Golden Arrow
SELECTED STOCKS FUND LIMITED

2016



annual report

Partner with AKD Profit from the Experience

Managed by: 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
EY Ford Rhodes
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.
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)

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

*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 Financial industry with diversifying its business activities by good asset allocation and generating better financial results and yield to the stakeholders.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third Annual General Meeting of Golden Arrow Selected Stocks Fund Limited ("the Company") will be held on 15th October, 2016 at 11:00 a.m. at the auditorium of The Institute of Chartered Accountant of Pakistan, Clifton, Karachi to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on August 10, 2016.

2. To review, consider and adopt the Audited Accounts together with the Directors' and Auditors' Report for the year ended June 30, 2016.

3. To approve the payment of final cash dividend @ 21% i.e. Rs.1.05 per share of Rs.5/- each as recommended by the Board of Directors for the year ended June 30, 2016.

4. To appoint Auditors of the Company and to fix their remuneration for the year ending June 30, 2017. In order to comply with the requirements of Regulation No. 53 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 the Audit Committee has recommended the appointment of M/s Deloitte Yousuf Adil, Chartered Accountants, as the Auditors for the year ending June 30, 2017 while the retiring Auditors M/s EY Ford Rhodes, Chartered Accountants, have been the auditors of the company for five consecutive years.

SPECIAL BUSINESS:

5. To get consent from the Members as per SRO No. 470 dated May 31, 2016 issued by the Securities & Exchange Commission of Pakistan (SECP) for the transmission of Annual Audited Accounts and Notice of Annual General Meeting to the Members of the Company either through CD/DVD/USB or in Hard Copy (book form) and for this purpose to pass a Special Resolution.

OTHER BUSINESS

6. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board

Muhammad Yaqoob
Company Secretary

Karachi: September 23, 2016

NOTES:

1. The share transfer books of the Company will remain closed from October 07, 2016 to October 15, 2016 (both days inclusive). Physical scrips transfers / CDS transaction IDs received in order at the office of Share Registrar, JWAFFS Registrar Services (Pvt.) Limited, 407-408, Al Ameera Center, Shahrah-e-Iraq, Saddar, Karachi at the close of the business day on October 05, 2016 will be treated in time for the entitlement to dividend and attend the Annual General Meeting.

2. A member entitled to attend and vote at the meeting shall be entitled to appoint another member of the Company as his / her proxy to attend, speak and vote instead of him / her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a Member. Proxies, in order to be effective, must be duly completed and signed and received at the Registered Office of the Company not less than 48 hours before the meeting.

3. The Shareholders are requested to notify any change in their address immediately to the Share Registrar, JWAFFS Registrar Services (Pvt.) Limited.

4. CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 of 2000 dated 26 January 2000 issued by Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING

i) In case of individuals, the account holder or sub account holder whose registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING OF PROXIES

i) In case of individuals, the account holder or sub account holder whose registration details are uploaded as per the regulations shall submit the proxy form as per requirement.

ii) The proxy form will be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

SUBMISSION OF COPY OF CNIC (MANDATORY)

As directed by the SECP through its Circular No.EMD/D-II/Misc/2009-1342 dated April 4, 2013, dividend warrants cannot be issued without valid CNICs. All shareholders holding physical shares who have not submitted their valid CNICs are requested to send attested copies of their valid CNICs along with their folio numbers to the Company's Shares Registrar M/s JWAFFS Registrar Services (Pvt.) Limited. In the absence of a shareholder's valid CNIC, the Company will be constrained to withhold dispatch of dividend to such shareholders.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY (OPTIONAL)

The SECP has initiated e-dividend mechanism through its notification 8(4) SM/CDC/2008 dated April 5, 2013. In order to avail benefits of e-dividend mechanism Shareholders are hereby advised to provide details of their bank mandate specifying : (1) title of account (ii) account number,(iii) bank name (iv) branch name, code and address to the Company's Share Registrar M/s JWAFFS Registrar Services (Pvt.) Limited. Shareholders who hold shares with Participants/Central Depositary Company of Pakistan (CDC) are advised to provide the mandate to the concerned Broker/CDC.

AUDITED FINANCIAL STATEMENTS THROUGH E-MAIL

SECP through its Notification SRO 787(I)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the members of the Company through e-mail. Therefore, all members who wish to receive the soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission can be downloaded from the Company's website: www.akdinvestment.com

DIRECTORS' REPORT

The Board of Director of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its Audited Financial Statements for the fiscal year ended June 30, 2016.

The KSE-100 index continued its bullish trend in FY16, reaching a historic high of 39,039.67 on June 16, 2016. The KSE-100 index recorded a positive return of 9.84%YoY in FY16, whereas the MSCI Frontier market index underperformed KSE-100 by 21.9%YoY and posted a negative return of 12.06%YoY. At the same time foreign portfolio investment recorded a net outflow of USD 281.629 million during FY16 vs a net inflow of USD 38.54 million during FY15. Going forward, Pakistan market is likely to witness a strong positive path in FY17 with its upgrade from Frontier Market (FM) to Emerging Market (EM) by MSCI coupled with improving macroeconomic factors as well as China Pakistan Economic Corridor (CPEC).

FUND'S FINANCIAL PERFORMANCE

For FY16, the return of the GASSFL was 9.60% compared to the KSE-100 Index return of 9.84%.

DIVIDEND

The Board of Directors of Golden Arrow Selected Stocks Fund Limited has pleasure in recommending final cash dividend at the rate of 21% i.e. Rs.1.05 per share for the financial year ended June 30, 2016 (2015: 69% i.e. Rs.3.45/Share), subject to the approval of the shareholders in the Annual General Meeting.

TOP 25 COMPANIES AWARD

The Board of Directors is pleased to inform the shareholders that Golden Arrow Selected Stocks Fund Limited was awarded "Top 25 Companies Award" for the Year 2014 by the Pakistan Stock Exchange Limited in August 2016.

MACRO PERSPECTIVE

The major macroeconomic indicators continued to exhibit improvements in FY16 on the back of subdued inflation, record low interest rates, stable exchange rate, adequate foreign reserves, with low current and fiscal account deficits.

CPI inflation during FY16 clocked in 2.9%YoY as compared to 4.6%YoY for the corresponding period last year. Throughout FY16, inflation remained subdued due to prudent fiscal and monetary policies with adequate supply of commodities in the market. While lower oil and commodity prices have benefited consumers, it also had an adverse impact on commodity-producing sectors of the economy: for example, lower product prices have hit farmer incomes and affected cropping decisions. In addition, corporate profits were also affected due to inventory losses caused by depressed commodity prices. Going forward however, it is expected that inflation will slightly pick up and is expected to remain in the range of 3-4%YoY.

Large scale manufacturing (LSM) showed growth of 3.45%YoY during July-May FY16 as compared to 3.35%YoY in the same period last year. The growth momentum in LSM continued due to a decline in global commodity prices, improvement in the supply of electricity and gas coupled with expansion in credit to the private sector. More importantly, accommodative policies (for instance, higher PSDP spending, "Apna Rozgar" scheme and record low interest rates) have also supported high growth in LSM. The LSM sector is expected to further gain momentum from the development work on projects under CPEC going forward. In this regard, the real GDP is likely to maintain the preceding growth momentum.

The Current account deficit for FY16 was recorded at USD 2.52 billion (0.9% of GDP), 6.8% lower than USD 2.71 billion (1.0% of GDP) for the previous year. During this period, the trade deficit widened by 8.14%YoY to USD 23.96 billion. This has resulted in 12.1%YoY broad based decline in exports primarily reflecting a decline in textile exports of 7.4%YoY, since the textile sector being the largest contributor with a 60% share. While the oil prices have fallen sharply (79%YoY decline in Arablight annual avg.), imports in FY16 have contracted by a mere 2.3%YoY. Worker remittances in FY16 stood strong at USD 19.9 billion, however the YoY growth is undergoing deceleration (+6.4%YoY vs. 18.2%YoY in FY15) on the back of tighter regulatory measures from the US and the toll of lower oil prices on GCC countries. The total liquid foreign exchange reserves of Pakistan reached USD 23.085 billion by the end of FY16 incidentally reaching an all time high as compared to USD 18.699 billion at the end of FY15. During 4QFY16, International Monetary Fund (IMF) released the 11th tranche of USD 501 million under the Extended Fund Facility; to recap IMF had approved the three-year extended financing arrangement of approximately USD 6.64 billion for Pakistan of which USD 6.01 billion has been disbursed by 30 June 2016.

The Federal Board of Revenue (FBR) was able to collect an unprecedented PKR 3.12 trillion in FY16 as compared to PKR 2.59 trillion in the corresponding period last year. The government has successfully reduced the fiscal deficit to 3.4% of GDP during 9MFY16 against 3.8% of GDP during the comparable period last year. The improvement in fiscal accounts resulted from growth in Total revenue by 10.4%, healthy provincial surplus and reduction in total expenditure.

EQUITY MARKET REVIEW

The KSE-100 Index started FY16 on a positive note recording 3.9% return in the month of July; however the Index fell by 4.6%YoY in 1HYF16. The index witnessed improvement during 2HFY16 recording a hefty return of 15.1%YoY. The KSE-100 Index FY16 registered a return of 9.84% YoY as compared to 16.01% in FY15.

Primary reason for the underperformance of index in 1HFY16 was low investor confidence resulting in lower market volumes, as domestic interest focused on the real estate market as a preferred investment avenue. Negative news flow continued on the international front with concerns over China's economic slowdown and US-Federal Reserve rate hike further dampened market sentiment. That said however, the 2HFY16 showed improvement as market participant's weighed Pakistan's monumental return to the MSCI Emerging market index together with already discounted valuations which expanded further against other emerging market numbers.

During the period under review, the State Bank of Pakistan (SBP) cut the discount rate by a cumulative 75bps in FY16 as compared to a cut of 300bps in FY15 and it stood at 6.25% at the close of the fiscal year.

Weak prospects of regional capital markets and feeble commodity prices marred prospective upswings in the market. During FY16, the prevailing uncertainty deepened further, as evident from investor's participation in the market which saw a YoY decline of approximately 19% and 16% in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Foreigners remained net sellers in FY16 as they sold off positions totaling roughly USD 293 million. However, in the last 2 months of FY16, net foreign buying jumped to USD 74 million. This hefty inflow might be credited to Pakistan's reclassification to MSCI emerging market index.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

(a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;

(b) Proper books of account of the Company have been maintained;

(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;

(e) The system of internal control is sound in design and has been effectively implemented and monitored; and

(f) There are no significant doubts upon the Company's ability to continue as a going concern.

(g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

(h) Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.

(i) The statement showing the attendance of Directors in BOD meetings and the Audit Committee meetings is as under:

		Number of Meetings		
No.	**Name of Director**	**Held**	**Attended**	**Leave Granted**
1	Mr. Ahmed Abdul Sattar (late)*	4	4	0
2	Mr. Imran Motiwala	4	4	0
3	Ms. Anum Dhedhi	4	4	0
4	Mr. Aurangzeb Ali Naqvi	4	3	1
5	Mr. Muhammad Siddiq Khokhar	4	4	0
6	Mr. Abdul Karim Memon	4	3	1
7	Mr. Muzammil Abdul Karim	4	4	0

The election of Directors took place on May 09, 2016 and SECP granted their approval on August 12, 2016.

* Mr. Ahmed Abdul Sattar passed away on May 02, 2016. Mr. Javaid Bashir Sheikh contested against Mr. Haroon In second EOGM held on August 10, 2016 and got elected, by 99.96% majority votes, as a director in place of Mr. Ahmed Abdul Sattar (Late).

		Number of Meetings		
No.	**Name of Director**	**Held**	**Attended**	**Leave Granted**
1	Mr. Aurangzeb Ali Naqvi	4	4	0
2	Mr. Muhammad Siddiq Khokhar	4	4	0
3	Mr. Abdul Karim Memon	4	3	1

(j) During the year Mr. Aurangzeb Ali Naqvi acquired certification under the directors training program.

(k) The trades in the shares of the Company carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children are as under:

Traded By:	Purchases (No. of Shares)	Bonus & Right (No. of Shares)	Sales (No. of Shares)
Directors			
Mr. Ahmed Abdul Sattar (Late)	-	-	-
Mr. Imran Motiwala	-	-	-
Ms. Anum Dhedhi	-	-	-
Mr. Aurangzeb Ali Naqvi	-	-	-
Mr. Muhammad Siddiq Khokhar	-	-	-
Mr. Abdul Karim Memon	-	-	3,590,000
Mr. Muzammil Abdul Karim	1,500	-	50,000
Company Secretary			
Mr. Muhammad Yaqoob	-	-	-

RATING OF GOLDEN ARROW SELECTED STOCKS FUND LIMITED

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Golden Arrow Selected Stocks Fund Limited (GASSFL) performance ranking of "MFR 4-Star" in performance period of 1 year, 3 year and 5 year category on June 29, 2016, good performance' viz a viz other closed end mutual funds.

PATTERN OF SHAREHOLDING

The detailed pattern of Shareholding as required by the Companies Ordinance, 1984 and the Code of Corporate Governance is enclosed.

KEY FINANCIAL DATA AT A GLANCE

Key Financial Data for last six years at a glance is enclosed.

INVESTMENT POLICY

General nature of the business transacted and to be transacted by the Company will be the investing of its assets in securities. The purpose of the company is to provide a vehicle where by investors can invest their funds in securities under the direction of AKD Investment Management Limited, subject to the general control and directions of the Board of Directors. The objective of Company is to achieve superior returns through a combination of Investment Strategies, which includes investing in high earnings growth stocks, deep value and high dividend paying scrips. The Company has a strategy in place to limit capital losses when volatility rises in the stock market by diversifying into defensive stocks and fixed income securities. Stocks for the portfolio will be selected on the basis of fundamentals and authentic research from top quality Brokerage Houses.

APPOINTMENT OF AUDITORS

The present auditors, M/s EY Ford Rhodes, Chartered Accountants are retiring and have completed their five years as auditors of the Company. As per the requirements of the Code of Corporate Governance the auditors have to be changed this year. The Board has proposed the appointment of Messers Deloitte Yousuf Adil, Chartered Accountants on the recommendation of the Audit Committee as auditors for the year ending June 30, 2017, subject to the approval of the shareholders in the Annual General Meeting.

FUTURE OUTLOOK

Going forward, we believe the economy is expected to achieve sustainable growth driven by low inflation, favorable commodity prices, increase in foreign exchange reserves, foreign remittances and growth in tax collection. CPEC as quoted by state officials remains a key game changer for the country's economics as strong FDI numbers and the trickle down affect of an unprecedented US$46bn investment is bound to rejuvenate activity; while we also expect more corporate Pak-China partnerships this year to bode well for the market. Pakistan equity market is expected to be one of the top performing markets in FY17, where we expect the KSE-100 index to witness a strong positive trajectory on the back of lower policy rate, improved economic outlook, and healthy growth in corporate profitability. Moreover, due to the upgrade from MSCI FM to MSCI EM in May-17, we expect significant foreign inflows during FY17. However, a rebound in oil prices, slowdown in China, uncertainties about recovery in EU in the post Brexit period and interest rate hike by US Federal Reserve shall have a consequential affect on flows and trade.

ACKNOWLEDGEMENTS

The Directors would like to take this opportunity to thank the Securities and Exchange Commission of Pakistan, the Ministry of Finance, the State Bank of Pakistan and the Management of the Pakistan Stock Exchange for their support to the Mutual Fund Industry as a whole and our Custodian, Central Depository Company of Pakistan Limited for their cooperation. The Board also appreciates the devoted performance of the staff and officers of the AKD Investment Management Limited. The Board will also like to thank shareholders for their confidence in the Company and their continued support and guidance.

MATERIAL INFORMATION

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(I)/2012 dated November 28, 2012 extended the timeline for convening the meeting of shareholders 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 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 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 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.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 05, 2016

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.

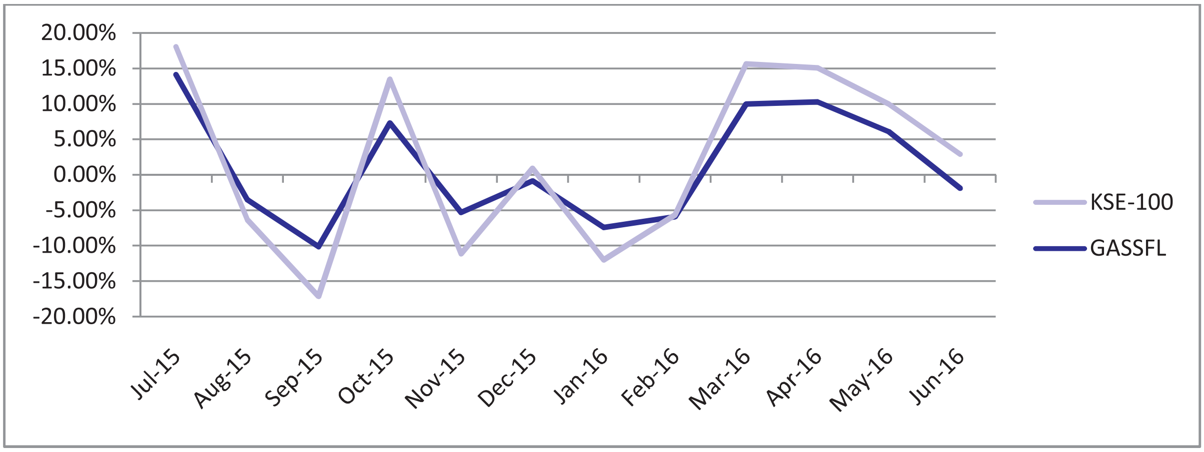
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For FY16, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) stood at a 9.60% versus the benchmark KSE-100 Index of 9.84%.

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

KSE - 100 Index

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



Monthly yield	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
GASSFL	14.12%	-3.51%	-10.13%	7.32%	-5.31%	-0.87%	-7.41%	-5.90%	9.97%	10.29%	6.09%	-1.91%
KSE-100	3.90%	-2.84%	-7.02%	6.11%	-5.86%	1.74%	-4.62%	0.23%	5.64%	4.77%	3.87%	4.78%

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 the 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 at the date of report and particulars of significant change in asset allocation since the last report (if applicable):

Asset Allocation (% of Total Assets)	30-June-16	31-March-16
Equities	95.86%	94.43%
Cash	3.95%	5.21%
Other Assets	0.19%	0.36%
Leverage	Nil	Nil

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

FY16 Return	9.60%
Benchmark Return	9.84%

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

Net Asset Value			NAV Per Share	
30-June-16	31-Mar-16	Change in Net Assets	30-June-16	31-Mar-16
(Rupees In "000")			Rs.	Rs.
1,714,315	1,494,213	14.73%	11.27	9.82

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 key macroeconomic indicators continued to exhibit improvements in FY16 based on subdued CPI inflation, record low interest rates, adequate foreign reserves, stable exchange rate, with low current account deficit despite a sharp decline in exports and an improved fiscal position.

Large Scale Manufacturing (LSM) growth has witnessed an upward trajectory on the back of lower commodity prices, better energy supplies, increased domestic demand for consumer durables and expansion in the construction sector. The sector showed growth of 3.45%YoY during FY16 as compared to 3.35%YoY in the same period last year. Going forward, economic activity is expected to improve further on the back of materialization of mega projects worth USD 46 billion under China Pakistan Economic Corridor (CPEC).

The Headline Consumer Price Index (CPI) has been considerably lower, reaching 2.9%YoY for FY16 as compared to 4.6%YoY in the corresponding period last year. Keeping in view the depressed outlook of global commodity prices, moderate pickup in domestic demand with a further ease in supply side constraints, average inflation of FY17 is expected to remain in the range of 3-4%YoY.

An essential achievement on the macroeconomic front has been the continuous improvement in liquid foreign exchange reserves position. Total foreign reserves increased to USD 23.08 billion by the end of FY16 as compared to USD 18.69 billion in the corresponding period last year. Overseas Pakistani workers' remittances stood at USD 19.92 billion in FY16, a steady growth of 6.41%YoY as compared to remittance amounting to USD 18.72 billion for the preceding year. In addition, the International Monetary Fund (IMF) released its 11th tranche of USD 501 million in 4QFY16 under Extended Fund Facility. Earlier, IMF had approved the three-year extended arrangement of about USD 6.64 billion for Pakistan of which USD 6.01 billion has been disbursed by 30 June 2016.

The Federal Board of Revenue (FBR) was able to collect an unprecedented PKR 3.12 trillion in FY16 on the back of better revenue generation as well as a decline in non-development spending. The Government has successfully reduced the fiscal deficit to 3.4% of GDP during 9MFY16 against 3.8% of GDP during the comparable period last year. The improvement in fiscal accounts came from healthy provincial surplus, reduction in total expenditure and growth in total revenue by 10.4%YoY.

However, the Balance of Payments position of Pakistan deteriorated in the period under review, as the exports tumbled by 8.6%YoY in FY16 to USD 22.0 billion from USD 24.08 billion in the corresponding period last year. Although, imports were also on a declining trend at a much slower pace during FY16, as they fell a mere 1.96%YoY and stood at USD 40.47 billion. Despite falling imports, the trade deficit increased by 7.42%YoY reaching USD 18.46 billion during FY16, as opposed to USD 17.91 billion in same period last year.

Overall improvement in macroeconomic indicators such as stable exchange rate, low inflation, and high FX reserves has set the platform for higher and sustained economic growth. Improved security situation and better availability of energy supplies have eased two of the major constraints, which were undermining economic growth. The Government hence expects a higher GDP growth of 5.7%YoY in FY17 compared to 4.7%YoY recorded this year.

Equity Market Performance

The KSE-100 index registered a positive return of 9.84% in FY16, outperforming both the MSCI Frontier Market and the MSCI Emerging Market indices as they shed by 8.90% and 14.22% respectively. Market sentiments largely remained negative during 1HFY16 due to exceedingly lower market volumes, as domestic interest focused on the real estate market as a preferred investment avenue. In addition, US Federal Reserve rate hike in Decemeber'15 meeting also negatively impacted the equity market performance as it drained away foreign investment. However 2HFY16 saw an improvement in market performance due to expectations of Pakistan returning to the MSCI Emerging Index. Consequently, the index rose substantially by 15.1% in 2HFY16 as compared to fall of 4.6% in 1HFY16. Total foreign outflow worth USD 281.39 million was witnessed during FY16, against the net inflow of USD 38.54 million in corresponding period last year.

During the period under review, the average CPI inflation was recorded at 2.9%YoY as compared to 4.6%YoY in the same period last year. Keeping in view subdued inflation, the State Bank of Pakistan (SBP) cut the policy rate by 25bps in May' 16 monetary policy statements and closed at 5.75% at the end of FY16.

During FY16, the prevailing uncertainty deepened further, as evident from investor's participation in the market which saw a YoY decline of approximately 19% and 16% in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Future Outlook

The economic outlook of Pakistan has improved significantly in the recent past as evident from healthy economic indicators. This improvement is linked to the soft oil prices which improved the country's balance of payment position while the IMF Extended Fund Facility program and the fiscal discipline it brings further helped build up the foreign exchange reserves and cultivated reforms. In addition to that, Government's focus on energy projects is expected to resolve the prevailing energy crisis and improve the competitiveness of industries.

CPEC worth USD 46 billion is going to be a remarkable development for economic growth in the country through investments in transportation, infrastructure and the energy sector. Going forward, we believe the economy of Pakistan is expected to achieve sustainable growth on the back of increase in tax revenue collection, favorable commodity prices, low inflation, and increase in foreign exchange reserves and foreign remittances. Moving forward, Pakistan's upgrade from MSCI Frontier Market to MSCI Emerging Market can bring significant foreign inflows in FY17 leading up to the inclusion.

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

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

There was no share split during the period.

xiii) Disclosure of circumstances that materially affect any interest 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 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.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No.5.19.23 of the Rule Book of the Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Directors	Mr. Muhammad Siddiq Khokhar Mr. Javaid Bashir Sheikh*
Executive Directors	Mr. Imran Motiwala Ms. Anum Dhedhi
Non-Executive Directors	Mr. Aurangzeb Ali Naqvi Mr. Abdul Karim Memon Mr. Muzammil Abdul Karim

*Mr. Ahmed Abdul Sattar passed away on May 02, 2016. Mr. Javaid Bashir Sheikh contested against Mr. Haroon in second EOGM held on August 10, 2016 and got elected by 99.96% majority votes, as a director in place of Mr. Ahmed Abdul Sattar (Late)

The Independent Director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies).

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred during the year on the Board of the Company.

5. The Company being an Investment Company has adopted the "Code of Conduct" of its Management Company and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and terms and conditions of employment of the CEO, other Executive and non-executive Directors, have been taken by the Board of the Asset Management Company.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. During the year, one Director obtained certification under the Directors' training program.

10. No new appointment of CFO and Company Secretary has been made during the year. The remuneration and terms and conditions of employment were approved by the Board of the Asset Management Company.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises three members, of whom two are non-executive Directors and the Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Company being an Investment Company does not have any employee on its payroll. The operations of the Company are managed by the Asset Management Company. The Board of the Asset Management Company has formed a Human Resources & Remuneration Committee. It comprises of 3 members, of whom 2 are non-executive Directors including the chairman, who is a non-executive Director.

18. The internal audit function of the Company is performed by the internal audit department of the Asset Management Company who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed the IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to Directors, employees and stock exchanges.

22. Material price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: September 05, 2016

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of **Golden Arrow Selected Stocks Fund Limited** (the Company) for the year ended **30 June 2016** to comply with the requirements of Regulation No. 5.19.23 of Rule Book of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval the Company's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

EY Ford Rhodes
Chartered Accountants

Karachi: September 05, 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed statement of assets and liabilities of **Golden Arrow Selected Stocks Fund Limited** (the Company) as at **30 June 2016** and the related income statement, statement of comprehensive income, statement of cash flows, distribution statement, statement of changes in equity and statement of movement in equity and reserves per share together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the management company to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Companyas required by the Companies Ordinance, 1984;

(b) in our opinion:

  (i) the statement of assets and liabilities and the income statement together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.2 with which we concur;

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

(c) in our opinion and to the best of our information and according to the explanations given to us, the statement of assets and liabilities, income statement, statement of comprehensive income, statement of cash flows, distribution statement, statement of changes in equity and statement of movement in equity and reserves per share together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the income, its comprehensive income, its cash flows, its distribution, its changes in equity and movement in equity and reserves per share and transactions for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

We draw attention to note 1.4 to the accompanying financial statements which states that the resolution regarding the conversion of the Company into an open end scheme or its winding up was not approved in the meeting of the shareholders held on 31 January 2013 as per the majority specified in the applicable regulations. Subsequently, a notice for non-compliance of clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 was received by the Company from the Securities and Exchange Commission of Pakistan. In response, the Company filed a constitutional petition against the said notice which is currently pending adjudication before the Honorable Sindh High Court. Hence, as disclosed in the said note, the future operations of the Company are dependent on the outcome of the above referred constitutional petition. However, the accompanying financial statements have been prepared on a going concern basis for the reasons given in the above referred note.

Our opinion is not modified in respect of the above matter.

EY Ford Rhodes
Chartered Accountants
Audit Engagement Partner: Shabbir Yunus

Karachi: September 05, 2016

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2016

	Note	2016	2015
		(Rupees in '000)	
ASSETS			
Bank balances	4	**72,279**	107,418
Receivable against sale of investments		**-**	76,131
Investments	5	**1,754,500**	1,672,007
Dividend and profit receivable	6	**510**	159
Tax refundable		**205**	124
Security deposit	7	**2,750**	2,750
Total Assets		**1,830,244**	1,858,589
LIABILITIES			
Payable against purchase of investments		**-**	3,780
Payable to the Management Company	8	**4,031**	3,760
Accrued and other liabilities	9	**19,489**	15,685
Provision for Workers' Welfare Fund (WWF)	17	**54,216**	54,216
Unclaimed dividend		**38,193**	36,342
Total Liabilities		**115,929**	113,783
NET ASSETS		**1,714,315**	1,744,806
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2015: 250,000,000) Ordinary shares of Rs.5 each		**1,250,000**	1,250,000
Issued, subscribed and paid-up capital			
Share capital	10	**760,492**	760,492
General reserve		**500**	500
Undistributed income		**953,323**	983,814
		1,714,315	1,744,806
		(Rupees)	
NET ASSETS VALUE PER SHARE	11	**11.27**	11.47
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees in '000)	
Income			
Gain on sale of investments - net	13	66,796	344,293
Dividend income		33,664	37,763
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.1	107,788	247,311
Profit on bank deposits		5,596	5,532
Total income		213,844	634,899
Expenses			
Remuneration to Management Company	8.1	33,425	33,618
Sales tax on management fee	14	5,428	5,850
Federal excise duty on management fee	15	5,348	5,379
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		1,588	1,597
Remuneration to Custodian - Central Depository Company of Pakistan Limited (CDC)		998	1,091
Auditors' remuneration	16	459	424
Legal and professional charges		252	1,101
Annual listing fee		556	548
CDC charges		262	302
Fees and subscription		473	489
Securities transaction cost		3,452	5,098
Bank charges		14	8
Director's fee		270	275
Printing and related cost		639	837
Postage expense		182	117
Sales tax on custodian and CDS services		176	-
Provision for Workers' Welfare Fund (WWF)	17	-	11,527
Impairment in value of investments classified as 'available-for-sale'		-	1,815
Expenses allocated by the Management Company	8.2	690	-
Total expenses		54,212	70,076
Net income before taxation		159,632	564,823
Taxation	18	-	-
Net income after taxation		159,632	564,823
		(Rupees)	
Earnings per share - basic	19	1.05	3.71

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	---------- (Rupees in '000)	----------
Net income for the year after taxation	**159,632**	564,823
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**159,632**	564,823

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	---------- (Rupees in '000) ----------	
Undistributed income brought forward	**983,814**	905,705
Net income after taxation for the year	**159,632**	564,823
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share) [June 30, 2014 @ 20% (Re.1.00 per share)] declared on September 17, 2015	**(190,123)**	(152,098)
Interim dividend for the year ended June 30, 2016 @ Nil (Rs.Nil per share) [June 30, 2015: @ 44% (Rs.2.20 per share)]	**-**	(334,616)
Undistributed income carried forward	**953,323**	983,814

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		---------- (Rupees in '000) ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before taxation		**159,632**	564,823
Adjustments:			
Gain on sale of investments - net		**(66,796)**	(344,293)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		**(107,788)**	(247,311)
Provision for Workers' Welfare Fund		**-**	11,527
Federal excise duty on management fee		**5,348**	5,379
		(9,604)	(9,875)
Decrease in assets			
Receivable against sale of investments		**76,131**	(76,131)
Investments		**92,091**	617,786
Dividend and profit receivable		**(351)**	2,008
Tax refundable		**(81)**	-
		167,790	543,663
(Decrease) / increase in liabilities			
Payable against purchase of investments		**(3,780)**	3,780
Payable to the Management Company		**271**	(112)
Accrued and other liabilities		**(1,544)**	1,341
		(5,053)	5,009
Net cash generated from operating activities		**153,133**	538,797
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(188,272)**	(484,650)
Net cash used in financing activities		**(188,272)**	(484,650)
Net (decrease) / increase in cash and cash equivalents		**(35,139)**	54,147
Cash and cash equivalents at the beginning of the year		**107,418**	53,271
Cash and cash equivalents at the end of the year	20	**72,279**	107,418

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Share capital	General reserve	Undistributed income	Total
	(Rupees in '000)			
Balance as at June 30, 2014	760,492	500	905,705	1,666,697
Net income for the year	-	-	564,823	564,823
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year ended June 30, 2015	-	-	564,823	564,823
Final dividend for the year ended June 30, 2014 @ 20% (Re.1.00 per share)	-	-	(152,098)	(152,098)
Interim dividend for the year ended June 30, 2015 @ 44% (Rs.2.20 per share)	-	-	(334,616)	(334,616)
Balance as at June 30, 2015	760,492	500	983,814	1,744,806
Net income for the year	-	-	159,632	159,632
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year ended June 30, 2016	-	-	159,632	159,632
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share)	-	-	(190,123)	(190,123)
Balance as at June 30, 2016	**760,492**	**500**	**953,323**	**1,714,315**

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	----------- (Rupees)	-----------
Net assets value per share at the beginning of the year	**11.47**	10.96
Capital gain on sale of investments - net	**0.44**	2.25
Dividend income	**0.22**	0.25
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**0.71**	1.63
Profit on bank deposits	**0.04**	0.04
Net income for the period	**1.41**	4.17
Operating expenses	**(0.36)**	(0.46)
Interim dividend for the year ended June 30, 2016 @ Nil (Rs.Nil per share) [June 30, 2015 @ 44% (Rs.2.20 per share)]	**-**	(2.20)
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share) [June 30, 2014 @ 20% (Re.1.00 per share)]	**(1.25)**	(1.00)
Net assets value per share at the end of the year	**11.27**	11.47

The annexed notes from 1 to 32 form an integral part of these financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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 Limited (formerly: Karachi and Lahore Stock Exchange Limited). The Company is a closed-end mutual fund and its principal activity is to make investment in marketable securities.

1.2 The Company is 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) and JCR-VIS Credit Rating Company Limited (JCR-VIS) have assigned Asset Manager / Management Quality Rating of 'AM3+' to the Management Company dated June 08, 2016 and May 04, 2016 respectively. The Pakistan Credit Rating Agency (PACRA) has also assigned Company performance ranking of "MFR 4-Star" to the Company in performance period of 1 year, 3 year and 5 year category on June 29, 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(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 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 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 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 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. BASIS OF PREPARATION

2.1 Statement of compliance

These 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.

2.2 New and amended standards and interpretations

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above accounting standards did not have any effect on the financial statements, except for IFRS 13, which requires certain additional disclosures (see note 24).

2.3 Accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 3.2.1, 3.2.4, 3.2.5 and 5.

2.4 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

2.5 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term investments having original maturities of less than three months.

3.2 Financial assets

3.2.1 Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

This category has two sub-categories, namely; financial instruments held-for-trading, and those designated at fair value through profit or loss upon initial recognition.

- Investments which are acquired principally for the purposes of generating profit from short-term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short-term profit taking are classified as held-for-trading.

- Investments designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with the documented risk management / investment strategy.

These investments are initially recognised at fair value, being the cost of the consideration given.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available-for-sale are valued as follows:

a) Basis of valuation of equity securities

Investments in equity securities are valued on the basis of closing quoted market prices available at the stock exchange.

Investments in non-traded equity securities are valued on the basis of the valuation criteria laid down in clause 66 of NBFC Regulations.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the income statement.

Net gains and losses arising on changes in fair value of available-for-sale financial assets are taken to other comprehensive income until these are derecognised. At this time, the cumulative gain or loss, previously shown under other comprehensive income, is transferred to the income statement as capital gain / (loss).

3.2.5 Impairment

The Company assesses at each reporting date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement - is reclassified from other comprehensive income to income statement. Impairment losses recognised on equity instruments are not reversed through the income statement.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by SECP.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.4 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is measured to its fair value and resultant gain or loss is recognised in the income statement.

3.5 Proposed dividend and transfer between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividend are declared / transfers are made.

3.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

The Company is exempt from taxation under clause 99 of Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realized and unrealized capital gains for the year is distributed amongst the Company's unit holders. The Company is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

- Dividend income on equity securities is recognised in the income statement when the right to receive the dividend is established.

- Unrealised gains / (losses) arising on re-measurement of securities classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

- Unrealized gains / (losses) arising on the revaluation of securities classified as ‘available-for-sale’ are included in the statement of comprehensive income in the period in which they arise.

- Profit on bank balances is recognised on an accrual basis.

3.9 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, interpretations and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, interpretations and amendments:

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above standards and interpretations, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	**Effective date (annual periods beginning on or after)**
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

	Note	**June 30, 2016**	**June 30, 2015**
		---------- (Rupees in '000) ----------	
4. BANK BALANCES			
PLS savings accounts	4.1	**66,060**	101,161
Current accounts		**6,219**	6,257
		72,279	107,418

4.1 Profit rates on PLS saving accounts range between 3.75% to 5.5% (June 30, 2015: 4.5% to 6%) per annum.

5. INVESTMENTS

	Note	**June 30, 2016**	**June 30, 2015**
Financial assets classified as 'at fair value through profit or loss'			
- Quoted equity securities - held-for-trading	5.1	**1,753,020**	1,670,527
Available-for-sale			
- Quoted equity securities	5.2	**1,480**	1,480
		1,754,500	1,672,007

5.1 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 June 30, 2016			Percentage in relation to		
		Opening balance	Purchases during the year	Bonus / rights issue	Sales during the year	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	16,451	-	-	5,000	11,451	3,836	4,225	389	0.24	0.25	0.01
Dewan Farooque Motors Limited	10	-	391,500	-	-	391,500	3,678	5,544	1,866	0.32	0.32	0.36
							7,514	9,769	2,255			
Automobile parts and accessories												
Atlas Battery Limited	10	4,346	-	-	-	4,346	3,057	2,529	(528)	0.14	0.15	0.02
Thal Limited	5	509,000	-	-	-	509,000	145,284	144,057	(1,227)	8.21	8.40	0.63
							148,341	146,586	(1,755)			
Cable and electrical goods												
Johnson & Phillips (Pakistan) Limited	10	17,000	-	-	-	17,000	350	347	(3)	0.02	0.02	0.31
Pakistan Cables Limited	10	269,900	25,200	-	-	295,100	48,882	50,320	1,438	2.87	2.94	1.04
TPL Trakker Limited	10	803,000	-	-	803,000	-	-	-	-	-	-	-
							49,232	50,667	1,435			
Cement												
Dewan Cement Limited	10	2,479,500	2,157,500	-	2,679,500	1,957,500	34,276	28,345	(5,931)	1.62	1.65	0.40
Javedan Corporation Limited	10	3,661,800	1,231,000	-	-	4,892,800	155,350	144,191	(11,159)	8.22	8.41	3.91
							189,626	172,536	(17,090)			
Chemical												
Archroma Pakistan Limited	10	140,580	-	-	-	140,580	64,216	68,512	4,296	3.90	4.00	0.41
Buxly Paints Limited	10	36,500	-	-	-	36,500	1,331	1,442	111	0.08	0.08	2.53
Dynea Pakistan Limited	5	361,733	-	-	-	361,733	17,725	16,459	(1,266)	0.94	0.96	1.92
Ghani Gases Limited	10	72	-	48	-	120	3	2	(1)	0.00	0.00	0.00
Lotte Chemical Pakistan Limited	10	-	250,000	-	250,000	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	10	672,500	-	-	-	672,500	13,450	20,175	6,725	1.15	1.18	0.61
							96,725	106,590	9,865			
Commercial banks												
BankIslami Pakistan Limited	10	966,928	593,000	-	-	1,559,928	16,460	16,426	(34)	0.94	0.96	0.15
NIB Bank Limited	10	5,872,955	400,000	-	-	6,272,955	12,463	11,981	(482)	0.68	0.70	0.06
Summit Bank Limited	10	11,628,659	1,161,500	-	10,850,000	1,940,159	7,547	5,801	(1,746)	0.33	0.34	0.11
							36,470	34,208	(2,262)			
Engineering												
Aisha Steel Mills Limited	10	-	3,210,000	-	4,000	3,206,000	17,633	24,782	7,149	1.41	1.45	1.18
Huffaz Seamless Pipe Industries Limited	10	391,745	-	-	-	391,745	7,138	6,856	(282)	0.39	0.40	0.71
International Steels Limited	10	-	79,500	-	-	79,500	2,192	2,832	640	0.16	0.17	0.02
							26,963	34,470	7,507			

Name of the investee company	Face value per share	Number of shares					Balance as at June 30, 2016			Percentage in relation to		
		Opening balance	Purchases during the year	Bonus / rights issue	Sales during the year	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					
Fertilizer												
Dawood Hercules Corporation Limited	10	-	250,000	-	250,000	-	-	-	-	-	-	-
Engro Corporation Limited	10	-	776,000	-	776,000	-	-	-	-	-	-	-
							-	-	-			
Food and personal care products												
Engro Foods Limited	10	-	250,000	-	250,000	-	-	-	-	-	-	-
Murree Brewery Company Limited	10	3,300	31,000	-	9,300	25,000	16,250	15,450	(800)	0.88	0.90	0.11
Quice Food Industries Limited	10	5,791,500	1,749,500	-	2,586,500	4,954,500	44,945	40,776	(4,169)	2.32	2.38	5.03
ZIL Limited	10	115,155	-	-	115,155	-	-	-	-	-	-	-
							61,195	56,226	(4,969)			
Glass and ceramics												
Balochistan Glass Limited	10	110,000	-	-	-	110,000	451	531	80	0.03	0.03	0.06
Shabbir Tiles & Ceramics Limited	5	1,291,937	-	-	-	1,291,937	11,485	9,909	(1,576)	0.56	0.58	0.54
							11,936	10,440	(1,496)			
Insurance												
Adamjee Insurance Company Limited	10	-	115,000	-	115,000	-	-	-	-	-	-	-
Century Insurance Company Limited	10	463,312	-	-	76,500	386,812	8,123	9,461	1,338	0.54	0.55	0.85
Habib Insurance Company Limited	5	300,183	-	-	-	300,183	5,679	4,875	(804)	0.28	0.28	0.24
Pakistan Reinsurance Company Limited	10	67,500	-	-	-	67,500	1,951	2,043	92	0.12	0.12	0.02
TPL Direct Insurance Limited	10	301,686	-	-	-	301,686	6,749	5,385	(1,364)	0.31	0.31	0.40
							22,502	21,764	(738)			
Inv. banks / inv. cos. / securities cos.												
First Capital Securities Corporation Limited	10	317,605	-	-	317,605	-	-	-	-	-	-	-
Jahangir Siddiqui & Co. Ltd.	10	-	1,500,000	300,000	1,800,000	-	-	-	-	-	-	-
JS Investments Limited	10	-	394,000	-	-	394,000	6,943	5,437	(1,506)	0.31	0.32	0.49
							6,943	5,437	(1,506)			
Leasing companies												
Security Leasing Corp.(Pref) 9.1%	10	1,489	-	-	-	1,489	2	2	-	0.00	0.00	0.01
							2	2	-			
Miscellaneous												
MACPAC Films Limited	10	809,129	-	-	-	809,129	14,807	15,373	566	0.88	0.90	2.08
Pakistan Services Limited	10	13,400	-	-	-	13,400	6,633	9,041	2,408	0.52	0.53	0.04
Siddiqsons Tin Plate Limited	10	2,005,000	-	-	500,000	1,505,000	13,259	16,194	2,935	0.92	0.94	1.92
							34,699	40,608	5,909			
Oil and gas exploration companies												
Oil & Gas Development Company Limited	10	-	1,645,900	-	895,900	750,000	96,477	103,553	7,076	5.90	6.04	0.02
Pakistan Petroleum Limited	10	-	150,000	-	-	150,000	17,775	23,258	5,483	1.33	1.36	0.01
							114,252	126,811	12,559			

Name of the investee company	Face value per share	------- Number of shares -------					Balance as at June 30, 2016			Percentage in relation to		
		Opening balance	Purchases during the year	Bonus / rights issue	Sales during the year	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 -----------					
Oil and gas marketing companies												
Sui Northern Gas Pipelines Limited **	10	4,318,050	4,376,500	-	3,350,000	5,344,550	147,444	193,955	46,511	11.05	11.31	0.84
Sui Southern Gas Company Limited	10	3,394,000	425,000	-	3,819,000	-	-	-	-	-	-	-
							147,444	193,955	46,511			
Paper and board												
Merit Packaging Limited	10	800,657	-	-	-	800,657	15,461	13,563	(1,898)	0.77	0.79	1.99
Pakistan Paper Products Limited	10	226,500	-	-	-	226,500	13,556	15,368	1,812	0.88	0.90	3.78
							29,017	28,931	(86)			
Pharmaceuticals												
GlaxoSmithKline Pakistan Limited	10	-	370,000	-	370,000	-	-	-	-	-	-	-
							-	-	-			
Power generation and distribution												
Japan Power Generation Limited	10	-	2,314,500	-	-	2,314,500	12,086	9,235	(2,851)	0.53	0.54	1.48
K-Electric Limited	3.5	17,888,000	3,646,000	-	3,000,000	18,534,000	154,311	149,384	(4,927)	8.51	8.71	0.07
Sitara Energy Limited	10	263,151	-	-	-	263,151	9,737	9,118	(619)	0.52	0.53	1.38
							176,134	167,737	(8,397)			
Refinery												
Attock Refinery Limited	10	-	50,000	-	50,000	-	-	-	-	-	-	-
							-	-	-			
Sugar and allied industries												
Imperial Sugar Limited	10	378,000	-	-	-	378,000	1,890	1,886	(4)	0.11	0.11	0.38
Noon Sugar Mills Limited	10	29,461	-	-	29,461	-	-	-	-	-	-	-
Shahtaj Sugar Mills Limited	10	24,537	-	-	-	24,537	2,106	2,441	335	0.14	0.14	0.20
Shakarganj Limited	10	5,128,002	300,000	2,023,991	1,721,000	5,730,993	82,319	89,518	7,199	5.10	5.22	5.21
							86,315	93,845	7,530			
Synthetic and rayon												
Rupali Polyester Limited	10	12,701	-	-	-	12,701	155	114	(41)	0.01	0.01	0.04
							155	114	(41)			
Technology and communication												
Hum Network Limited	1	-	118,000	-	-	118,000	1,269	1,213	(56)	0.07	0.07	0.01
Pakistan Telecommunication Company Limited	10	2,012,500	678,000	-	-	2,690,500	55,718	40,438	(15,280)	2.30	2.36	0.07
Telecard Limited	10	2,018,500	-	-	-	2,018,500	8,599	6,177	(2,422)	0.35	0.36	0.67
TRG Pakistan Limited * ***	10	7,566,027	225,000	1,192,890	3,653,000	5,330,917	143,670	178,852	35,182	10.19	10.43	0.98
Worldcall Telecom Limited	10	388,000	50,000	-	-	438,000	930	858	(72)	0.05	0.05	0.05
							210,186	227,538	17,352			

Name of the investee company	Face value per share	Opening balance	Purchases during the year	Bonus / rights issue	Sales during the year	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
		Number of shares					Balance as at June 30, 2016			Percentage in relation to		
							Rupees in '000					
Textile composite												
Dawood Lawrencepur Limited	10	62,159	-	-	-	62,159	7,148	11,213	4,065	0.64	0.65	0.11
Ishaq Textile Mills Limited	10	6,500	-	-	-	6,500	69	57	(12)	0.00	0.00	0.07
Kohinoor Mills Limited	10	80,500	-	-	-	80,500	1,393	1,626	233	0.09	0.09	0.16
Sapphire Fibres Limited	10	47	-	-	-	47	27	26	(1)	0.00	0.00	0.00
							8,637	12,922	4,285			
Textile spinning												
Crescent Fibres Limited	10	42,000	-	-	-	42,000	1,827	1,676	(151)	0.10	0.10	0.34
Din Textile Mills Limited	10	54,729	-	-	-	54,729	7,183	4,630	(2,553)	0.26	0.27	0.24
Ellcot Spinning Mills Limited	10	855,554	25,500	-	-	881,054	56,466	64,661	8,195	3.69	3.77	8.05
Fazal Cloth Mills Limited	10	12,406	-	-	-	12,406	1,799	1,762	(37)	0.10	0.10	0.04
Fazal Textile Mills Limited	10	33,700	-	-	33,700	-	-	-	-	-	-	-
Gadoon Textile Mills Limited	10	-	65,901	-	-	65,901	13,227	8,474	(4,753)	0.48	0.49	0.24
Island Textile Mills Limited	10	40,000	600	-	-	40,600	30,064	38,367	8,303	2.19	2.24	8.12
Saif Textile Mills Limited	10	217,000	-	-	-	217,000	4,720	3,856	(864)	0.22	0.22	0.82
							115,286	123,426	8,140			
Textile weaving												
Prosperity Weaving Mills Limited	10	84,591	-	-	-	84,591	2,779	2,580	(199)	0.15	0.15	0.46
							2,779	2,580	(199)			
Transport												
Pakistan International Container Terminal Limited	10	25,600	20,600	-	-	46,200	12,878	15,546	2,668	0.89	0.91	0.04
							12,878	15,546	2,668			
Vanaspati and allied industries												
Punjab Oil Mills Limited	10	199,000	35,000	-	-	234,000	44,868	62,478	17,610	3.56	3.64	4.34
S.S.Oil Mills Limited	10	180,100	-	-	-	180,100	5,133	7,834	2,701	0.45	0.46	3.18
							50,001	70,312	20,311			
Total listed equity securities as at June 30, 2016							**1,645,232**	**1,753,020**	**107,788**			
Total listed equity securities as at June 30, 2015							1,423,216	1,670,527	247,311			

* 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 1.31% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations. Subsequent to the year end the exposure has been regularised within the prescribed limit of 10%.

*** The exposure limit of investment in a single company as a percentage of net assets exceeded by 0.43% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations. Subsequent to the year end the exposure has been regularised within the prescribed limit of 10%.

5.2 **Quoted equity securities - 'available-for-sale'**

Name of the investee company	Note	Number of shares: Opening balance	Purchases during the year	Bonus / rights issue	Sales during the year	Closing balance	Balance as at June 30, 2016: 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) ---------					
Leasing companies												
Security Leasing Corp. (Pref.) 9.1%	5.2.1	1,000,000	-	-	-	1,000,000	10,166	-	-	0.08	0.09	8.89
Less: Impairment							(8,686)					
							1,480	1,480	-			
Total listed equity securities as at June 30, 2016							**1,480**	**1,480**	**-**			
Total listed equity securities as at June 30, 2015							1,480	1,480	-			

5.2.1 Security Leasing Corporation Limited has deferred the payment of 3rd and 4th redemption pertaining to 1,000,000 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 break-up value (per share of Security Leasing Corporation Limited) as per the financial statements for the nine months ended March 31, 2015 is Rs.1.48, which is lower than the par value. Therefore, 1,000,000 shares have been valued at Rs.1.48 per share. Negotiations are currently underway with the investee company to recover the outstanding amount of preference shares.

		Note	2016	2015
			(Rupees in '000)	
6.	**DIVIDEND AND PROFIT RECEIVABLE**			
	Dividend receivable		**460**	-
	Profit receivable on bank balances		**50**	159
			510	159
7.	**SECURITY DEPOSIT**			
	National Clearing Company of Pakistan Limited		**2,750**	2,750
8.	**PAYABLE OF THE MANAGEMENT COMPANY**			
	Remuneration payable	8.1	**2,830**	2,692
	Sales tax on management fees	14	**460**	468
	Others	8.2	**600**	600
	Expenses allocated by the Management Company	8.3	**141**	-
			4,031	3,760

8.1 The Management Company is entitled to remuneration for services rendered to the Company under the provisions of the amended NBFC Regulations dated November 25, 2015, of an amount not exceeding 2 percent of the average daily net assets of the Company. The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Company.

8.2 This represents amount payable to the Management Company being legal charges borne by the Company for defending itself against the law suit filed in respect of clause 65 of the NBFC Regulations as more fully explained in note 1.4 above.

8.3 This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

		Note	2016	2015
			(Rupees in '000)	
9.	**ACCRUED AND OTHER LIABILITIES**			
	Annual fee payable to SECP	9.1	**1,588**	1,597
	Brokerage payable		**78**	493
	Custodian fee / charges		**77**	79
	Auditors' remuneration		**274**	231
	Unclaimed amount due to shareholders on reduction of share capital		**45**	45
	Withholding tax payable		**13**	2
	Accrued expenses		**611**	1,788
	Sales tax payable to CDC		**11**	-
	Federal excise duty on management fee	15	**16,592**	11,244
	Others		**200**	206
			19,489	15,685

9.1 This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Company is required to pay SECP an amount equal to 0.095% (June 30, 2015: 0.095%) of the average daily net assets.

10. SHARE CAPITAL

Issued, subscribed and paid-up capital

2016	2015	Fully paid Ordinary shares of Rs.5 each	2016	2015
------- Number of shares -------			---------- (Rupees in '000) ----------	
110,591,593	110,591,593	Issued for cash	**552,958**	552,958
41,506,751	41,506,751	Issued as bonus shares	**207,534**	207,534
152,098,344	152,098,344		**760,492**	760,492

10.1 AKD Investment Management Limited and AKD Securities Limited held 24,782,895 (June 30, 2015: 24,782,895) and 2,889 (June 30, 2015: 2,889) shares respectively of the Company as at June 30, 2016. Other related parties as disclosed in note 21 held 5,560,135 shares (June 30, 2015: 9,259,719 shares) as at June 30, 2016.

10.2 Pattern of shareholding of the Company as at June 30, 2016 is as follows:

Category	Share holding		
	Share holders	Number of Shares	Percentage
Individuals	**6,321**	**115,495,687**	**75.93**
Associated companies and directors	**9**	**30,345,919**	**19.95**
Joint stock companies	**53**	**1,335,112**	**0.88**
Insurance companies	**2**	**411,554**	**0.27**
Banks and DFIs	**7**	**3,213,688**	**2.11**
NBFCs	**5**	**84,684**	**0.06**
Public limited companies	**2**	**187,610**	**0.13**
Others	**8**	**1,024,090**	**0.67**
Total	**6,407**	**152,098,344**	**100**

10.3 Pattern of shareholding of the Company as at June 30, 2015 was as follows:

Category	Share holding		
	Share holders	Number of shares	Percentage
Individuals	6,223	106,415,815	69.97
Associated companies and directors	12	34,045,503	22.38
Joint stock companies	62	8,503,091	5.59
Insurance companies	2	67,141	0.04
Banks and DFIs	7	2,223,410	1.46
NBFCs	5	84,684	0.06
Public limited companies	3	373,610	0.25
Others	7	385,090	0.25
Total	6,321	152,098,344	100

11. NET ASSETS VALUE PER SHARE

	2016	2015
	---------- (Rupees in '000) ----------	
Total net assets	**1,714,315**	1,744,806
Total shares in issue	**152,098,344**	152,098,344
Net assets value per share - Rupees	**11.27**	11.47

12. CONTINGENCIES AND COMMITMENTS

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

13. GAIN ON SALE OF INVESTMENTS - NET

	2016	2015
	(Rupees in '000)	
Quoted equity securities classified as - 'financial assets at fair value through profit or loss' - net	**66,796**	344,293

14. SALES TAX ON MANAGEMENT FEE

Sindh sales tax at the rate of 14% (June 30, 2015: 15%) on gross value of management fee including FED is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

15. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Company, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

Subsequent to the year end, the Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be ‘Ultra Vires’ the Constitution. The management is however of the view that since the Federal Government still has the right to appeal against the order, the previous balance of FED shall not be reversed.

The Company, in view of the pending decision and as a matter of abundant caution, has made a provision for FED with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.16.592 million (June 30, 2015: Rs.11.244 million).

16. AUDITORS' REMUNERATION

	2016	2015
Annual audit fee	**200**	200
Half yearly review fee	**120**	120
Fee for review of statement of compliance with the code of corporate governance	**30**	30
	350	350
Sales tax	**21**	18
Out of pocket expenses	**88**	56
	459	424

17. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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 Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

As per the legal counsel handling the case, the constitutional petition filed by the CIS to challenge the WWF contribution has not been affected by SHC judgment.

The Management Company as a matter of prudence, has decided to retain the provision for WWF amounting to Rs.54.216 million (June 30, 2015: Rs.54.216 million) up to June 30, 2015. Had the provision not been made, the NAV per share would have been higher by Re.0.36 (3.16%) per share (June 30, 2015: Re.0.36 (3.11%) per share).

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made till June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

18. 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. 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.

	2016	2015
	(Rupees in '000)	
19. EARNINGS PER SHARE - BASIC		
Net income after taxation	**159,632**	564,823
	Number of shares	
Weighted average number of Ordinary shares	**152,098,344**	152,098,344
	(Rupees)	
Earnings per share - basic	**1.05**	3.71

19.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2016 and 2015.

	2016	2015
	(Rupees in '000)	
20. CASH AND CASH EQUIVALENTS		
Bank balances	**72,279**	107,418

21. 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 Dhedhi Securities (Private) Limited, AKD Securities Limited, other collective schemes managed by the Management Company, directors, officers and other connected persons of the Management Company, and directors of the Company and their connected persons.

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

21.1 Transactions during the year	2016	2015
	(Rupees in '000)	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**33,425**	33,618
Cash dividend paid @ 25% i.e. Rs.1.25 per share (June 30, 2015: 20% i.e. Re.1.00 per share)	**30,979**	34,915
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	56,726
Expenses allocated by the Management Company	**690**	-
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (June 30, 2015: 20% i.e. Re.1.00 per share)	**2,616**	2,093
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	4,604
AKD Securities Limited - Group Company		
Brokerage	**431**	456
Cash dividend paid @ 25% i.e. Rs.1.25 per share (June 30, 2015: 20% i.e. Re.1.00 per share)	**4**	3
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	6

	2016	2015
	---------- (Rupees in '000) ----------	
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (June 30, 2015: 20% i.e. Re.1.00 per share)	**564**	601
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	992
Oil & Gas Investment Limited - Group Company		
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	2,200
Directors of the Company		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (June 30, 2015: 20% i.e. Re.1.00 per share)	**3,959**	6,701
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	14,874
Purchase of shares of Company	**8**	300
Sale of shares of Company	**18,200**	-
Key Management Personnel		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (June 30, 2015: 20% i.e. Re.1.00 per share)	**100**	80
Interim dividend paid @ Nil i.e. Rs.Nil per share (June 30, 2015: 44% i.e. Rs.2.20 per share)	**-**	176
Central Depository Company of Pakistan Limited (Custodian)		
Fee charged during the year (including transaction charges)	**1,260**	1,393
AKD Opportunity Fund - Common Management Company		
Purchase of shares	**-**	46,740
Sale of shares	**-**	145,233
AKD Capital Limited - Group Company		
Purchase of shares	**-**	2,500
Aqeel Karim Dhedhi Securities (Private) Limited - Group Company		
Purchase of shares	**-**	28,667
Mr. Aqeel Karim Dhedhi - Chairman of the Group		
Purchase of shares	**-**	49,208
BIAFO Industries Limited - Key Management Personnel		
Dividend received during the period	**-**	5,717
Javedan Corporation Limited - Common Directorship		
Purchase of shares	**36,012**	98,517

21.2 Balances outstanding at year end

	2016	2015
	---------- (Rupees in '000) ----------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**2,830**	2,692
Sales Tax Provincial on Management Remuneration	**460**	468
Federal Excise Duty on Management Remuneration	**16,592**	11,244
Expenses allocated by the Management Company	**141**	-
Others	**600**	600
Shares in issue (No. of shares: June 30, 2016: 24,782,895; June 30, 2015: 24,782,895)	**123,914**	123,914
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (No. of shares: June 30, 2016: 2,092,812; June 30, 2015: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (No. of shares: June 30, 2016: 2,889; June 30, 2015: 2,889)	**14**	14
Brokerage payable	**-**	2
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (No. of shares: June 30, 2016: 451,046; June 30, 2015: 451,046)	**2,255**	2,255
Directors of the Company		
Shares of the Company held (No. of shares: June 30, 2016: 3,016,277; June 30, 2015: 6,715,861)	**15,081**	33,579
Key Management Personnel of the Company		
Shares of the Company held (No. of shares: June 30, 2016: 80,000; June 30, 2015: 80,000)	**400**	400
Central Depository Company of Pakistan Limited - Custodian		
Fee payable (including transaction charges)	**77**	79
Javedan Corporation Limited - Common Directorship		
Shares held by the Company (No. of shares: June 30, 2016: 4,892,800; June 30, 2015: 3,661,800)	**144,191**	119,338

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company holds following financial instruments at the year end.

22.1 Financial instruments by category

	As at June 30, 2016				
Assets	Loans and receivables	Assets at fair value through profit or loss	Available-for-sale	Held to maturity	Total
	(Rupees in '000)				
Bank balances	**72,279**	**-**	**-**	**-**	**72,279**
Investments	**-**	**1,753,020**	**1,480**	**-**	**1,754,500**
Dividend and profit receivable	**510**	**-**	**-**	**-**	**510**
Security deposit	**2,750**	**-**	**-**	**-**	**2,750**
	75,539	**1,753,020**	**1,480**	**-**	**1,830,039**

	As at June 30, 2016		
Liabilities	Liabilities at fair value through profit or loss	At Amortised cost	Total
	(Rupees in '000)		
Payable to the Management Company	**-**	**3,571**	**3,571**
Accrued and other liabilities	**-**	**1,264**	**1,264**
Unclaimed dividend	**-**	**38,193**	**38,193**
	-	**43,028**	**43,028**

	As at June 30, 2015				
Assets	Loans and receivables	Assets at fair value through profit or loss	Available-for-sale	Held to maturity	Total
	(Rupees in '000)				
Bank balances	107,418	-	-	-	107,418
Receivable against sale of investments	76,131	-	-	-	76,131
Investments	-	1,670,527	1,480	-	1,672,007
Dividend and profit receivable	159	-	-	-	159
Security deposit	2,750	-	-	-	2,750
	186,458	1,670,527	1,480	-	1,858,465

	As at June 30, 2015		
Liabilities	Liabilities at fair value through profit or loss	At Amortised cost	Total
	(Rupees in '000)		
Payable against purchase of investments	-	3,780	3,780
Payable to the Management Company	-	3,292	3,292
Accrued and other liabilities	-	2,824	2,824
Unclaimed dividend	-	36,342	36,342
	-	46,238	46,238

22.2 Risk management objective

The Company's objective in managing risks is the creation and protection of shareholders' value. Risk is inherent in the Company's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Management Company and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept. The Management Company, AKD Investment Management Limited, supervises the overall risk management approach within the Company. The Company is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

22.3 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market price of securities due to change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: foreign currency risk, interest rate risk and equity price risk.

22.3.1 Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees, which is the functional currency.

22.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on management of bank balances and certain investments.

A summary of the Company's interest rate gap position, categorized by maturity date, is as follows:

On-balance sheet financial instruments	Yield / Effective interest rate / return (%)	June 30, 2016 Exposed to Yield / interest rate risk upto three months	More than three months and upto one	More than one year	Not exposed to Yield / interest rate risk	Total
		(Rupees in '000)				
Financial assets						
Bank balances	3.75 to 5.5	66,060	-	-	6,219	72,279
Investments	-	-	-	-	1,754,500	1,754,500
Dividend and profit receivable	-	-	-	-	510	510
Security deposit	-	-	-	-	2,750	2,750
		66,060	-	-	1,763,979	1,830,039
Financial liabilities						
Payable to the Management Company	-	-	-	-	3,571	3,571
Accrued and other liabilities	-	-	-	-	1,264	1,264
Unclaimed dividend	-	-	-	-	38,193	38,193
		-	-	-	43,028	43,028
On-balance sheet gap		66,060	-	-	1,720,951	1,787,011

On-balance sheet financial instruments	Yield / Effective interest rate / return (%)	June 30, 2015 Exposed to Yield / interest rate risk upto three months	More than three months and upto one	More than one year	Not exposed to Yield / interest rate risk	Total
		(Rupees in '000)				
Financial assets						
Bank balances	4.5 to 6	101,161	-	-	6,257	107,418
Receivable against sale of investments	-	-	-	-	76,131	76,131
Investments	-	-	-	-	1,672,007	1,672,007
Dividend and profit receivable	-	-	-	-	159	159
Security deposit	-	-	-	-	2,750	2,750
		101,161	-	-	1,757,304	1,858,465
Financial liabilities						
Payable against purchase of investments	-	-	-	-	3,780	3,780
Payable to the Management Company	-	-	-	-	3,292	3,292
Accrued and other liabilities	-	-	-	-	2,824	2,824
Unclaimed dividend	-	-	-	-	36,342	36,342
		-	-	-	46,238	46,238
On-balance sheet gap		101,161	-	-	1,711,066	1,812,227

As at June 30, 2016, the balances that may be exposed to interest rate risk are as follows:

	June 30, 2016	June 30, 2015
	------- (Rupees in '000) -------	
Variable rate instruments		
Bank balance	**66,060**	101,161
Fixed rate instruments		
Preference shares	**1,480**	1,480

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's income and other comprehensive income.

	Increase / (decrease) in basis points	Effect on income before tax
	----- (Rupees in '000) -----	
2016	**100**	**661**
	(100)	**(661)**
2015	100	1,012
	(100)	(1,012)

22.3.3 Equity price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares. The equity price risk exposure arises from the Company's investments in equity securities for which prices in the future are uncertain. The Company policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines or the requirements of the NBFC Regulations.

The Company manages the risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Company with overall limit of 30% to a single industry sector of the net assets of the Company (the limit set by the NBFC Regulations). The Company also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation.

Details of the Company's investment in industrial / economic sector are given in note 5.1.

The following table illustrates the sensitivity of the income for the year and the equity to an increase or decrease of 5% in the fair values of the Company's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

	June 30, 2016	June 30, 2015
	------- (Rupees in '000) -------	
Income statement	**87,651**	83,526
Equity	**87,725**	83,600

22.4 Credit risk

Credit risk arises from the inability of the counterparties to fulfil their obligations in respect of financial instruments contracts. All investing transactions are settled / paid for upon delivery using approved brokers. The Company's policy is to enter into financial instruments contract by following internal guidelines such as approving counterparties and carrying out transactions through approved brokers. The credit risk also arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

The analysis below summarises the credit risk of the Company's financial assets:

	June 30, 2016	June 30, 2015
	------- (Rupees in '000) -------	
Bank balances	**72,279**	107,418
Receivable against sale of investment	**-**	76,131
Investments	**1,480**	1,480
Dividend and profit receivable	**510**	159
Total	**74,269**	185,188

All deposits with NCCPL are highly rated and risk of default is considered minimal.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentration of credit risk.

	2016	2015
Rating category	------- (Rupees in '000) -------	
A1+	**71,678**	106,492
A	**601**	-
A-3	**-**	926
Unrated	**1,990**	77,770
	74,269	185,188

The maximum exposure to credit risk before any credit enhancement as at June 30, 2016 is the carrying amount of the financial assets.

Impairment

An analysis of the financial assets that are individually impaired as per the requirements of Circular No. 13 dated May 04, 2009 and Circular No. 33 dated October 24, 2012 issued by the SECP are as under:

	As at June 30, 2016			As at June 30, 2015		
	Total outstanding amount	Payment over due (in days)		Total outstanding amount	Payment over due (in days)	
		1-365	Above 365		1-365	Above 365
	(Rupees in '000)					
Investments	**10,166**	**-**	**10,166**	10,166	-	10,166

A substantial portion of this amount is already provided for. See note 5.2.

22.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company is not materially exposed to liquidity risk as all obligations / commitments of the Company are short-term in nature and are restricted to the extent of available liquidity and the significant assets of the Company are readily disposable in the market.

The table below summaries the maturity profile of the Company's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

	As at June 30, 2016			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	(Rupees in '000)			
Liabilities				
Payable to Management Company	**3,571**	**3,571**	**-**	**-**
Accrued and other liabilities	**1,264**	**990**	**274**	**-**
Unclaimed dividend	**38,193**	**38,193**	**-**	**-**
	43,028	**42,754**	**274**	**-**

	As at June 30, 2015			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	(Rupees in '000)			
Liabilities				
Payable against purchase of investments	3,780	3,780	-	-
Payable to Management Company	3,292	3,292	-	-
Accrued and other liabilities	2,824	2,593	231	-
Unclaimed dividend	36,342	36,342	-	-
	46,238	46,007	231	-

The composition of the Company's investment portfolio, KIBOR rates and rates announced by Financial Market Association is expected to change over time. Further, in case of variable rate instruments, the sensitivity analysis has been done from last repricing date. Accordingly, the sensitivity analysis prepared as of June 30, 2016 is not necessarily indicative of the impact on the Company's net assets of future movements in interest rates.

23. CAPITAL RISK MANAGEMENT

The Company is a closed end fund. The Company has a limited number of shares subscribed at the Company's inception. However, further public offering may be made at the Company's discretion. The Company's shares are not redeemable directly with the Company; instead shares are traded on the stock exchange at a price that is either at a premium or discount to the shares net asset value.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and to maintain a strong capital base to meet unexpected losses or opportunities. In accordance with the NBFC Regulations the Company is required to distribute at least ninety percent of it's income from sources other than unrealised capital gains as reduced by such expenses as are chargeable to the Company.

In order to maintain or adjust the capital structure, the Company may adjust dividend paid to shareholders or issue new shares.

24. 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 no affect on the financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet 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 June 30, 2016			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Investment in securities - at fair value through profit or loss	**1,753,018**	**-**	**2**	**1,753,020**
Investment in securities - available-for-sale	**-**	**-**	**1,480**	**1,480**
	1,753,018	**-**	**1,482**	**1,754,500**

	As at June 30, 2015			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
ASSETS				
Investment in securities - at fair value through profit or loss	1,670,525	-	2	1,670,527
Investment in securities - available-for-sale	-	-	1,480	1,480
	1,670,525	-	1,482	1,672,007

During the year ended June 30, 2016, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

25. CORRESPONDING FIGURES

Prior year's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

26. NON-ADJUSTING EVENT AFTER REPORTING PERIOD

The Board of Directors of the Company in their meeting held on September 05, 2016 have proposed a final cash dividend at Rs.1.05 per share for the year ended June 30, 2016 (June 30, 2015: cash dividend @ Rs.1.25 per share).

The Finance Act, 2015 introduced a tax on every public company at the rate of 10% of such undistributed reserves which exceeds the amount of its paid up capital. However, this tax shall not be applied in case of a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months from the end of the year.

Based on the fact that the Board of Directors of the Company has proposed 100% payout out of its after tax profit for the year ended June 30, 2016 which exceeds the above prescribed minimum dividend requirement, the Company believes that it would not eventually be liable to pay tax on its undistributed reserves as of June 30, 2016.

27. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Golden Arrow Selected Stocks Fund Limited (GASSFL) are as follow:

	Designation	Qualification	Experience in years
Mr. Imran Motiwala	Chief Executive Officer - (GASSFL & AKDIML)	BBA	22
Ms. Anum Dhedhi	Chief Investment Officer and Fund Manager of GASSFL and AKDOF	BSc	5
Mr. Muhammad Yaqoob	Chief Operating Officer, Company Secretary	MBA	12
Mr. Nadeem Saulat Siddiqui	Head of Public Relations Director - AKDIML	MBA	23
Ms. Noureen Nadir	Head of Internal Audit and Risk Management	ACA	6
Ms. Laraib Mohib	Fund Manager of AKDITF	BBA	2
Mr. Abdul Rehman	Fund Manager of AKDCF and AKDAIF	BBA	1

27.1 Ms. Anum Dhedhi is the Manager of the Fund. AKD Opportunity Fund is also being managed by the Fund Manager.

28. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The Board meetings were held on September 17, 2015, October 28, 2015, February 16, 2016 and April 25, 2016. Information in respect of attendance by the Directors in the meetings is given below:

	Name of Director	Number of meetings		
		Held	Attended	Leave
1	Mr. Ahmed Abdul Sattar (late) *	4	4	0
2	Mr. Imran Motiwala	4	4	0
3	Ms. Anum Dhedhi	4	4	0
4	Mr. Aurangzeb Ali Naqvi	4	3	1
5	Mr. Muhammad Siddiq Khokhar	4	4	0
6	Mr. Abdul Karim Memon	4	3	1
7	Mr. Muzammil Abdul Karim	4	4	0

The election of Directors took place on May 09, 2016 and SECP granted their approval on August 12, 2016.

*Mr. Ahmed Abdul Sattar passed away on May 02, 2016. Mr. Javaid Bashir Sheikh contested against Mr Haroon in second EOGM held on August 10, 2016 and got elected, by 99.96 % majority votes, as a director in place of Mr. Ahmed Abdul Sattar (Late).

29. LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

For the year ended June 30, 2016

Name of Broker	
Investment Managers Securities (Private) Limited	**15.47%**
A. I. Securities (Private) Limited	**15.46%**
AKD Securities Limited	**14.73%**
Fortune Securities Limited	**14.40%**
Next Capital Limited	**9.09%**
Habib Metropolitan Financial Services Limited	**7.80%**
Taurus Securities Limited	**5.40%**
Creative Capital Securities (Private) Limited	**3.96%**
First Capital Equities Limited	**3.30%**
Cassim Investments (Private) Limited	**1.48%**

For the year ended June 30, 2015

Name of Broker	
A.I. Securities (Pvt.) Limited	14.41%
AKD Securities Limited	14.37%
Creative Capital Securities (Pvt.) Limited	14.20%
Investment Managers Securities (Pvt.) Limited	12.80%
Taurus Securities Limited	10.12%
Habib Metropolitan Financial Services Limited	5.06%
Cassim Investment (Pvt) Limited	4.50%
Optimus Capital Management (Pvt) Limited	3.96%
Next Capital Limited	3.54%
Pearl Securities Limited	3.08%

30. 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 year.

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 the Company does not hold any significant investment in any one investee company.

31. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on September 5, 2016.

32. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2016

No. of Shareholders	Having Shares From	Having Shares To	Shares Held	Percentage
613	1	100	19,835	0.01
1,276	101	500	361,816	0.24
698	501	1000	588,666	0.39
1,745	1001	5000	4,900,057	3.22
673	5001	10000	5,366,914	3.53
282	10001	15000	3,550,921	2.33
196	15001	20000	3,596,960	2.36
163	20001	25000	3,778,000	2.48
110	25001	30000	3,117,233	2.05
78	30001	35000	2,572,418	1.69
66	35001	40000	2,504,122	1.65
33	40001	45000	1,427,535	0.94
79	45001	50000	3,894,271	2.56
26	50001	55000	1,368,634	0.90
23	55001	60000	1,341,158	0.88
22	60001	65000	1,376,957	0.91
20	65001	70000	1,374,557	0.90
15	70001	75000	1,100,126	0.72
20	75001	80000	1,567,608	1.03
7	80001	85000	577,000	0.38
9	85001	90000	793,979	0.52
9	90001	95000	836,683	0.55
30	95001	100000	2,995,500	1.97
10	100001	105000	1,036,750	0.68
16	105001	110000	1,734,368	1.14
9	110001	115000	1,009,015	0.66
8	115001	120000	946,354	0.62
12	120001	125000	1,481,751	0.97
7	125001	130000	895,579	0.59
8	130001	135000	1,069,756	0.70
6	135001	140000	827,000	0.54
3	140001	145000	432,671	0.28
6	145001	150000	895,000	0.59
4	150001	155000	608,000	0.40
3	155001	160000	475,659	0.31
6	160001	165000	975,375	0.64
2	165001	170000	332,000	0.22
2	170001	175000	346,500	0.23
2	180001	185000	367,000	0.24
4	185001	190000	744,962	0.49
2	190001	195000	382,934	0.25
6	195001	200000	1,200,000	0.79
5	205001	210000	1,039,005	0.68
2	215001	220000	440,000	0.29
3	220001	225000	666,190	0.44
2	225001	230000	454,390	0.30
1	235001	240000	240,000	0.16
5	245001	250000	1,242,272	0.82
2	250001	255000	509,000	0.33
2	255001	260000	513,789	0.34
1	260001	265000	265,000	0.17
1	275001	280000	277,000	0.18
1	280001	285000	282,000	0.19
2	285001	290000	573,000	0.38
1	290001	295000	290,986	0.19
6	295001	300000	1,800,000	1.18
1	300001	305000	300,500	0.20
1	305001	310000	309,500	0.20
1	310001	315000	313,500	0.21
1	315001	320000	319,750	0.21
1	320001	325000	322,870	0.21
1	325001	330000	325,750	0.21
1	330001	335000	335,000	0.22
2	345001	350000	700,000	0.46
2	365001	370000	734,000	0.48
1	385001	390000	389,558	0.26
1	390001	395000	392,500	0.26
4	395001	400000	1,600,000	1.05
3	400001	405000	1,209,484	0.80
1	405001	410000	410,000	0.27
1	415001	420000	419,000	0.28
1	420001	425000	420,500	0.28
1	430001	435000	434,000	0.29
2	445001	450000	896,062	0.59
1	450001	455000	451,046	0.30
1	460001	465000	464,000	0.31
1	470001	475000	475,000	0.31
1	480001	485000	483,000	0.32
2	490001	495000	989,844	0.65
1	495001	500000	500,000	0.33
1	510001	515000	515,000	0.34
1	535001	540000	540,000	0.36
1	570001	575000	575,000	0.38
1	595001	600000	600,000	0.39
1	640001	645000	642,000	0.42
1	660001	665000	663,750	0.44
1	670001	675000	671,500	0.44
1	675001	680000	676,084	0.44
1	700001	705000	704,523	0.46
1	705001	710000	706,403	0.46
1	715001	720000	716,500	0.47
1	775001	780000	775,500	0.51
1	795001	800000	796,000	0.52
1	865001	870000	866,500	0.57
1	885001	890000	885,500	0.58
1	920001	925000	922,866	0.61
1	975001	980000	980,000	0.64
1	995001	1000000	1,000,000	0.66
1	1060001	1065000	1,060,891	0.70
1	1080001	1085000	1,082,812	0.71
1	1095001	1100000	1,100,000	0.72
1	1130001	1135000	1,131,187	0.74
1	1255001	1260000	1,260,000	0.83
1	1765001	1770000	1,770,000	1.16
1	2090001	2095000	2,092,812	1.38
1	2580001	2585000	2,581,501	1.70
1	2595001	2600000	2,600,000	1.71
1	2995001	3000000	3,000,000	1.97
1	3005001	3010000	3,010,000	1.98
1	6825001	6830000	6,830,000	4.49
1	24780001	24785000	24,782,895	16.29
6,407			**152,098,344**	**100.00**

CATEGORIES OF SHARE HOLDERS

AS AT JUNE 30, 2016

PARTICULARS	SHARE HOLDERS	SHARE HOLDING	PERCENTAGE
INDIVIDUALS	6,321	115,495,687	75.93%
INVESTMENT COMPANIES	-	-	-
INSURANCE COMPANIES	2	411,554	0.27%
JOINT STOCK COMPANIES	53	1,335,112	0.88%
FINANCIAL INSTITUTIONS	7	3,213,688	2.11%
NBFCs	5	84,684	0.06%
FOREIGN COMPANIES	-	-	-
ASSOCIATE & DIRECTORS	9	30,345,919	19.95%
PUBLIC LIMITED COMPANIES	2	187,610	0.13%
OTHERS	8	1,024,090	0.67%
TOTAL	**6,407**	**152,098,344**	**100.00%**

DETAILS OF PATTERN OF SHAREHOLDING

AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2016

PARTICULARS	SHARES HELD	PERCENTAGE
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES		
AKD INVESTMENT MANAGEMENT LIMITED	24,782,895	16.29
AKD SECURITIES LIMITED	2,889	0.00
AQEEL KARIM DHEDHI SECURITIES (PVT.) LIMITED STAFF PROVIDENT FUND	2,092,812	1.38
AKD INVESTMENT MANAGEMENT LIMITED STAFF PROVIDENT FUND	451,046	0.30
NIT	10,000	0.01
ICP	11,760	0.01
DIRECTORS, CHIEF EXECUTIVE & THEIR SPOUSE AND MINOR CHILDREN		
MR. ABDUL KARIM MEMON	3,010,000	1.98
MR. MUHAMMAD SIDDIQ KHOKHAR	2,777	0.00
MR. IMRAN MOTIWALA	1,000	0.00
MS. ANUM DHEDHI	1,000	0.00
MR. MUZAMMIL ABDUL KARIM	1500	0.00
EXECUTIVES	80,000	0.05
PUBLIC SECTOR COMPANIES AND CORPORATIONS	187,610	0.13
BANKS, DEVELOPMENT FINANCE INSTITUTIONS NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES MODARABA AND MUTUAL FUNDS	3,688,166	2.42
INDIVIDUALS	115,495,687	75.88
OTHERS	2,359,202	1.55
TOTAL	**152,098,344**	**100.00**

PROXY DETAILS ISSUED

FOR THE YEAR ENDED JUNE 30, 2016

As per the requirement of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Board of Directors of AKD Investment Management Limited (the Management Company) has formulated Proxy Voting Policy, which is available on the Management Company's website (www.akdinvestment.com).

Subsequent to formulation of the policy, Golden Arrow Selected Stocks Fund Limited did not participate in 10 shareholders' meeting. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	**5**	**5**	**0**	**0**	**-**
(%ages)	**100**	**100**	**0**	**0**	**-**

Detailed information regarding actual proxies voted by Golden Arrow Selected Stocks Fund Limited will be provided to the Shareholders without any charges upon request.

SIX YEARS KEY FINANCIAL DATA AT A GLANCE

	2011	2012	2013	2014	2015	2016
	(Rupees '000)'					
Total Income	150,680	323,130	860,947	809,134	634,899	213,844
Operating Profit/ Net Income	123,331	290,165	802,871	734,748	564,823	159,632
Cash Dividend (Rupees)	0.75	1.20	2.10	4.30	3.45	1.05
Cash Dividend %	15.00	24.00	42.00	86.00	69.00	21.00
Stock Dividend (Rupees)	-	-	-	-	-	-
Stock Dividend %	-	-	-	-	-	-
Paid up Share Capital	760,492	760,492	760,492	760,492	760,492	760,492
Reserves and Unappropriated Profit	195,843	371,934	840,189	905,705	983,814	953,323
Net Assets	963,068	1,134,946	1,602,002	1,666,697	1,744,806	1,714,315
Earnings per Share (Rupees)	0.81	1.91	5.28	4.83	3.71	1.05
Break up Value per share(Rupees)	6.33	7.46	10.53	10.96	11.47	11.27
Ratio of:						
Operating profit to Income	0.82	0.90	0.93	0.91	0.89	0.75
Return on Net assets Employed	0.13	0.26	0.50	0.44	0.32	0.09

PERFORMANCE TABLE

	2016	2015	2014
PERFORMANCE TABLE	------------ Rupees in '000'	--------------	
Total net assets value	1,714,315	1,744,806	1,666,697
Net assets value per share - Rupees	11.27	11.47	10.96
Net Income for the year carried	159,632	564,823	734,748
Return of fund			
Income distribution	159,703	524,739	654,023
Accumulated capital growth	2,748,082	2,588,450	2,023,627
Distribution per share			
Annual - Rupees	1.05	1.25	1.00
Interim - Rupees	-	2.20	2.20
Interim - Rupees	-	-	1.10
	------------- Percentage	---------------	
Average annual return			
One Year	10%	40%	52%
Two Year	25%	46%	68%
Three Year	34%	59%	57%

- The income distribution have been shown against the year to which they relate although these were declared and distributed subsequently to the year end.
- Past performance is not necessarily indicative of future performance, and that share price and investment return may go down, as well as up.
- The breakdown of the Fund's investment portfolio between industry sectors has been disclosed in note 5 to the financial statements.

STATEMENT OF INCOME AND EXPENDITURE

OF THE MANAGEMENT COMPANY IN RELATION TO THE INVESTMENT COMPANY

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	Rupees in '000'	
INCOME		
Remuneration from Golden Arrow Selected Stocks Fund Limited	33,425	33,618
Dividend Income	30,979	91,641
	64,404	125,259
OPERATING EXPENSES		
Salaries, allowances and other benefits	20,197	20,536
Office rent	1,612	2,291
Printing and stationery	304	176
Vehicle running and maintenance	733	745
Travelling and conveyance	824	823
Repairs and maintenance	1,009	550
Legal and professional charges	2,722	2,618
Utilities	629	755
Communication	390	410
Depreciation	2,625	2,211
Insurance	615	612
Auditors' remuneration	147	203
Computer expenses	454	514
Entertainment / Office Supplies	420	532
Miscellaneous	181	272
Financial Cost	21	25
	32,883	33,273
NET PROFIT FOR THE YEAR	31,521	91,986

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SECP

PROXY FORM

ANNUAL GENERAL MEETING

I/We ____

of ____

being member(s) of Golden Arrow Selected Stocks Fund Limited holding ______________

ordinary Shares hereby appoint ______________________________

of ______________ or failing him / her ______________________________

of ______________ who is / are also member(s) of Golden Arrow Selected Stocks Fund Limited as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Saturday, October 15, 2016 at 11:00 a.m. and / or any adjournment thereof.

As witness my / our hand seal this ______________ day of ______________ 2016

Signed by ____

in the presence of ____

Shareholder Folio No.
CDC Participant I.D. No.
& Sub Account No.

Signature on Five Rupees Revenue Stamp

The Signature Should agree with the specimen registered with the Company

____

(Signature of Witness 1)

Name of Witness: ______________________

CNIC No.:

Address: ______________________

____

____

____

(Signature of Witness 2)

Name of Witness: ______________________

CNIC No.:

Address: ______________________

____

____

IMPORTANT:

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, 216-217, Continental Trade Centre, Block-8, Clifton, Karachi, not less than 48 hours before the time of holding the Meeting.

2. No person shall act as proxy unless he/her himself/hereself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

4. CDC Shareholders and their proxies are each requested to attach an attested photocopy of their CNIC or Passport with this proxy form before submission to the Company.

AKD Investment
Management Ltd.

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) Fax : 92-21-35303125
E-mail : info@akdinvestment.com   Website : www.akdinvestment.com