			
Glass & Ceramics												
Balochistan Glass Limited	10	110,000	-		-	110,000	531	1,635	1,104	0.08	0.08	0.06
Shabbir Tiles & Ceramics Limited	5	1,291,937	-		-	1,291,937	9,909	20,839	10,930	0.96	0.99	0.54
							10,440	**22,474**	**12,034**			

Name of the investee company	Face value per share	Number of shares					Balance as at March 31, 2017			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / right 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					
Insurance												
Century Insurance Company Limited	10	386,812	-		-	386,812	9,462	12,571	3,110	0.58	0.60	0.85
EFU General Insurance Limited	10	-	95,200		-	95,200	12,826	16,490	3,664	0.76	0.78	0.05
Habib Insurance Company Limited	5	300,183	-		-	300,183	4,875	5,631	756	0.26	0.27	0.24
Pakistan Reinsurance Company Limited	10	67,500	-		-	67,500	2,043	3,476	1,433	0.16	0.16	0.02
TPL Direct Insurance Limited	10	301,686	-		-	301,686	5,385	7,165	1,780	0.33	0.34	0.40
							34,591	**45,333**	**10,743**			
Investment Banks / Inv. cos. / Securities cos.												
Jahangir Siddiqui & Company Limited	10	-	2,265,000		-	2,265,000	54,141	60,045	5,904	2.77	2.84	0.25
JS Investment Limited	10	394,000	-		-	394,000	5,437	5,871	433	0.27	0.28	0.49
							59,578	**65,916**	**6,337**			
Miscellaneous												
Macpac Films Limited	10	809,129	280,000		30,000	1,059,129	22,182	23,354	1,172	1.08	1.11	2.72
Pakistan Services Limited	10	13,400	-		-	13,400	9,041	12,583	3,542	0.58	0.60	0.04
Siddiqsons Tin Plate Limited	10	1,505,000	-		-	1,505,000	16,194	32,929	16,735	1.52	1.56	1.92
Tri-pack Films Limited	10	-	12,500		12,500	-	-	-	-	-	-	-
							47,417	**68,866**	**21,449**			
Oil & Gas Exploration Companies												
Oil & Gas Development Company Limited	10	750,000	625,000		525,000	850,000	131,103	126,064	(5,039)	5.81	5.97	0.02
Pakistan Petroleum Limited	10	150,000	83,700		12,200	221,500	34,925	34,313	(612)	1.58	1.63	0.01
							166,028	**160,376**	**(5,651)**			
Oil & Gas Marketing Companies												
Pakistan State Oil Company Limited	10	-	148,200		-	148,200	64,953	62,766	(2,187)	2.89	2.97	0.05
Sui Northern Gas Pipelines Limited	10	5,344,550	50,000		5,394,550	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	10	-	850,000		850,000	-	-	-	-	-	-	-
							64,953	**62,766**	**(2,187)**			

Name of the investee company	Face value per share	Number of shares					Balance as at March 31, 2017			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / right 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					
Paper & Board												
Century Paper And Board Mills Limited	10	-	791,500		561,000	230,500	13,181	16,550	3,369	0.76	0.78	0.16
Merit Packaging Limited	10	800,657	55,000		-	855,657	15,213	22,247	7,034	1.03	1.05	2.12
Pakistan Paper Products Limited	10	226,500	-		-	226,500	15,368	16,045	677	0.74	0.76	3.78
							43,762	**54,842**	**11,080**			
Power Generation & Distribution												
Japan Power Generation Limited	10	2,314,500	728,000		3,042,500	-	-	-	-	-		
K-Electric Limited	3.5	18,534,000	3,492,000		4,435,000	17,591,000	144,729	143,894	(835)	6.63	6.81	0.06
Sitara Energy Limited	10	263,151	-		-	263,151	9,118	9,737	619	0.45	0.46	1.38
							153,847	**153,631**	**(216)**			
Sugar & Allied Industries'												
Imperial Sugar Limited	10	378,000	-		-	378,000	1,886	11,552	9,666	0.53	0.55	0.38
Shahtaj Sugar Mills Limited	10	24,537	-		-	24,537	2,441	4,678	2,237	0.22	0.22	0.20
Shakarganj Limited	10	5,730,993	-		5,730,993	-	-	-	-		-	-
							4,327	**16,230**	**11,903**			
Synthetics and Rayon												
Pakistan Synthetic Limited	10	865,000	-		-	865,000	31,136	24,627	(6,509)	1.14	1.17	1.54
Rupali Polyester Limited	10	12,701	-		-	12,701	114	229	115	0.01	0.01	0.04
							31,250	**24,856**	**(6,394)**			
Technology and Communication												
Hum Network Limited	1	118,000	-		-	118,000	1,213	1,463	250	0.07	0.07	0.01
Pakistan Telecommunication Company Limite	10	2,690,500	1,909,500		2,100,000	2,500,000	41,074	40,425	(649)	1.86	1.91	0.07
Telecard Limited	10	2,018,500	-		2,018,500	-	-	-	-	-	-	-
TRG Pakistan Limited (*) (**)	10	5,330,917	204,500		1,067,000	4,468,417	150,273	232,715	82,442	10.73	11.02	0.82
Worldcall Telecom Limited	10	438,000	-		-	438,000	858	1,038	180	0.05	0.05	0.05
							193,418	**275,641**	**82,223**			

Name of the investee company	Face value per share	Number of shares					Balance as at March 31, 2017			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / right 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					
Textile Composite												
Dawood Lawrencepur Limited	10	62,159	-		-	62,159	11,213	13,674	2,461	0.63	0.65	0.11
Gul Ahmed Textile Mills Limited	10	-	250,000		-	250,000	11,007	10,500	(507)	0.48	0.50	0.08
Gul Ahmed Textile Mills Limited Right		-	-	50,000	-	50,000	-	850	850	0.04	0.04	0.20
Ishaq Textile Mills Limited	10	6,500	-		-	6,500	57	68	11	0.00	0.00	0.07
Kohinoor Mills Limited	10	80,500	-		-	80,500	1,626	4,250	2,624	0.20	0.20	0.16
Sapphire Fibres Limited	10	47	-		-	47	26	47	21	0.00	0.00	0.00
The Crescent Textile Mills Limited	10	-	185,000		-	185,000	5,391	6,747	1,356	0.31	0.32	2.31
							29,320	**36,136**	**6,816**			
Textile Spinning												
Crescent Fibres Limited	10	42,000	-		-	42,000	1,676	1,365	(311)	0.06	0.06	0.34
Din Textile Mills Limited	10	54,729	-		-	54,729	4,630	5,706	1,076	0.26	0.27	0.24
Ellcot Spinning Mills Limited	10	881,054	2,500		-	883,554	64,889	106,124	41,235	4.89	5.03	8.07
Fazal Cloth Mills Limited	10	12,406	-		-	12,406	1,762	2,419	657	0.11	0.11	0.04
Gadoon Textile Mills Limited	10	65,901	-		46,600	19,301	2,482	4,613	2,131	0.21	0.22	0.07
Island Textile Mills Limited	10	40,600	-		-	40,600	38,367	44,619	6,252	2.06	2.11	8.12
Saif Textile Mills Limited	10	217,000	-		-	217,000	3,856	4,661	805	0.21	0.22	0.82
							117,662	**169,507**	**51,845**			
Textile Weaving												
Prosperity Weaving Mills Limited	10	84,591	-		-	84,591	2,580	2,859	279	0.13	0.14	0.46
							2,580	**2,859**	**279**			
Transport												
Pakistan International Container Terminal	10	46,200	-		31,500	14,700	4,947	5,953	1,006	0.27	0.28	0.01
							4,947	**5,953**	**1,006**			
Vanaspati & Allied Industries												
Punjab Oil Mills Limited	10	234,000	-		-	234,000	62,478	79,560	17,082	3.67	3.77	4.34
S.S. Oil Mills Limited	10	180,100	-		-	180,100	7,834	8,285	451	0.38	0.39	3.18
							70,312	**87,845**	**17,533**			
Total listed equity securities as at March 31, 2017							**1,712,228**	**2,169,422**	**457,193**			
Total listed equity securities as at June 30, 2016							1,645,232	1,753,020	107,788			

* This includes 2,000,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

** The exposure limit of investment in a single company as a percentage of net assets exceeded by 1.02% .

			(Unaudited) March 31, 2017	(Audited) June 30, 2016
5.	**LOANS AND RECEIVABLES**	**Note**	------ (Rupees in '000) ------	
	Preference Shares			
	- Security Leasing Corporation Limited	5.1	**1,482**	**-**

5.1 Security Leasing Corporation Limited had deferred the payment of 3rd and 4th redemption pertaining to 1,000,000 shares of Rs. 10 each due on November 2009 and November 2010 respectively due to adverse financial position of the Company. As per the terms of the preference share, the redemption amount will be lower of par value and break-up value as per latest available audited financial statments. The preference shares had been valued at break-up value of Rs. 1.48 per share as per the financial statements for the period ended March 31, 2015. The break-up value as per latest audited financial statments for June 30, 2016 is Rs. 3.52 per share. However. on a prudent basis the impairment has not been reversed. Negotiations are underway with the investee company to recover the outstanding amount of preference shares. Management believes that no further provision is required against this amount. These preference shares had been delisted from Pakistan Stock Exchange Limited and therefore cannot be sold in an active market. The Management Company has intention and ability to hold the preference shares until realisation of aforementioned deferred payments, accordingly, the said investment has been reclassified into loans and receivables.

6 Sales Tax on Management Fee

The Provincial Government of Sindh has levied Sindh sales rax at the rate of 13% (June 30, 2016: 14%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7 PROVISION FOR WORKERS' WELFARE FUND (WWF) AND SINDH WORKERS' WELFARE FUND (SWWF)

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from 1 July 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds. MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and

- the provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015) on 12 January 2017.

Accordingly, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, the Company has recorded these adjustments in its books on 12 January 2017.

Had the provision for SWWF not been made, the Net Asset Value per share of the Company as at March 31, 2017 would have been higher by Re 0.19 per share.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2017 and June 30, 2016..

9 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 in cash for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders. Accordingly, the Company has not recorded provision for taxation as the management intends to distribute at least 90 percent of the Company's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its shareholders.

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

10 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:

	(Unaudited)	
	March 31,	March 31,
	Nine months ended	
10.1 Transactions during the period	2017	2016
	------ (Rupees in '000) ------	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**31,499**	25,044
Dividend received	**79,569**	30,979
Expenses allocated by the Management Company	**1,575**	271
Sales of shares of Company	**4,500**	-
AKD Securities Limited - Group Company		
Brokerage	**261**	424
Dividend received	**9**	4
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Dividend received	**6,801**	2,616
AKD Investment Management Limited - Staff Provident Fund	**1,466**	564
Dividend received		
Directors of the Company		
Dividend received	**9,836**	3,959
Key Management Personnel of the Company		
Dividend received	**260**	100
Central Depository Company of Pakistan Limited - Custodian		
Fee charged during the year (including transaction charges)	**999**	1,018
Prosperity Weaving Mills Limited - Common Directorship		
Dividend received during the period	**148**	-

10.2 Balances outstanding at the period / year end	(Unaudited) March 31, 2017	(Audited) June 30, 2016
	------ (Rupees in '000) ------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**3,721**	2,830
Sales tax on Management fee	**483**	460
FED on Management remuneration	**-**	16,592
Other	**600**	600
Expenses allocated by the Management Company	**186**	141
Shares in issue (number of shares: March 31, 2017: 23,882,895; June 30, 2016: 24,782,895)	**119,414**	123,914
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (number of shares: March 31, 2017: 2,092,812; June 30, 2016: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (number of shares: March 31, 2017: 2,889; June 30, 2016: 2,889)	**14**	14
Brokerage payable	**29**	-
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (number of shares: March 31, 2017: 451,046; June 30, 2016 451,046)	**2,255**	2,255
Directors of the Company		
Shares of the Company held (number of shares: March 31, 2017: 3,026,277; June 30, 2016: 3,016,277)	**15,131**	15,081
Key Management Personnel of the Company		
Shares of the Company held (number of shares: March 31, 2017: 80,000; June 30, 2016: 80,000)	**400**	400
Central Depository Company of Pakistan Limited - Custodian		
Fee payable (including transaction charges)	**105**	77
Javedan Corporation Limited - Common Directorship		
Shares held by the Company (number of shares: March 31, 2017: 4,964,300; June 30, 2016: 4,892,800)	**174,197**	144,191
Prosperity Weaving Mills Limited - Common Directorship		
Shares held by the Company (number of shares: March 31, 2017: 84,591; June 30, 2016: Not Applicable)	**2,859**	-

11 EXPENSE RATIO

The expense ratio of the Fund from July 1 2016 to March 31 2017 is 3.00%, the total expense ratio includes 1.16% representing government levy and SECP fee.

12 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has not affected the condensed interim financial information.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyse financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	----------------- As at March 31, 2017 -----------------			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	------------------ (Rupees in '000) ------------------			
Investment in securities -				
at fair value through profit or loss	**2,169,422**	**-**	**-**	**2,169,422**
	2,169,422	**-**	**-**	**2,169,422**

	----------------- As at June 30, 2016 -----------------			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	------------------ (Rupees in '000) ------------------			
Investment in securities -				
at fair value through profit or loss	1,753,020	-	-	1,753,020
Investment in securities - available-for-sale	-	1,480	-	1,480
	1,753,020	1,480	-	1,754,500

13 CORRESPONDING FIGURES

No significant rearrangements or reclassifications were made in this condensed financial information which have any impact on profit and loss account.

14 SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on April 25, 2017 has declared an interim dividend at the rate of 22% i.e. Rs 1.10 per share (March 31, 2016: Nil). These condensed interim financial statements of the Company for the period ended March 31, 2017 do not include the effect of the dividend which will be accounted in the financial statements of the Company subsequent to the period end.

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on April 25,2017 by the Board of Directors of the Company.

16 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

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