Golden Arrow
SELECTED STOCKS FUND LIMITED

Half Yearly Report
December 31, 2012
(Un-audited)

Half Yearly report

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman
Mr. Ahmed Abdul Sattar

Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Aurangzeb Ali Naqvi
Ms. Ayesha Aqeel Dhedhi
Mr. Muhammad Amin Hussain
Mr. Abdul Karim Memon
Miss Parveen Akhter Malik*

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

AUDIT COMMITTEE
Mr. Abdul Karim Memon (Chairman)
Mr. Aurangzeb Ali Naqvi (Member)
Mr. Muhammad Amin Hussain (Member)
Miss Ayesha Aqeel Dhedhi (Member)
Miss Parveen Akhter Malik (Member)*
Mr. Muhammad Yaqoob (Secretary)

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

INTERNAL AUDITORS
Rafaqat Mansha Mohsin
Dossani Masoom & Co.
Chartered Accountants
Suite 113, 3rd Floor,
Hafeez Centre, KCHS,
Block 7 & 8, Shahrah-e-Faisal,
Karachi - 75350.

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

AUDITORS
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
Karachi - 75530.

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

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

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

RATING
JCR-VIS: MFR 5-Star (3-year period)
JCR-VIS: MFR 5-Star (2-year period)
JCR-VIS: MFR 5-Star (1-year period)

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

*Subsequent to the period end, she has resigned from the Board and Audit Committee.

Mission Statement

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

Vision

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

DIRECTORS' REPORT

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its Half Yearly Report along with the Fund's accounts for the Half Year ended December 31, 2012.

Fund's Financial Performance

The NAV of Golden Arrow Selected Stocks Fund increased by 32.79% against benchmark KSE-100 Index by 22.49%, hence significantly outperforming the benchmark by 10.30%. During the period fund earned a profit of PKR. 345.481 million against a loss of PKR. 111.915 million. This was primarily due to performing of sectors in which fund invested.

Dividend

The Board of Directors of Golden Arrow Selected Stocks Fund Limited has approved interim cash dividend of Re. 1 / share for the half year ended December 31, 2012 in the meeting held on February 21, 2013.

Macro Perspective

During 1HFY13, improved United States-Pakistan ties led to much awaited disbursement of funds through Coalition Support Fund (CSF). Pakistan received $1.118 billion in Aug-12. This payment was received after a gap of 18 months; Pakistan had last received $633 million payment in Dec-10. Another payment of $688 million was received on December 28, 2012, which provided much needed respite to the depleting forex reserves.

Besides these adhoc payments, home remittances continued supporting the reserves at an appropriate level. On the contrary, foreign aids and donations stood at stalemate. During 1HFY13 remittances depicted a growth of 12.5% increasing to $7.116 billion as opposed to $6.325 billion received in the prior year corresponding period. Foreign exchange reserves held by the State Bank of Pakistan (SBP) demonstrated a hefty fall of $1.7 billion to slate down to $9.009 billion during the first half of the current fiscal year primarily due to mounting debt re-payments. However, reserves held by banks registered some improvement as they surged by $364.4 million to $4.799 billion in Dec-12 against $4.434 billion in June-12. Overall, a fall of $1.428 billion was witnessed in total liquid foreign reserves despite SBP's efforts to reduce foreign currency payments. It has already entered into two currency swap agreements with Turkey and China worth billion-dollar equivalent in each respective currency.

On the positive CPI inflation averaged at 8.32% for the first half of the current fiscal year. It continued to show a downward trend till Nov-12 where the CPI stood at 6.9% (the lowest in the last five and a half years) however CPI picked up for the second successive month in Jan-13 clocking in at 8.1, while seven months average CPI stood at 8.3% YOY. We expect full-year FY13 CPI to average at around 8.6%YoY for the fiscal year 2013 assuming 1.2%MoM incremental increase. Risks to inflationary pressure remains in view of 1) increasing pressure on PkR/US$ parity, 2) loose fiscal policy (fiscal deficit of 2.8% in 1HFY13) 3) further possible slippages ahead of general elections and 4) an uptrend in Core (NFNE and trimmed mean) inflation. SBP remained committed in playing its role for the kick start of the ailing economy capitalized on the declining inflation numbers and reduced the interest rates by 200bp in the first half of FY13 to stand at 9.5%. The basic purpose of the reduction of the discount rate was to boost private sector credit off-take in order to spur economy.

Equity Market

Declining interest rates, single digit CPI inflation numbers, higher global commodities, rising local cement prices and textile exports triggered KSE-100 to breach the all time high psychological barrier of 17,000 points in Dec-12. The index increased by 3,103.92 points during the period to close at 16,905.33 points witnessing a surge of 22.49% for the 1HFY2013. The index's average daily volumes for the period stood at

147.74 million shares a day. KSE was declared the 3rd exceptional performing market amongst its regional peers and held 9th position amid the global equity market for the calendar year 2012 where it posted an increase of 48%.

We feel proud to inform our valued shareholders that the Golden Arrow Selected Stocks Fund Limited has been ranked 1st in Asia out of nearly 7,300 funds and had been ranked 5th in the world out of 27,153 funds by Thomson Reuters Lipper for the calender year 2012.

We congratulate all our stakeholders for the global recognition that Golden Arrow Selected Stocks Fund has achieved. This performance of Golden Arrow Selected Stocks Fund Limited has only been possible because of the trust the shareholders have had in the Board of Directors, the Management Company, the commitment of our employees, and true support from our Regulator and all other stakeholders.

Future Outlook

We do not forsee further reduction in the discount rate in the coming months. CPI inflation is expected to increase from current level although it would remain below 9.5%, hikes in utility tariffs, depreciating local currency, increasing pressures on the external and fiscal account as well as Pakistan's potential re-entry into the IMF program.

Based on historical performance, we expect stock market to perform well as there is strong positive co-relation between index performance and Government election year. Government will continue to announce a series of populist measures which will focus on boosting economic activity in the short-term which will continue to bode well for the stock market.

Compared to regional markets the KSE-100 is trading at a PE of 7.95% P/E versus 14.69% P/E of the regional peers of based on forward earnings. Furthermore, the equity markets offer an attractive 2013 average dividend yield of 6.92% compared to the regional average of only 2.62% giving room for further upside potential. We advice investors to remain invested in the stock market.

Material Information

Refer to note no. 1.4 to the Condensed Interim Financial Statements, the Company subsequent to the period end convened a meeting of Shareholders in compliance with Regulation 65 of Non Banking Finance Companies & Notified Entities Regulations 2008 to decide on the resolutions to convert into open end scheme or winding up.

Following are the results of the Resolutions which were presented to the shareholders;

ORDINARY RESOLUTION "A"- Ordinary Resolution for Conversion of the Company into an Open End Scheme:

	Yes	No
Present & through Proxy	10.16%	89.84%
Issued Capital	6.28%	55.52%

SPECIAL RESOLUTION "B" - Special Resolution for Winding up of the Company:

	Yes	No
Present & through Proxy	0.0003%	99.997%
Issued Capital	0.0002%	51.8111%

Hence none of the Resolution has been passed by the shareholders.

For and on behalf of the Board

Imran Motiwala
Chief Execcutive Officer

Karachi: February 21, 2013

FUND MANAGER'S REPORT

The KSE-100 index increased by 3,103.92 points an appreciation of 22.49% to close at 16,905.33 for the period ending 31 December 2012. The Net Asset Value of your Fund closed at Rs8.54 (Ex-dividend) which represents an increase of 32.79% for the period. The Golden Arrow Selected Stocks Fund Limited (GASSFL) reported a profit of Rs. 345.481 million, an earnings per share of Rs2.27 as compared to a loss of Rs. 111.915 million (loss per share of Rs0.74) for the corresponding period last year.

Economy

For the period under review, Pakistan received foreign inflows of USD 1.12bn in Aug-12 and USD688mn in Dec-12 under the Coalition Support Fund, higher exports and record remittances; provided much needed respite to Pakistan's current account position. It is imperative to note however that despite these inflows, pressure on the external account continued and are expected to persist as major bilateral principal repayments of $1.6bn are due during the period of Feb-Jun 2013.

Furthermore, due to persistent current account pressures the local currency continued to face headwinds. Depleting foreign currency reserves on account of principal repayments to IMF, falling interest rates and scanty inflows in financial and capital accounts had all contributed towards Pak Rupee devaluation of 3.5% against the greenback in the 1HFY13.

On the inflation front, CPI stood at 7.93% in Dec-12, after gradually receding to a low of 6.93% in Nov-12 since rebasing of the Inflation Index. Improved inflation outlook coupled with a determination to promote private investment pushed SBP to further reduce the policy rate to single digit. The State Bank of Pakistan cut the discount rate by a hefty 150 bps in the first quarter and another 100bps during the second quarter; a cumulative reduction of 250bps for the first half of the fiscal year.

Equity Market Review

Karachi Stock Exchange continued to remain in the limelight with increased participation from retailers and high net worth individuals, while foreign institutional investors also remained net buyers. Monetary easing and better expected corporate results further supported the market bull-run with the index appreciating 22.49% to close at 16,905.33 points.

Volumes continued to improve on increased participation by retailers as second and third line stocks witnessed much higher volumes; which resulted in a healthy average daily volumes of 147.74 million shares a day for the first half year ended December 31, 2012.

The KSE-100 Index not only crossed the all-time high and key psychological barrier of 17,000 points it also provided equity investors with an astronomical return of 48 per cent for the calendar year 2012. In retrospect, the tremendous equity performance can be attributed to monetary easing, resolution of capital gains tax related issues, improved US ties, enhanced foreign portfolio inflows, growing consumerism and better corporate earnings. While the large cap stocks in the oil and gas exploration and banking sectors exhibited a dawdling growth, cement and textile stocks were among the top performers.

We feel proud to inform our valued shareholders that the Golden Arrow Selected Stocks Fund Limited had been ranked 1st in Asia amongst 7,300 Asian equity funds. It also achieved 5th position in the world out of 27,153 equity funds as per the report of Thomson Reuters Lipper for the calender year 2012.

We congratulate all our stakeholders for the global recognition that Golden Arrow Selected Stocks Fund Limited has achieved. This performance of Golden Arrow Selected Stocks Fund Limited has only been possible because of the trust the shareholders have in the Board of Directors, the Management Company, the commitment of our employees, and true support from our Regulator and all other stakeholders.

Fund Strategy and Outlook

The Fund continues to remain invested in equities with exposure of 98.52%, which reflects our view of strong market performance owing to broader based undervaluation of the market relative to the region.

Top five sector exposure as of June 30, 2012 and their quarter performance included,

Sector Name	% of NAV	Returns for the quarter ended December 31, 2012
Personal Goods	16.02%	28.6%
Commercial Banks	12.93%	11.7%
Chemicals	7.67%	3.0%
Gas Water & Multi-utilities	7.37%	0.5%
Food Producers	7.33%	11.7%

The much discussed US election campaign ended in Nov-12 with President Barack Obama being re-elected for a second term, defeating Republican challenger Mitt Romney. Global equity markets welcomed New Year 2013, where the US congress avoided economy-shaking US fiscal cliff when a "last-minute" deal was pushed through the US Congress.

In our view, the avoidance of fiscal cliff for now is far from actually solving the problem of the country's massive deficit, meaning imminent battles on deep spending cuts while the federal debt limit still looms in the coming weeks.

On the home front, general elections are now around the corner. More importantly, huge expenditure by Government on infrastructure and election campaigns is anticipated that would stimulate the economy in the foreseeable future as popular (short-term) measures are also expected, which could have a positive impact on stock performance.

Going forward, easing of oil prices in the international market, better export figures post ATP announced by the EU and higher sugar exports is expected to bode well for the external account position. However, this would partly be offset by stronger furnace oil imports as the Government gears up for lower load shedding in the coming days preceding the elections. Furthermore, we expect CPI inflation to remain under pressure as a consequence of higher food prices, upward revision in utility tariffs, upward revision of wheat support price and expected increase in CNG prices. Hence, maintaining interest rates at current levels could prove to be a very challenging task for the SBP.

KSE-100 as compared to its regional peers is trading at very low multiples with 2013 forward price to earnings of 7.95x compared to regional average of 14.69x, EPS growth of 9.50%, return on equity of 21.59% and dividend yield of 6.92% compared to regional average of 2.62% Based on the above fundamentals we believe interest both from the local and foreign front will remain upbeat. The KSE-100 Index had yielded a return of 20% over the past 10 years and with attractive valuations coupled with a declining interest scenario the Pakistani equities as an asset class is bound to outperform all other asset classes.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Golden Arrow Selected Stocks Fund Limited** (the Company) as at **31 December 2012,** and the related condensed interim Income Statement, condensed interim Distribution Statement, condensed interim Cash Flow Statement, condensed interim Statement of Changes in Equity, condensed interim Statement of Movement in Equity and Reserves - Per Share for the half-year then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial information"). The Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 1.4 to the accompanying condensed interim financial information 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.

Our conclusion is not qualified in respect of this matter.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Engagement Partner: Shabbir Yunus

Karachi: February 21, 2013

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2012

	Note	(Un-audited) December 31, 2012	(Audited) June 30, 2012
		------- (Rupees in '000) -------	
ASSETS			
Bank balances		**16,243**	14,569
Receivable against sale of investments		**435**	3,839
Investments	4	**1,314,380**	1,136,933
Dividends and other receivables		**362**	1,972
Security deposit		**2,750**	2,750
		1,334,170	1,160,063
LIABILITIES			
Payable against purchase of investments		**349**	-
Payable to Management Company		**2,546**	1,824
Provision for Workers' Welfare Fund	5	**18,359**	11,308
Accrued expenses and other liabilities		**2,182**	2,106
Unclaimed dividend		**12,480**	9,879
		35,916	25,117
NET ASSETS		**1,298,254**	1,134,946
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2012: 250,000,000) Ordinary shares of Rs.5 each		**1,250,000**	1,250,000
Issued, subscribed and paid-up capital			
152,098,344 (June 30, 2012: 152,098,344) Ordinary shares of Rs.5 each		**760,492**	760,492
General reserve		**500**	500
Undistributed income		**534,897**	371,934
Unrealised appreciation on re-measurement of investments classified as 'available-for-sale' - net		**2,365**	2,020
		1,298,254	1,134,946
		------- (Rupees in '000) -------	
NET ASSETS VALUE PER SHARE		**8.54**	7.46
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Note	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
		(Rupees in '000)			
Income					
Capital gain on sale of investments - net		**121,710**	2,685	**78,310**	3,345
Dividend income		**25,122**	34,054	**23,072**	30,994
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	4.3	**223,736**	(139,367)	**87,248**	(105,672)
Income on term finance certificates		**12**	2,198	**1,084**	786
Reversal of provision against debt security	7	**3,711**	-	**3,711**	-
Profit on bank deposits		**1,291**	839	**865**	660
Total income		**375,582**	(99,591)	**194,290**	(69,887)
Operating expenses					
Remuneration of Management Company		**12,250**	8,362	**6,102**	3,871
Sales tax on remuneration of Management Company		**1,960**	1,338	**976**	620
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		**582**	397	**290**	184
Remuneration of custodian - Central Depository Company of Pakistan Limited (CDC)		**447**	180	**235**	101
Auditors' remuneration		**164**	168	**95**	69
Legal and professional charges		**7**	7	**7**	3
Annual listing fee		**383**	289	**130**	216
Central depository system charges		**143**	150	**51**	13
Fees and subscription		**147**	352	**90**	211
Securities transaction cost		**2,429**	357	**1,667**	176
Provision against debt security	7	**3,711**	-	**-**	-
Bank charges		**4**	4	**2**	2
Directors' fee		**63**	36	**63**	21
Printing and postage		**685**	676	**685**	211
Advertisement		**75**	8	**75**	8
Provision for Workers' Welfare Fund	5	**7,051**	-	**3,677**	-
Total expenses		**30,101**	12,324	**14,145**	5,706
Income / (loss) before taxation		**345,481**	(111,915)	**180,145**	(75,593)
Taxation	8	**-**	-	**-**	-
Income / (loss) for the period		**345,481**	(111,915)	**180,145**	(75,593)
Other comprehensive income / (loss) for the period					
Unrealised appreciation / (diminution) during the period on re-measurement of investments classified as 'available-for-sale' - net		**345**	(343)	**(316)**	(166)
Total comprehensive income / (loss) for the period		**345,826**	(112,258)	**197,829**	(75,759)
		(Rupees)			
Earnings / (loss) per share - basic and diluted		**2.27**	(0.74)	**1.18**	(0.50)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	(Rupees in '000)			
Undistributed income brought forward	**371,934**	195,843	**354,752**	45,447
Net income / (loss) after taxation for the period	**345,481**	(111,915)	**180,145**	(75,593)
Final dividend for the year ended June 30, 2012 @ 24% (Rs.1.20 per share) [June 30, 2011 @ 15% (Re.0.75 per share)]	**(182,518)**	(114,074)	**-**	-
Undistributed income / (accumulated loss) carried forward	**534,897**	(30,146)	**534,897**	(30,146)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Income / (loss) before taxation	**345,481**	(111,915)	**180,145**	(75,593)
Adjustments for non-cash and other items				
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(223,736)**	139,367	**(87,248)**	105,672
Remuneration of the Management Company	**12,250**	8,362	**6,102**	3,871
Dividend income	**(25,122)**	(34,054)	**(23,072)**	(30,994)
Remuneration of custodian	**447**	180	**235**	101
	109,320	1,940	**76,162**	3,057
(Increase) / decrease in assets				
Receivable against sale of investments	**3,404**	60,205	**54,137**	-
Investments - net	**46,634**	61,206	**(5,817)**	59,738
Dividends and other receivables	**1,039**	573	**16**	688
	51,077	121,984	**48,336**	60,426
Increase / (decrease) in liabilities				
Payable against purchase of investments	**349**	(32,427)	**(8,881)**	(3,260)
Accrued expenses and other liabilities	**7,115**	(95)	**4,147**	113
	7,464	(32,522)	**(4,734)**	(3,147)
Net cash generated from operations	**167,861**	91,402	**119,764**	60,336
Remuneration paid to the Management Company	**(11,528)**	(9,078)	**(5,589)**	(3,792)
Remuneration paid to custodian	**(435)**	(198)	**(227)**	(104)
Dividend received	**25,693**	33,702	**24,766**	33,200
Net cash generated from operating activities	**181,591**	115,828	**138,714**	89,640
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(179,917)**	(111,076)	**(179,799)**	(111,050)
Net cash used in financing activities	**(179,917)**	(111,076)	**(179,799)**	(111,050)
Net increase in cash and cash equivalents	**1,674**	4,752	**41,085**	(21,410)
Cash and cash equivalents at the beginning of the period	**14,569**	10,047	**57,328**	36,209
Cash and cash equivalents at the end of the period	**16,243**	14,799	**16,243**	14,799

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Share capital	General reserve	Unrealised appreciation / (diminution) on re-measurement of investments classified as available-for sale - net	Undistributed income	Total
	(Rupees in '000)				
Balance as at September 30, 2011	760,492	500	6,056	45,447	812,495
Net loss for the period	-	-	-	(75,593)	(75,593)
Other comprehensive loss for the period	-	-	(166)	-	(166)
Total comprehensive loss for the quarter ended December 31, 2011	-	-	(166)	(75,593)	(75,759)
Balance as at December 31, 2011	760,492	500	5,890	(30,146)	736,736
Balance as at June 30, 2011	760,492	500	6,233	195,843	963,068
Net loss for the period	-	-	-	(111,915)	(111,915)
Other comprehensive loss for the period	-	-	(343)	-	(343)
Total comprehensive loss for the half year ended December 31, 2011	-	-	(343)	(111,915)	(112,258)
Final dividend for the year ended June 30, 2011 @ 15% (Re.0.75 per share)	-	-	-	(114,074)	(114,074)
Balance as at December 31, 2011	760,492	500	5,890	(30,146)	736,736
Balance as at September 30, 2012	760,492	500	2,681	354,752	1,118,425
Net income for the period	-	-	-	180,145	180,145
Other comprehensive loss for the period	-	-	(316)	-	(316)
Total comprehensive income for the quarter ended December 31, 2012	-	-	(316)		179,829
Balance as at December 31, 2012	760,492	500	2,365	354,752	1,298,254
Balance as at June 30, 2012	760,492	500	2,020	371,934	1,134,946
Net income for the period	-	-	-	345,481	345,481
Other comprehensive income for the period	-	-	345	-	345
Total comprehensive income for the half year ended December 31, 2012	-	-	345	345,481	345,826
Final dividend for the year ended June 30, 2012 @ 24% (Rs.1.20 per share)	-	-	-	(182,518)	(182,518)
Balance as at December 31, 2012	**760,492**	**500**	**2,365**	**534,897**	**1,298,254**

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	(Rupees)			
Net assets value per share at the beginning of the period	**7.46**	6.33	**7.35**	5.34
Capital gain on sale of investments - net	**0.80**	0.02	**0.51**	0.02
Dividend income	**0.17**	0.22	**0.16**	0.20
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**1.47**	(0.92)	**0.57**	(0.70)
Income on term finance certificates	**-**	0.02	**0.01**	0.01
Net income / (loss) for the period	**2.44**	(0.66)	**1.25**	(0.47)
Operating expenses	**(0.17)**	(0.08)	**(0.07)**	(0.03)
Unrealised appreciation on re-measurement of investments classified as 'available-for-sale'	**0.01**	-	**0.01**	-
Final dividend for the year ended June 30, 2012 @ 24% (Rs.1.20 per share) [June 30, 2011 @ 15% (Re 0.75 per share)]	**(1.20)**	(0.75)	**-**	-
Net assets value per share as at December 31	**8.54**	4.84	**8.54**	4.84

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

1. STATUS AND NATURE OF BUSINESS

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

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

1.3 JCR-VIS Credit Rating Company Limited has assigned a rating of 'AM3-' to the Management Company and Company performance ranking of "MFR 5-Star" to the Company.

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

Subsequent to the period end, in compliance with the 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 as per the majority specified in the said regulation. This fact has been communicated to the stock exchanges and the Securities and Exchange Commission of Pakistan.

2. STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors.

The condensed interim financial statements are presented in Pakistani Rupees which is the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of these condensed interim financial statements and financial risk management objectives and policies are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2012.

New and amended standards and interpretations

During the period, following amendments, interpretations and improvements to the accounting standards became effective:

IAS 1 Presentation of Financial Statements – Presentation of items of comprehensive income

IAS 12 Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the financial statements of the Company.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
		-------- (Rupees in '000) --------	
4. INVESTMENTS			
Financial assets at fair value through profit or loss			
- Quoted equity securities - held-for-trading	4.1	**1,301,401**	1,124,299
Available-for-sale			
- Quoted equity securities	4.2	**12,979**	12,634
		1,314,380	1,136,933

4.1 Quoted equity securities - financial assets at 'fair value through profit or loss'

Name of the investee company	Number of shares: Opening balance	Number of shares: Purchases during the period	Number of shares: Bonus / rights issue	Number of shares: Sales during the period	Number of shares: Closing balance	Balance as at December 31, 2012: Carrying cost	Balance as at December 31, 2012: Market value	Balance as at December 31, 2012: Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Percentage in relation to: Market value as percentage of net assets	Percentage in relation to: Investee paid-up capital
						----------- (Rupees in '000) -----------					
Shares of listed companies - fully paid Ordinary shares of Rs.10 each unless stated otherwise											
Chemicals											
Clariant Pakistan Limited	124,180	-	-	55,800	68,380	**12,103**	**17,656**	**5,553**	1.34	1.36	0.20
Dawood Hercules Chemicals Limited	-	68,500	-	68,500	-	**-**	**-**	**-**	-	-	-
Dynea Pakistan Limited (face value Rs.5 each)	895,233	-	-	-	895,233	**18,102**	**16,213**	**(1,889)**	1.23	1.25	4.74
Engro Corporation Limited	206,200	300,000	-	-	506,200	**51,725**	**46,591**	**(5,134)**	3.54	3.59	0.10
Engro Polymer & Chemicals Limited	-	1,995,500	-	-	1,995,500	**20,527**	**20,194**	**(333)**	1.54	1.56	0.30
Ghani Gases Limited	6,900	-	-	-	6,900	**64**	**120**	**56**	0.01	0.01	0.01
Sitara Chemical Industries Limited	247,071	-	-	247,071	-	**-**	**-**	**-**	-	-	-
						102,521	**100,774**	**(1,747)**			
Oil and Gas											
Attock Refinery Limited	50,000	-	-	50,000	-	**-**	**-**	**-**	-	-	-
Pakistan State Oil Company Limited	85,000	10,000	16,900	10,500	101,400	**20,022**	**23,546**	**3,524**	1.79	1.81	0.05
						20,022	**23,546**	**3,524**			
Forestry (Paper and Board)											
Century Paper and Board Mill Limited	357,590	-	118	357,000	708	**11**	**19**	**8**	0.00	0.00	-
						11	**19**	**8**			
Industrial Metals and Mining											
Crescent Steel and Allied Products Limited	258,035	791,500	-	-	1,049,535	**28,011**	**36,891**	**8,880**	2.81	2.84	1.86
International Steel Limited	382,965	-	-	-	382,965	**4,580**	**4,634**	**54**	0.35	0.36	0.09
International Industries Limited	500,000	-	-	132,000	368,000	**10,396**	**12,111**	**1,715**	0.92	0.93	0.31
Huffaz Seamless Pipe Industries Limited	20,245	408,500	-	-	428,745	**9,390**	**9,218**	**(172)**	0.70	0.71	0.77
						52,377	**62,854**	**10,477**			
Construction and Materials											
Cherat Cement Company Limited	582,484	250,047	-	832,531	-	**-**	**-**	**-**	-	-	-
D.G Khan Cement Company Limited	630,000	160,000	-	790,000	-	**-**	**-**	**-**	-	-	-
Fauji Cement Company Limited	-	1,700,000	-	1,700,000	-	**-**	**-**	**-**	-	-	-
Lafarge Pakistan Cement Limited	-	1,147,000	-	1,147,000	-	**-**	**-**	**-**	-	-	-
Shabbir Tiles & Ceramics Limited (Face value Rs.5 each)	257,793	-	-	-	257,793	**1,843**	**2,230**	**387**	0.17	0.17	0.18
						1,843	**2,230**	**387**			
General Industrials											
Cherat Packaging Limited	38,437	-	-	-	38,437	**1,107**	**1,423**	**316**	0.11	0.11	0.22
Merit Packaging Limited	349,615	105,000	-	420	454,195	**10,180**	**12,368**	**2,188**	0.94	0.95	9.58
Macpac Films Limited	-	296,629	-	-	296,629	**5,926**	**7,306**	**1,380**	0.56	0.56	0.76
Thal Limited (face value Rs.5 each)	598,007	-	48,050	123,500	522,557	**44,180**	**55,846**	**11,666**	4.25	4.30	0.64
						61,393	**76,943**	**15,550**			
Health Care Equipment and Services											
Shifa International Hospitals Limited	310,500	-	-	-	310,500	**9,607**	**12,585**	**2,978**	0.96	0.97	0.61
						9,607	**12,585**	**2,978**			

Name of the investee company	Number of shares: Opening balance	Number of shares: Purchases during the period	Number of shares: Bonus / rights issue	Number of shares: Sales during the period	Number of shares: Closing balance	Balance as at December 31, 2012: Carrying cost	Balance as at December 31, 2012: Market value	Balance as at December 31, 2012: Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Percentage in relation to: Market value as percentage of net assets	Percentage in relation to: Investee paid-up capital
						----------- (Rupees in '000) -----------					
Household Goods											
Tariq Glass Limited	1,166,271	-	-	1,166,271	-	**-**	**-**	**-**	-	-	-
						-	**-**	**-**			
Electronic and Electrical Goods											
Johnson & Phillips (Pakistan) Limited	79,287	-	-	34,000	45,287	**426**	**607**	**181**	0.05	0.05	0.83
Pakistan Cables Limited	14,357	-	-	14,357	-	**-**	**-**	**-**	-	-	-
						426	**607**	**181**			
Industrial Engineering											
Al-Ghazi Tractors Limited (face value Rs.5 each)	48,100	25,000	-	73,100	-	**-**	**-**	**-**	-	-	-
K.S.B. Pumps Company Limited	250,000	-	-	-	250,000	**13,655**	**16,250**	**2,595**	1.24	1.25	1.89
						13,655	**16,250**	**2,595**			
Industrial Transportation											
Pakistan International Bulk Terminal Limited	65,000	-	-	-	65,000	**650**	**650**	**-**	0.05	0.05	-
Pakistan National Shipping Corporation	298,808	-	-	100,000	198,808	**3,064**	**6,922**	**3,858**	0.53	0.53	0.15
						3,714	**7,572**	**3,858**			
Support Services					-						
TRG Pakistan Limited	23,950,060	3,806,500	-	1,280,000	26,476,560	**93,721**	**148,004**	**54,283**	11.26	11.40	6.87
						93,721	**148,004**	**54,283**			
Technology Hardware and Equipment											
TPL Trakker Limited	-	2,000,000	-	-	2,000,000	**17,250**	**18,080**	**830**	1.38	1.39	0.92
						17,250	**18,080**	**830**			
Automobile and Parts											
General Tyre & Rubber Co. of Pakistan Limited	152,892	-	-	-	152,892	**3,134**	**4,058**	**924**	0.31	0.31	0.26
Atlas Battery Limited	2,970	5,200	594	-	8,764	**1,794**	**2,018**	**224**	0.15	0.16	0.06
Atlas Honda Limited	116,121	-	-	-	116,121	**13,363**	**17,892**	**4,529**	1.36	1.38	0.14
Honda Atlas Cars (Pakistan) Limited	-	10,000	-	-	10,000	**182**	**195**	**13**	0.01	0.02	0.14
Exide Pakistan Limited	34,510	5,000	-	-	39,510	**7,095**	**11,655**	**4,560**	0.89	0.90	0.56
						25,568	**35,818**	**10,250**			
Beverages											
Shezan International Limited	100,000	-	-	100,000	-	**-**	**-**	**-**	-	-	-
Murree Brewery Company Limited	391,001	-	30,000	91,000	330,001	**30,048**	**43,910**	**13,862**	3.34	3.38	1.57
						30,048	**43,910**	**13,862**			

Name of the investee company	Number of shares					Balance as at December 31, 2012			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						(Rupees in '000)					
Food Producers											
Habib - ADM Limited (face value Rs.5 each)	74,889	-	-	-	74,889	**1,539**	**1,876**	**337**	0.14	0.14	0.19
JDW Sugar Mills Limited	5,073	6,500	-	-	11,573	**1,344**	**1,356**	**12**	0.10	0.10	0.02
Noon Pakistan Limited	31,689	-	-	-	31,689	**1,172**	**1,644**	**472**	0.13	0.13	0.61
Punjab Oil Mills Limited	100,000	-	-	1,000	99,000	**5,248**	**4,727**	**(521)**	0.36	0.36	1.84
Quice Food Limited	2,289,139	2,140,626	-	2,724,235	1,705,530	**18,836**	**16,817**	**(2,019)**	1.28	1.30	4.02
Quice Food Limited - Letters of right	900,626	1,159,500	-	2,060,126	-	**-**	**-**	**-**	-	-	-
Engro Foods Limited	-	700,000	-	600,000	100,000	**9,235**	**9,814**	**579**	0.75	0.76	0.01
Noon Sugar Mills Limited	590,591	311,500	-	-	902,091	**19,460**	**22,092**	**2,632**	1.68	1.70	5.46
Mitchell's Fruit Farms Limited	6,428	-	-	6,428	-	**-**	**-**	**-**	-	-	-
Sanghar Sugar Mills Limited	352,865	144,850	-	-	497,715	**7,722**	**10,900**	**3,178**	0.83	0.84	4.17
Shahtaj Sugar Mills Limited	24,537	-	-	-	24,537	**1,876**	**1,966**	**90**	0.15	0.15	0.20
Shakarganj Mills Limited	1,982,502	50,000	-	-	2,032,502	**26,145**	**24,593**	**(1,552)**	1.87	1.89	2.92
Kohinoor Sugar Mills Limited	-	34,000	-	-	34,000	**180**	**181**	**1**	0.01	0.01	0.31
National Foods Limited	-	11,900	-	100	11,800	**3,305**	**3,409**	**104**	0.26	0.26	0.03
Tandlianwala Sugar Mills Limited	85,863	-	-	49,500	36,363	**2,782**	**3,025**	**243**	0.23	0.23	0.03
Unilever Pakistan Limited (face value Rs.50 each)	-	1,620	-	-	1,620	**16,361**	**16,362**	**1**	1.24	1.26	0.01
						115,205	**118,762**	**3,557**			
Personal Goods											
Artistic Denim Mills Limited	2,057,472	-	-	-	2,057,472	**49,379**	**59,667**	**10,288**	4.54	4.60	2.45
Dawood Lawrencepur Limited	43,159	-	-	-	43,159	**2,677**	**1,975**	**(702)**	0.15	0.15	0.07
Fazal Cloth Mills Limited	1,211	-	128	-	1,339	**109**	**161**	**52**	0.01	0.01	0.01
Gul Ahmed Textile Mills Limited	369,647	-	-	-	369,647	**7,803**	**7,430**	**(373)**	0.57	0.57	0.29
Gul Ahmed Textile Mills Limited - Letters of right	-	258,929	-	-	258,929	**1,850**	**2,538**	**688**	0.19	0.20	-
Rupali Polyester Limited	12,701	-	-	-	12,701	**326**	**332**	**6**	0.03	0.03	0.04
Din Textile Mills Limited	1,067,209	124,500	-	646,500	545,209	**9,998**	**18,537**	**8,539**	1.41	1.43	2.67
Ellcot Spinning Mills Limited	1,074,554	-	-	199,000	875,554	**22,764**	**47,455**	**24,691**	3.61	3.66	8.00
Faisal Spinning Mills Limited	-	50,000	-	-	50,000	**2,750**	**3,700**	**950**	0.28	0.28	0.50
Indus Dyeing Manufacturing Co. Limited	29,780	-	-	29,780	-	**-**	**-**	**-**	-	-	-
Ishaq Textile Mills Limited	-	6,500	-	-	6,500	**42**	**110**	**68**	0.01	0.01	0.07
Island Textile Mills Limited	38,300	-	-	-	38,300	**7,931**	**38,300**	**30,369**	2.91	2.95	7.66
Masood Textile Mills Limited	469,170	-	-	-	469,170	**9,590**	**12,236**	**2,646**	0.93	0.94	0.78
Prosperity Weaving Mills Limited	84,591	-	-	-	84,591	**793**	**2,292**	**1,499**	0.17	0.18	0.46
Saif Textile Mills Limited	-	350,000	-	168,500	181,500	**2,468**	**4,193**	**1,725**	0.32	0.32	0.69
Sapphire Fibres Limited	47	-	-	-	47	**6**	**8**	**2**	0.00	0.00	-
Service Industries Limited	49,588	-	-	-	49,588	**8,228**	**8,281**	**53**	0.63	0.64	0.41
Suraj Cotton Mills Limited	502,082	-	-	502,000	82	**2**	**5**	**3**	0.00	0.00	-
ZIL Limited	214,835	-	-	100,000	114,835	**11,943**	**11,972**	**29**	0.91	0.92	2.16
						138,659	**219,192**	**80,533**			

Name of the investee company	Number of shares					Balance as at December 31, 2012			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						(Rupees in '000)					
Fixed Line Telecommunication											
PAK Datacom Limited	645,031	-	-	-	645,031	**40,566**	**36,934**	**(3,632)**	2.81	2.84	6.58
Pakistan Telecommunication Company Limited	-	437,500	-	30,000	407,500	**6,051**	**7,070**	**1,019**	0.54	0.54	0.01
Wateen Telecom Limited	-	1,000,000	-	-	1,000,000	**2,650**	**2,980**	**330**	0.23	0.23	0.16
WorldCall Telecom Limited	250,000	4,663,000	-	-	4,913,000	**13,849**	**12,429**	**(1,420)**	0.95	0.96	0.57
						63,116	**59,413**	**(3,703)**			
Electricity											
Karachi Electric Supply Company Limited	4,439,112	2,000,000	-	6,439,112	-	**-**	**-**	**-**	-	-	-
Kohinoor Energy Limited	1,453,750	2,300,000	-	25,000	3,728,750	**77,868**	**83,934**	**6,066**	6.39	6.47	2.20
Sitara Energy Limited	263,151	-	-	-	263,151	**4,342**	**7,500**	**3,158**	0.57	0.58	1.38
						82,210	**91,434**	**9,224**			
Media											
Hum Network Limited	404,414	150,000	-	-	554,414	**11,928**	**14,637**	**2,709**	1.11	1.13	11.09
						11,928	**14,637**	**2,709**			
Multiutilities (Gas and water)											
Sui Northern Gas Pipelines Limited	-	1,468,500	-	1,338,000	130,500	**3,086**	**3,034**	**(52)**	0.23	0.23	0.02
Sui Southern Gas Company Limited	4,288,740	1,475,500	-	1,756,500	4,007,740	**82,077**	**82,199**	**122**	6.25	6.33	0.45
						85,163	**85,233**	**70**			
Commercial Banks											
Askari Bank Limited	-	447,000	-	-	447,000	**7,054**	**7,697**	**643**	0.59	0.59	0.05
Summit Bank Limited	6,492,703	1,269,456	-	-	7,762,159	**25,030**	**23,054**	**(1,976)**	1.75	1.78	0.72
Bank Al-Habib Limited	525,000	-	-	195,000	330,000	**9,395**	**10,471**	**1,076**	0.80	0.81	0.03
United Bank Limited	90,541	-	-	90,541	-	**-**	**-**	**-**	-	-	-
Bank Al-Falah Limited	1,750,000	-	-	1,750,000	-	**-**	**-**	**-**	-	-	-
Habib Bank Limited	193,400	-	-	52,000	141,400	**15,956**	**16,658**	**702**	1.27	1.28	0.01
Habib Metropolitan Bank Limited	594,382	-	-	31,000	563,382	**9,724**	**10,620**	**896**	0.81	0.82	0.05
MCB Bank Limited	-	10,000	-	10,000	-	**-**	**-**	**-**	-	-	-
NIB Bank Limited	4,372,955	-	-	-	4,372,955	**8,702**	**11,501**	**2,799**	0.88	0.89	0.04
National Bank of Pakistan	-	275,000	-	25,000	250,000	**11,435**	**12,348**	**913**	0.94	0.95	0.01
Soneri Bank Limited	4,512,802	-	283,943	1,931,500	2,865,245	**19,076**	**20,315**	**1,239**	1.55	1.56	0.29
						106,372	**112,664**	**6,292**			
Non Life Insurance											
Adamjee Insurance Company Limited	-	75,000	-	75,000	-	**-**	**-**	**-**	-	-	-
Century Insurance Company Limited	451,312	-	-	-	451,312	**4,671**	**5,935**	**1,264**	0.45	0.46	0.99
Habib Insurance Company Limited	-	249,000	-	-	249,000	**3,200**	**3,147**	**(53)**	0.24	0.24	0.25
Premier Insurance Limited (face value Rs.5 each)	2,955,389	130,500	-	-	3,085,889	**21,862**	**26,414**	**4,552**	2.01	2.03	5.10
						29,733	**35,496**	**5,763**			

Name of the investee company	Number of shares					Balance as at December 31, 2012			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						(Rupees in '000)					
Pharma and Bio Tech											
Searle Pakistan Limited	270,000	-	-	270,000	-	**-**	**-**	**-**	-	-	-
Wyeth Pakistan Limited	5,079	5,250	-	-	10,329	**9,134**	**9,632**	**498**	0.73	0.74	0.07
						9,134	**9,632**	**498**			
Real Estate Investment and Services											
Pace Pakistan Limited	1,532,536	-	-	-	1,532,536	**3,126**	**4,582**	**1,456**	0.35	0.35	0.55
						3,126	**4,582**	**1,456**			
Financial Services											
First Capital Securities Corporation Limited	317,605	-	-	-	317,605	**861**	**1,162**	**301**	0.09	0.09	0.10
Security Leasing Corp. Ltd. - Preference shares	1,489	-	-	-	1,489	**2**	**2**	**-**	0.00	0.00	0.01
						863	**1,164**	**301**			
Total listed equity securities as at December 31, 2012						**1,077,665**	**1,301,401**	**223,736**			
Total listed equity securities as at June 30, 2012						**1,030,310**	**1,124,299**	**93,989**			

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

Name of the investee company	Number of shares: Opening balance	Number of shares: Purchases during the period	Number of shares: Bonus / rights issue	Number of shares: Sales during the period	Number of shares: Closing balance	Balance as at December 31, 2012: Cost	Balance as at December 31, 2012: Carrying value	Balance as at December 31, 2012: Market value	Balance as at December 31, 2012: Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Percentage in relation to: Market value as percentage of net assets	Percentage in relation to: Investee paid-up capital
						(Rupees in '000)						
Financial Services												
Security Leasing Corporation Limited (9.1% Preference shares)	1,000,000	-	-	-	1,000,000	10,166	3,295	3,295	-	0.25	0.25	2.10
Less: Impairment (note 4.2.1)						(6,871)						
						3,295						
General Industrials												
Siemens Engineering (Pakistan) Limited	12,500	-	-	-	12,500	7,319	9,339	9,684	345	0.74	0.75	0.15
Total listed equity securities - December 31, 2012						**10,614**	**12,634**	**12,979**	**345**			
Total listed equity securities - June 30, 2012						10,614	16,847	12,634	(4,213)			

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

4.3 Government Security - financial assets at 'fair value through profit or loss'

Particulars	Tenor	Face value: Opening balance	Face value: Purchases during the period	Face value: Disposed off during the period	Face value: Closing balance	Balance as at December 31, 2012: Cost	Balance as at December 31, 2012: Market value	Balance as at December 31, 2012: Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Percentage in relation to: Market value as percentage of net assets
		(Rupees in '000)								
Pakistan Investment Bonds - July 19, 2012	5 Years	-	25,000	25,000	-	-	-	-	-	-

		Note	(Un-audited) December 31, 2012	(Audited June 30, 2012
			------- (Rupees in '000) -------	
4.3	**Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net**			
	Market value of securities	4.1	**1,301,401**	1,124,299
	Less: Carrying value of securities	4.1	**1,077,665**	1,030,310
			223,736	93,989
4.4	**Net unrealised appreciation on re-measurement of investments classified as 'available-for-sale' - net**			
	Market value of securities	4.2	**12,979**	12,634
	Less: Carrying value of securities	4.2	**10,614**	10,614
			2,365	2,020
4.5	**Net unrealised appreciation in fair value of investments classified as 'available-for-sale'**			
	Market value of investments		**12,979**	12,634
	Less: Carrying value of investments		**(10,614)**	(10,614)
			2,365	2,020
	Less: Net unrealised appreciation in fair value of investments at the beginning of year		**(2,020)**	(6,233)
			345	(4,213)

5. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

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

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of abundant caution, has decided to retain and continue to make the provision for WWF which amounted to Rs.18.359 million (including Rs.7.059 million pertaining to the current period) (June 30, 2012: Rs.11.308 million) at the period end. Had the provision not been made, the net asset value per share of the Company would be higher by Re.0.12 (1.41%) per share [June 30, 2012: Re.0.07 (1.00%) per share] and the net income for the period would be increased by Re.0.05 per share.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2012.

7. REVERSAL OF PROVISION AGAINST DEBT SECURITY

During the current period, the Company made a provision against redemption amount receivable amounting to Rs.3.711 million in respect of a debt security, disposed off before June 30, 2012, which was reversed on receipt of the redemption amount.

8. TAXATION

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

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

9. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

	Half year ended December 31, 2012	Half year ended December 31, 2011
9.1 Transactions during the period	------- (Rupees in '000) -------	
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**12,250**	8,362
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**33,018**	20,637
AKD Securities Limited - Group Company		
Sale of shares of various companies	**14,039**	21,575
Purchase of shares of various companies	**91,075**	1,894
Brokerage	**161**	80
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**14,763**	9,227
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**2,511**	1,570

	Half year ended December 31, 2012	2011
	------- (Rupees in '000) -------	
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**721**	451
Key Management Personnel of the Company		
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**72**	50
Central Depository Company of Pakistan Limited - Custodian		
Fee charged during the year (including transaction charges)	**590**	330
AKD Opportunity Fund - Common Management Company		
Purchase of shares	**13,486**	-

9.2 Transactions outstanding at the period / year end

	(Un-audited) December 31, 2012	(Audited) June 30, 2012
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**2,546**	1,824
Shares in issue (number of shares: December 31, 2012: 27,515,395; June 30, 2012: 27,515,395)	**137,57**	137,577
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (number of shares: December 31, 2012: 2,092,812; June 30, 2012: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (number of shares: December 31, 2012: 2,889; June 30, 2012: 2,889)	**14**	14
Brokerage payable	**81**	6
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (number of shares: December 31, 2012: 601,046; June 30, 2012: 601,046)	**3,005**	3,005
Key Management Personnel of the Company		
Shares held by key management personnel		
Shares in issue (No. of shares: December 31, 2012: 6,366,304; June 30, 2012: 60,179)	**31,832**	301
Central Depository Company of Pakistan Limited - Custodian		
Fee payable	**70**	81
AKD Aggressive Income Fund - Common Management Company		
Receivable against sale of investment	**-**	3,712

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values as these financial assets and liabilities are short term in nature.

The Fund classifies fair value measurements of its investments using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

An analysis of the Fund's financial assets into relevant groupings is tabulated below:

	December 31, 2012			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments				
Financial assets at fair value through profit or loss	**1,301,399**	**-**	**2**	**1,301,401**
Available-for-sale	**9,684**	**-**	**3,295**	**12,979**
	1,311,083	**-**	**3,297**	**1,314,380**

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments				
Financial assets at fair value through profit or loss	1,124,297	-	2	1,124,299
Available-for-sale	9,339	-	3,295	12,634
	1,133,636	-	3,297	1,136,933

During the half year ended December 31, 2012, 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.

11. SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on February 21, 2013 have declared an interim dividend at the rate of 20% i.e. Re.1 per share (December 31, 2011: Nil). These condensed interim financial statements of the Company for the period ended December 31, 2012 do not include the effect of the dividend which will be accounted for in the financial statements of the Company subsequent to the period end.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 21, 2013 by the Board of Directors of the Company.

13. GENERAL

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

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

13.3 Figures for the quarter ended December 31, 2012 and the corresponding figures for the quarter ended December 31, 2012 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

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

AKD Investment Management Ltd.

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