Golden Arrow
SELECTED STOCKS FUND LIMITED

Half Yearly Report December 31, 2015 (Un-audited)

half yearly report

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN
Mr. Ahmed Abdul Sattar

DIRECTOR & CHIEF EXECUTIVE OFFICER
Mr. Imran Motiwala

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

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

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

REGISTRAR & SHARE TRANSFER OFFICE
JWAFFS Registrar Services (Pvt.) Ltd.
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)
JCR-VIS: AM3 (AM Three)

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 Director of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its interim account report along with the Fund's account for the first half of fiscal year 2016, ended December 31, 2015.

At the start of fiscal year 2016, the KSE-100 index continued its bullish trend, reaching a historic high of 36,471.68 on August 06, 2015 and closing at 32,816.31 as of December 31, 2015. The KSE-100 index recorded a negative return of 4.60% in the first half of fiscal year 2016, whereas MSCI frontier market index was down by 12.22%, meaning that the MSCI FMI underperformed KSE-100 index by 7.62%. Foreign portfolio investment net selling stood at USD240.68 million during the first half of fiscal year 2016. Going forward, Pakistan market is likely to witness a rebound in CY2016 with its likely up gradation from frontier market (FM) to Emerging Market (EM) by MSCI coupled with improving macro factors and CPEC contribution.

Fund's Financial Performance

For 1HFY16, the return of the Fund was -0.32% compared to the KSE-100 Index return of -4.6%, significantly outperforming KSE-100 Index benchmark by over 428bps.

Macro Perspective

The major macroeconomic indicators continued to exhibit improvements in the 1HFY16 based on the prudent monetary and fiscal policy, increased credit off take and higher remittances. CPI inflation during 1HFY16 clocked in 2.1%YoY as compared to 6.1%YoY in the corresponding period last year. Throughout 1HFY16, downward momentum of inflation was driven by soft international commodity and oil prices. Going forward, State Bank of Pakistan expects that average inflation in FY16 to range between 3%YoY to 4%YoY due to benign outlook of global commodity prices, expectation of moderate pickup in domestic demand and further ease in supply side constraints.

Large scale manufacturing (LSM) showed growth of 4.4%YoY during July-Nov FY16 as compared to 3.1%YoY in the same period last year. LSM benefited from falling international prices of key inputs, better energy situation, increased domestic demand for consumer durables and expansion of construction activities. In this regard, the real GDP is expected to maintain the previous growth momentum. It is expected that economic activity will improve further as infrastructure and energy projects under CPEC continue to materialize.

The total liquid foreign exchange reserves of Pakistan reached its highest level of USD 21.07 billion by end of 1HFY16 as compared to USD 15.27 billion at the end of 1HFY15. At the same time, International Monetary Fund (IMF) released ninth tranche of USD 498.10 million in December 2015 under the Extended Fund Facility. On Sept, 2013, IMF had approved the three-year extended financing arrangement of about USD 6.64billion for Pakistan of which USD 4.98 billion has been disbursed. Overseas Pakistani workers remitted to USD 9.74 billion in 1HFY16, as compared to USD 9.16 billion received during the corresponding period reflecting growth of 6.6%YoY.

The muted inflation and strengthening foreign exchange reserve had a favorable impact on overall economic activity. In this regard, State Bank of Pakistan announced policy rate cut of 50bps to 6% in the September Monetary Policy Statement (MPS).

Tax collection, on other hand, remained an uphill task as Federal Board of Revenue (FBR) collected PKR 1.37 trillion against its target of approximately PKR 1.39 trillion thus falling short by PKR 20 billion. Although, FBR has not been able to achieve its target but deficit has been considerably reduced on basis of controlled expenditure and increased revenues. During the July-December period, the FBR collections were PKR 198 billion more than the comparative period of the previous year, recording an increase of 16.9%.

Pakistan's overall balance of payment continued to strengthen in 1HFY16 as the imports of the country reduced by 8%YoY reaching USD 22.24 billion during the period under review as compared to USD 24.14 billion in the corresponding period last year. In addition, exports of 1HFY16 were recorded at USD10.32 billion as compared with USD 12.6 billion in the corresponding period, reflecting 14.4%YoY decline. This resulted in contraction of trade deficit to USD 11.92 billion in 1HYFY16 as compared with USD 12.1 billion in the corresponding period last year.

Equity market Review

The KSE-100 index started the FY16 on a positive note recording 3.9% return in the month of July; however index fell by 4.6% overall in 1HYF16. Primary reason for the underperformance of index was low investor confidence as NAB/FIA carried out investigations against brokers. Negative news flow continued internationally as well, as concerns over China's economic slowdown and US-Federal Reserve rate hike dampened KSE's performance. Consequently, foreign investors sold equity worth USD 241 million during 1HFY16 compared to net buying of USD 113 million in 1HFY15.

During the period under review, State Bank Of Pakistan (SBP) cut the discount rate by 50 basis points in September' 15 monetary policy statement, continuing the easing cycle from previous fiscal year. The primary reason for this move was historic low level of average CPI inflation, which recorded at a 2.08%YoY during 1HFY16, against 6.12%YoY in same period last year. However, these developments brought no excitement to the investors as negative sentiment outweighed the positive developments.

Weak prospects of regional capital markets and weak commodity prices remained to be a major obstacle in the way of sustained rally in the market. During 2QFY16, the prevailing uncertainty deepened further, as evident from investor's participation in the market which saw a QoQ decline of approximately 48% and 37% in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Future Outlook

Currently, Pakistan is facing severe energy crisis hurting competitiveness of companies, creating hurdles to economic progression and adversely affecting the trade deficit. However, China Pakistan economic corridor (CPEC) worth USD 46 billion is expected to spur high economic growth by boosting investment in transportation, infrastructure and addressing energy crisis. Pakistan witnessed strong improvement in economic fundamentals during CY15 due to low commodity prices, which led to improved current account position and low inflation. This has helped improve investor confidence as measured by various institutions/trade bodies like State Bank of Pakistan.

Going forward, we believe the economy of Pakistan is expected to achieve sustainable growth driven by low inflation, favorable commodity prices, increase in foreign exchange reserves and foreign remittances and growth in tax collection. Pakistan equity market is expected to be the top performing market in the CY16, where we expect KSE-100 index to witness a strong positive trajectory on the back of lower policy rate, improved economic outlook, materialization of privatization process and growth in corporate profitability. Moreover, MSCI's decision to review Pakistan for potential reclassification into emerging markets is another reflection of strengthening economic dynamics. A reclassification will improve the outlook of Pakistan's stock market and its exposure to foreign institutional investors.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 16, 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.

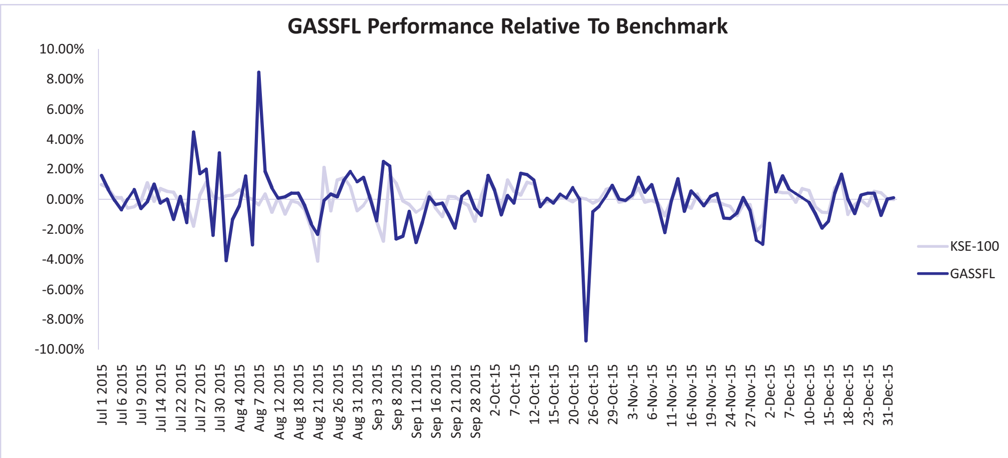
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For first half of fiscal year 2016, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) stood at a -0.32% versus the benchmark KSE-100 Index of -4.60%, thus significantly outperforming the benchmark by 4.28%.

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
Golden Arrow Selected Stock Fund	14.12%	-3.51%	-10.13%	7.32%	-5.31%	-0.87%
Benchmark – KSE-100 index	3.90%	-2.84%	-7.02%	6.11%	-5.86%	1.74%

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

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

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

Asset Allocation (% of Total Assets)	31-Dec-15	30-Sep-15
Equities	95.99%	94.30%
Cash	3.83%	4.63%
Other Assets	0.18%	1.07%
Leverage	Nil	Nil

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

1HFY16 Return	-0.32%
Benchmark Return	-4.60%

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:`

Net Asset Value			NAV Per Unit	
Dec-15	Sep-15	Change	Dec-15	Sep-15
(Rupees In "000")			Rs.	Rs.
1,559,553	1,725,985	-9.64%	10.25	11.35

Economy

The key macroeconomic indicators continued to exhibit improvements in 1HFY16 based on the prudent monetary and fiscal policy, increased credit off take and higher remittances. Headline Consumer Price Index (CPI) has been considerably low, reaching 2.1%YoY for 1HFY16 as compared to 6.1%YoY in the corresponding period last year. Subdued inflation was due to falling oil and commodity prices internationally. Keeping in view the bleak outlook of global commodities prices, expectation of a moderate pickup in domestic demand and further ease in supply side constraints, SBP expects that average inflation in FY16 to remain in the range of 3%YoY to 4%YoY.

Most important achievement on the macroeconomic front is continuous improvement in liquid foreign exchange reserves position. Total foreign reserves increased to USD 21.07 billion at the end of 1HFY16 as compared to USD 15.27 billion in the corresponding period of last year. Overseas Pakistani workers remitted USD 9.74 billion in 1HFY16, a growth of 6.26%YoY against remittance amounting to USD 9.16 billion received during the same period of the preceding year. In addition, International Monetary Fund (IMF) released its 9th tranche of USD 498.10 million in December 2015 under Extended Fund Facility. Previously, IMF had approved the three-year extended arrangement of about USD 6.64 billion for Pakistan of which USD 4.98 billion has been disbursed already.

LSM growth has witnessed an upward trajectory on the back of falling international prices of inputs, higher demand for consumer durables, expansion of construction activities and an improving energy situation. It showed growth of 4.4%YoY in 1HFY16 considerable improvement over 3.1%YoY in the same period last year. Looking 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).

Low inflation and strong FX reserves position created room for SBP to further ease the monetary policy. Resultantly, SBP slashed the policy rate by 50bps to 6% in the September'15 Monetary Policy Statement (MPS).

Despite the fact that FBR missed the target of revenue collection during the period under consideration; the country's fiscal deficit has been largely reduced due to controlled expenditures and increasing sales tax. FBR collected PKR 1.37 trillion during 1HFY16 as compared to a target of PKR 1.39 trillion, short by PKR 20 billion. During the period July-December 2015, FBR collected PKR 198 billion more than they had collected in the corresponding period of last year, an increase of 16.9%YoY.

Balance of payment position of Pakistan continued to improve in the period under review, as the imports reduced by 8%YoY in 1HFY16 to USD 22.14 billion from USD 24.14 billion 1HFY15. Exports were also on a declining trend during 1HFY16, as they fell by 14.4%YoY reaching USD 10.32 billion. However, trade deficit reduced by 1.48%YoY from USD 11.92 billion during 1HFY16, as opposed to USD 12.10 billion in same period last year.

Equity Market Performance

KSE-100 registered negative return of 4.60% in 1HFY16, outperforming both MSCI-FM and MSCI-EM indices as they shed 12% and 19%, respectively. Market sentiments mainly remained negative due to NAB/FIA investigation against brokers and major investors coupled with global worries. US federal Reserve rate hike also negatively impacted the equity market performance as it drained away foreign investment. Total foreign outflow worth USD 240.68 million was witnessed during 1HFY16, against corresponding period of last year's net inflow of USD 113 million.

During the period under review, the average CPI inflation recorded at 2.08%YoY as compared to 6.12%YoY in the same period last year. Keeping in view the historic low inflation, easing cycle continued as State Bank Of Pakistan (SBP) slashed the discount rate by 50 basis points in September' 15 monetary policy statement. However, negative sentiments prevailing in the market outweighed the positive developments and left investors laid-back. Investor interest at the bourse even dampened further in the 2QFY16, as witnessed by 48%QoQ and 37%QoQ decline in average daily turnover (ADT) and average daily traded value (ADTV), respectively.

Future Outlook

The period under review was turbulent as global uncertainty and economic slowdown depressed global asset returns. However, Pakistan's economy is moving in the positive trajectory and performing better than other global economies as evident from healthy economic indicators such as GNP, GDP, FDI and stock market performance. This improvement is linked to the soft oil prices which improved the country's balance of payment position while IMF EFF program payments further helped build up the foreign exchange reserves. In addition to that, government's focus on energy projects is expected to resolve the prevailing energy crisis and improve the competitiveness of industries.

China Pakistan Economic Corridor (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 & foreign remittances. Moreover, MSCI's decision to review Pakistan for potential reclassification into emerging markets is another sign of improving economic fundamentals in the country. We expect performance of KSE-100 to improve on account of favorable economic outlook, lower policy rate and growth in corporate profitability resulting from lower inflation and higher disposable income.

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.

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

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Golden Arrow Selected Stock Fund Limited** (the Company) as at 31 December 2015, 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 and notes to the accounts for the six month period then ended (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 and 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 SECP. 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 conclusion is not qualified in respect of the above matter.

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

Karachi: February 16, 2016

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2015

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
		---------- (Rupees in '000) ----------	
ASSETS			
Bank balances		**64,065**	107,418
Receivable against sale of investments		**-**	76,131
Investments	4	**1,606,993**	1,672,007
Other receivables		**151**	159
Tax refundable		**191**	124
Security deposit		**2,750**	2,750
Total assets		**1,674,150**	1,858,589
LIABILITIES			
Payable against purchase of investments		**-**	3,780
Payable to the Management Company		**3,700**	3,760
Accrued and other liabilities		**16,924**	15,685
Provision for Workers' Welfare Fund (WWF)	5	**54,216**	54,216
Unclaimed dividend		**39,755**	36,342
Total liabilities		**114,595**	113,783
NET ASSETS		**1,559,555**	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			
152,098,344 (June 30, 2015: 152,098,344) Ordinary shares of Rs.5 each		**760,492**	760,492
General reserve		**500**	500
Undistributed income		**798,563**	983,814
		1,559,555	1,744,806
		------------ (Rupees) ------------	
NET ASSETS VALUE PER SHARE		**10.25**	11.47
CONTINGENCIES AND COMMITMENTS	6		

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

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

		Half year ended December 31,		Quarter ended December 31,	
		2015	2014	2015	2014
Income	Note	----------------	(Rupees in '000)	----------------	
Net capital gain/(loss) on sale of investments classified as 'financial assets at fair value through profit or loss' - held-for-trading		**54,867**	157,335	**(1,657)**	143,420
Dividend income		**16,539**	27,891	**9,269**	21,547
Net unrealised (loss) / gain on re-measurement of investments / derivatives classified as 'financial assets at fair value through profit or loss' - held-for-trading		**(40,234)**	207,545	**27,122**	131,910
Profit on bank deposits		**3,370**	3,539	**1,627**	2,691
Total income		**34,542**	396,310	**36,361**	299,568
Operating expenses					
Remuneration of Management Company		**17,917**	17,257	**8,367**	8,971
Sales tax on management fee	7	**2,910**	3,003	**1,359**	1,561
Federal excise duty on management fee	8	**2,867**	2,761	**1,339**	1,435
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		**851**	820	**397**	426
Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC)		**549**	574	**240**	346
Auditors' remuneration		**252**	235	**105**	166
Legal and professional charges		**252**	101	**-**	101
Annual listing fee		**555**	548	**-**	-
Central depository system charges		**230**	244	**18**	83
Fees and subscription		**196**	203	**85**	130
Securities transaction cost		**2,683**	3,019	**527**	2,675
Bank charges		**6**	5	**3**	3
Directors' fee		**120**	125	**60**	125
Printing and postage		**173**	159	**133**	159
Sales tax on custodian and CDS		**109**	-	**36**	-
Provision for Workers' Welfare Fund (WWF)	5	**-**	7,345	**-**	5,668
Total expenses		**29,670**	36,399	**12,669**	21,849
Net income before taxation		**4,872**	359,911	**23,692**	277,719
Taxation	9	**-**	-	**-**	-
Net income after taxation		**4,872**	359,911	**23,692**	277,719
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income for the period		**4,872**	359,911	**23,692**	277,719
		--------------------	(Rupees)	--------------------	
Earnings per share - basic and diluted		**0.03**	2.37	**0.16**	1.83

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

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half year ended December 31,		Quarter ended December 31,	
	2015	2014	2015	2014
	---------------------- (Rupees in '000)	----------------------		
Undistributed income brought forward	**983,814**	905,705	**964,994**	987,897
Net income after taxation for the period	**4,872**	359,911	**23,692**	277,719
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share) [June 30, 2014 @ 20% (Rs.1.00 per share)] declared on September 17, 2015	**(190,123)**	(152,098)	**(190,123)**	(152,098)
Undistributed income carried forward	**798,563**	1,113,518	**798,563**	1,113,518

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

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014	Quarter ended December 31, 2015	Quarter ended December 31, 2014
	---------- (Rupees in '000)	----------	----------	----------
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before taxation	**4,872**	359,911	**23,692**	277,719
Adjustments:				
(Gain) / loss on sale of investment-net	**(54,867)**	(157,335)	**1,657**	(143,420)
Unrealised loss / (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**40,234**	(207,545)	**(27,122)**	(131,910)
Provision for Workers' Welfare Fund (WWF)	**-**	7,345	**-**	5,668
Federal excise duty on management fee	**2,867**	2,761	**1,339**	1,435
	(6,894)	5,137	**(434)**	9,492
Decrease / (increase) in assets				
Receivable against sale of investments	**76,131**	-	**11,131**	9,973
Investments	**79,647**	148,325	**149,165**	96,306
Dividend and other receivables	**8**	(15,413)	**5,475**	(12,524)
Tax refundable	**(67)**	-	**(67)**	-
	155,719	132,912	**165,704**	93,755
(Decrease) / increase in liabilities				
Payable against purchase of investments	**(3,780)**	1,224	**-**	1,224
Payable to the Management Company	**(60)**	467	**(343)**	443
Accrued and other liabilities	**(1,628)**	(741)	**(76)**	523
	(5,468)	950	**(419)**	2,190
Net cash generated from operating activities	**143,357**	138,999	**164,851**	105,437
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(186,710)**	(155,907)	**(185,815)**	(149,212)
Net cash used in financing activities	**(186,710)**	(155,907)	**(185,815)**	(149,212)
Net decrease in cash and cash equivalents	**(43,353)**	(16,908)	**(20,964)**	(43,775)
Cash and cash equivalents at the beginning of the period	**107,418**	53,271	**85,029**	80,138
Cash and cash equivalents at the end of the period	**64,065**	36,363	**64,065**	36,363

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

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	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, 2014	760,492	500	-	987,897	1,748,889
Net income for the period	-	-	-	277,719	277,719
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive income for the quarter ended December 31, 2014	-	-	-	277,719	277,719
Final dividend for the year ended June 30, 2014 @ 20% (Rs.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at December 31, 2014	760,492	500	-	1,113,518	1,874,510
Balance as at June 30, 2014	760,492	500	-	905,705	1,666,697
Net income for the period	-	-	-	359,911	359,911
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2014	-	-	-	359,911	359,911
Final dividend for the year ended June 30, 2014 @ 20% (Rs.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at December 31, 2014	760,492	500	-	1,113,518	1,874,510
Balance as at September 30, 2015	760,492	500	-	964,994	1,725,986
Net income for the period	-	-	-	23,692	23,692
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the quarter ended December 31, 2015	-	-	-	23,692	23,692
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share)	-	-	-	(190,123)	(190,123)
Balance as at December 31, 2015	**760,492**	**500**	**-**	**798,563**	**1,559,555**
Balance as at June 30, 2015	760,492	500	-	983,814	1,744,806
Net income for the period	-	-	-	4,872	4,872
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2015	-	-	-	4,872	4,872
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share)	-	-	-	(190,123)	(190,123)
Balance as at December 31, 2015	**760,492**	**500**	**-**	**798,563**	**1,559,555**

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

Imran Motiwala Chief Executive Officer	**Anum Dhedhi** Director

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

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014	Quarter ended December 31, 2015	Quarter ended December 31, 2014
	(Rupees)			
Net assets value per share at the beginning of the period	**11.47**	10.96	**11.35**	11.5
Capital gain on sale of investments - net	**0.36**	1.03	**(0.01)**	0.94
Dividend income	**0.11**	0.18	**0.06**	0.14
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(0.26)**	1.37	**0.17**	0.86
Profit on bank deposits	**0.02**	0.02	**0.01**	0.02
Net income for the period	**0.23**	2.60	**0.23**	1.96
Operating expenses	**(0.20)**	(0.24)	**(0.08)**	(0.14)
Final dividend for the year ended June 30, 2015 @ 25% (Rs.1.25 per share) [June 30, 2014 @ 20% (Rs.1.00 per share)]	**(1.25)**	(1.00)	**(1.25)**	(1.00)
Net assets value per share	**10.25**	12.32	**10.25**	12.32

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

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

1. STATUS AND NATURE OF BUSINESS

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

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

1.3 The Pakistan credit Rating Agency (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned asset manager/ management quality rating of 'AM3' to the Management Company dated June 16, 2015 and January 6, 2016 respectively. The Pakistan Credit Rating Agency (PACRA) has assigned Company performance ranking of "MFR 4-Star" to the Company.

1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended by Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 1492(I)/2012 dated December 26, 2012 an asset management company managing an Investment Company shall, from the expiry of five years from November 21, 2007, hold within one month of such period a meeting of shareholders to seek their approval to convert the Investment Company into an Open End Scheme (by simple majority) or wind up the Investment Company (by special resolution). In 2013, SECP vide its Notification S.R.O 1399 (1) 2012 dated November 28, 2012 extended the timeline for convening the meeting of share holders till January 31, 2013.

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

Subsequently, the Company received a notice from SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation and advised the Company to take immediate corrective action by calling another extra ordinary general meeting of shareholders. The Company being aggrieved by the said notice preferred a Constitutional Petition before the Honorable Sindh High Court on the ground that 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. 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 NBFC Rules, 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, 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 annual financial statements of the Company for the year ended June 30, 2015.

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 are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2015, except as described in note 3.1 below:

3.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

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 amendment to accounting standards did not have any effect on the condensed interim financial statements, except for IFRS 13, which requires an additional disclosure (see note 11).

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

3.2 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the company for the year ended June 30, 2015.

	Note	(Unaudited) December 31, 2015	(Audited) June 30, 2015
		---- (Rupees in '000) ----	
4. INVESTMENTS			
Financial assets at fair value through profit or loss - held-for-trading			
- Quoted equity securities	4.1	**1,605,511**	1,670,525
- Preference shares	4.2	**2**	2
Available-for-sale			
- Preference shares	4.3	**1,480**	1,480
		1,606,993	1,672,007

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

Name of the Investee company	Number of shares					Balance as at December 31, 2015			Percentage in relation to		
	Opening Balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						Rupees in '000					
SHARES OF LISTED COMPANIES - Fully paid ordinary shares of Rs. 10 each unless stated otherwise											
Automobile Part and Accessories											
Atlas Battery Limited	4,346	-	-	-	4,346	3,057	3,316	259	0.21	0.21	0.02
Thal Limited (face value Rs.5 each)	509,000	-	-	-	509,000	145,284	128,945	(16,339)	8.02	8.27	0.63
						148,341	**132,261**	**(16,080)**			
Automobile Assembler											
Atlas Honda Limited	16,451	-	-	-	16,451	5,511	6,376	865	0.40	0.41	0.02
						5,511	**6,376**	**865**			
Cable and Electrical Goods											
Johnson and Phillips (Pakistan) Limited	17,000	-	-	-	17,000	350	359	9	0.02	0.02	0.31
Pakistan Cables Limited	269,900	5,500	-	-	275,400	45,888	44,064	(1,824)	2.74	2.83	0.97
TPL Trakker Limited	803,000	-	-	369,500	433,500	6,875	6,472	(403)	0.40	0.41	0.20
						53,113	**50,895**	**(2,218)**			
Cement											
Dewan Cement Limited	2,479,500	2,157,500	-	2,679,500	1,957,500	34,276	25,350	(8,926)	1.58	1.63	0.50
Javedan Corporation Limited	3,661,800	638,500	-	-	4,300,300	138,520	140,405	1,885	8.74	9.00	3.69
						172,796	**165,755**	**(7,041)**			
Chemical											
Archroma Pakistan Limited	140,580	-	-	-	140,580	64,216	64,781	565	4.03	4.15	0.41
Buxly Paints Limited	36,500	-	-	-	36,500	1,331	1,440	109	0.09	0.09	2.53
Dynea Pakistan Limited (face value Rs.5 each)	361,733	-	-	-	361,733	17,725	14,723	(3,002)	0.92	0.94	1.92
Ghani Gases Limited	72	-	-	-	72	2	2	-	-	-	-
Lotte Chemical Pakistan Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	672,500	-	-	-	672,500	13,450	16,712	3,262	1.04	1.07	0.61
						96,724	**97,658**	**934**			
Commercial Banks											
BankIslami Pakistan Limited	966,928	393,000	-	-	1,359,928	14,380	15,639	1,259	0.97	1.00	0.13
NIB Bank Limited	5,872,955	-	-	-	5,872,955	11,863	11,159	(704)	0.69	0.72	0.06
Summit Bank Limited	11,628,659	1,006,000	-	10,850,000	1,784,659	7,049	7,014	(35)	0.44	0.45	0.17
						33,292	**33,812**	**520**			
Engineering											
Huffaz Seamless Pipe Industries Limited	391,745	-	-	-	391,745	7,138	7,663	525	0.48	0.49	0.71
International Steels Limited	-	79,500	-	-	79,500	2,192	1,941	(251)	0.12	0.12	0.02
						9,330	**9,604**	**274**			
Fertilizer											
Dawood Hercules Chemicals Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Engro Corporation Limited	-	576,000	-	576,000	-	-	-	-	-	-	-
						-	**-**	**-**			

Name of the Investee company	Number of shares					Balance as at December 31, 2015			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 and Personal Care Products											
Engro Foods Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
Murree Brewery Company Limited	3,300	6,000	-	9,300	-	-	-	-	-	-	-
Quice Food Limited	5,791,500	249,500	-	1,791,500	4,249,500	39,808	34,548	(5,260)	2.15	2.22	4.32
Zil Limited	115,155	-	-	-	115,155	8,176	8,982	806	0.56	0.58	1.88
						47,984	**43,530**	**(4,454)**			
Glass and Ceramics											
Baluchistan Glass Limited	110,000	-	-	-	110,000	451	716	265	0.04	0.05	0.06
Shabbir Tiles and Ceramics Limited (FV Rs.5 each)	1,291,937	-	-	-	1,291,937	11,485	10,671	(814)	0.66	0.68	0.54
						11,936	**11,387**	**(549)**			
Insurance											
Adamjee Insurance Company Limited	-	115,000	-	-	115,000	6,198	6,499	301	0.40	0.42	0.03
Century Insurance Company Limited	463,312	-	-	76,500	386,812	8,123	9,767	1,644	0.61	0.63	0.85
Habib Insurance Company Limited (FV Rs.5 each)	300,183	-	-	-	300,183	5,679	6,019	340	0.37	0.39	0.24
Pakistan Reinsurance Company Limited	67,500	-	-	-	67,500	1,951	2,285	334	0.14	0.15	0.02
TPL Direct Insurance Company Limited	301,686	-	-	-	301,686	6,749	7,180	431	0.45	0.46	0.40
						28,700	**31,750**	**3,050**			
Inv. Banks / Inv. Cos. / Securities Cos											
First Capital Securities Corporation Limited	317,605	-	-	317,605	-	-	-	-	-	-	-
Jahangir Siddiqui and Company Limited	-	1,500,000	300,000	875,000	925,000	19,175	19,370	195	1.21	1.24	0.12
JS Investment Limited	-	394,000	-	-	394,000	6,943	6,816	(127)	0.42	0.44	0.39
						26,118	**26,186**	**68**			
Miscellaneous											
MacPac Films Limited	809,129	-	-	-	809,129	14,807	16,183	1,376	1.01	1.04	2.08
Pakistan Services Limited	13,400	-	-	-	13,400	6,633	7,370	737	0.46	0.47	0.04
Siddiqsons Tin Plate Limited	2,005,000	-	-	500,000	1,505,000	13,259	15,562	2,303	0.97	1.00	1.92
						34,699	**39,115**	**4,416**			
Oil and Gas Marketing Companies											
Sui Northern Gas Pipelines Limited	4,318,050	2,010,500	-	3,350,000	2,978,550	86,804	71,604	(15,200)	4.46	4.59	0.47
Sui Southern Gas Company Limited	3,394,000	425,000	-	3,819,000	-	-	-	-	-	-	-
						86,804	**71,604**	**(15,200)**			
Oil and Gas Exploration Companies											
Oil & Gas Development Company Limited	-	1,645,900	-	777,200	868,700	111,746	101,933	(9,813)	6.34	6.54	0.02
Pakistan Petroleum Limited	-	100,000	-	-	100,000	11,987	12,181	194	0.76	0.78	0.01
						123,733	**114,114**	**(9,619)**			
Paper and Board											
Merit Packaging Limited	800,657	-	-	-	800,657	15,461	14,172	(1,289)	0.88	0.91	1.99
Pakistan Paper Products Limited	226,500	-	-	-	226,500	13,556	15,108	1,552	0.94	0.97	3.78
						29,017	**29,280**	**263**			
Pharmaceuticals											
GlaxoSmithkline (Pakistan) Limited *	-	370,000	-	115,100	254,900	59,310	56,083	(3,227)	3.49	3.60	0.08
						59,310	**56,083**	**(3,227)**			

Name of the Investee company	Number of shares					Balance as at December 31, 2015			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 ----------					
Power Generation and Distribution											
K-Electric Limited (face value Rs.3.5 each) **	17,888,000	3,646,000	-	-	21,534,000	179,289	160,213	(19,076)	9.97	10.27	0.08
Sitara Energy Limited	263,151	-	-	-	263,151	9,737	8,463	(1,274)	0.53	0.54	1.38
						189,026	168,676	(20,350)			
Sugar and Allied Industries											
Imperial Sugar Limited	378,000	-	-	-	378,000	1,890	1,890	-	0.12	0.12	0.38
Noon Sugar Mills Limited	29,461	-	-	29,461	-	-	-	-	-	-	-
Shakarganj Mills Limited	5,128,002	-	-	1,651,500	3,476,502	59,101	58,892	(209)	3.66	3.78	5.00
Shahtaj Sugar Mills Limited	24,537	-	-	-	24,537	2,106	1,664	(442)	0.10	0.11	0.20
						63,097	62,446	(651)			
Refinery											
Attock Refinery Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
							-	-			
Synthetics and Rayon											
Rupali Polyster Limited	12,701	-	-	-	12,701	155	149	(6)	0.01	0.01	0.04
						155	149	(6)			
Techonology and Communication											
Pakistan Telecommunication Company Limited	2,012,500	678,000	-	-	2,690,500	55,718	44,366	(11,352)	2.76	2.84	0.07
Telecard Limited	2,018,500	-	-	-	2,018,500	8,599	5,813	(2,786)	0.36	0.37	0.67
TRG Pakistan Limited ***	7,566,027	225,000	1,192,890	2,253,000	6,730,917	181,405	233,223	51,818	14.51	14.95	12.38
WorldCall Telecom Limited	388,000	50,000	-	-	438,000	930	666	(264)	0.04	0.04	0.05
						246,652	284,068	37,416			
Textile Composite											
Dawood Lawrencepur Limited	62,159	-	-	-	62,159	7,148	8,702	1,554	0.54	0.56	0.11
Ishaq Textiles Mill	6,500	-	-	-	6,500	69	59	(10)	0.00	0.00	0.07
Kohinoor Mills Limited	80,500	-	-	-	80,500	1,393	1,290	(103)	0.08	0.08	0.16
Sapphire Fibre Limited	47	-	-	-	47	27	33	6	-	-	-
						8,637	10,084	1,447			
Textile Spinning											
Crescent Fibres Limited	42,000	-	-	-	42,000	1,827	1,863	36	0.12	0.12	0.34
Din Textile Mills Limited	54,729	-	-	(3)	54,732	7,183	6,266	(917)	0.39	0.40	0.24
Ellcot Spinning Mills Ltd	855,554	-	-	-	855,554	54,755	42,179	(12,576)	2.62	2.70	7.81
Fazal Cloth Mills Limited	12,406	-	-	-	12,406	1,799	1,563	(236)	0.10	0.10	0.04
Fazal Textile Mills Limited	33,700	-	-	33,700	-	-	-	-	-	-	-
Gadoon Textile Mills Limited	-	65,901	-	-	65,901	13,227	8,821	(4,406)	0.55	0.57	0.28
Island Texitile Mills Limited	40,000	-	-	-	40,000	29,560	24,600	(4,960)	1.53	1.58	8.00
Saif Textile Mills Limited	217,000	-	-	-	217,000	4,720	4,106	(614)	0.26	0.26	0.82
						113,071	89,398	(23,673)			
Textile Weaving											
Prosperity Weaving Mill Limited	84,591	-	-	-	84,591	2,779	2,199	(580)	0.14	0.14	0.46
						2,779	2,199	(580)			

Name of the Investee company	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
	Number of shares					Balance as at December 31, 2015			Percentage in relation to		
						Rupees in '000					
Transport											
Pakistan International Containers Terminal Limit	25,600	20,600	-	-	46,200	12,878	12,935	57	0.80	0.83	0.04
						12,878	**12,935**	**57**			
Vanaspati and Allied Industries											
Punjab Oil Mills Limited	199,000	1,900	-	-	200,900	36,909	48,537	11,628	3.02	3.11	3.73
S.S. Oil Mill Limited	180,100	-	-	-	180,100	5,133	7,609	2,476	0.47	0.49	3.18
						42,042	**56,146**	**14,104**			
Total listed equity securities as at December 31, 2015						**1,645,745**	**1,605,511**	**(40,234)**			
Total listed equity securities as at June 30, 2015						**1,423,214**	**1,670,525**	**247,311**			

* This includes 175,000 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 0.27% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations.

*** The exposure limit of investment in a single company as a percentage of net assets exceeded by 4.95% against the prescribed limit of 10% of the total net assets as required under the NBFC Regulations. Subsequent to the year end, the exposure was regularised within the prescribed limit of 10%.

4.2 Preference shares

Name of the Investee company	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
	Number of shares					Balance as at December 31, 2015			Percentage in relation to		
Impaired preference shares											
Leasing company											
Security Leasing Corporation Limited (9.1% preference shares)	1,489	-	-	-	1,489	2	2	-	-	-	-
Total preference shares as at December 31, 2015						2	2	-			
Total preference shares as at June 30, 2015						**2**	**2**	**-**			

4.3 Preference shares - 'available-for-sale'

Name of the investee company	Note	Number of shares: Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Balance as at December 31, 2015: Carrying Cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Percentage in relation investee paid-up capital
							(Rupees in '000)					
Financial services												
Security Leasing Corporation Limited (9.1% Preference shares)	4.2.1	1,000,000	-	-	-	1,000,000	10,166	-	-	-	-	-
Less: Impairment							(8,686)					
							1,480	1,480	-			
Total listed equity securities as at December 31, 2015							**1,480**	**1,480**	**-**			
Total listed equity securities as at June 30, 2015							1,480	1,480	-			

4.3.1 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 break-up 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 per share, which is lower than the par value. Therefore 1,000,000 shares have been valued at Rs.1.48 per share. The break-up value as per audited financial statments for June 30, 2015 is Rs.3.12 per share. However, on a prudent basis, the impairment has not been reversed. Negotiations are currently underway with the investee company to recover the outstanding amount of preference shares.

5. PROVISION FOR WORKERS' WELFARE FUND (WWF)

There is no change in status of the petition pending with the Honourable Sindh High Court as reported in note 17 to the annual financial statements of the Company for the year ended June 30, 2015.

The Company maintained a provision for WWF as on December 31, 2015 amounting to Rs.54.216 million (June 30, 2015: Rs.54.216 million). Had the provision not been made, the net assets value per share of the Company would have been higher by Re.0.36 (3.51%) (June 30, 2015: Re.0.36 (3.11%)) per share.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2015.

7. SALES TAX ON MANAGEMENT FEE

Sindh sales tax at the rate of 14% (2014: 16%) on gross value of management fee including FED is charged under the provisions of Sindh Sales Tax on Services Act, 2011.

8. FEDERAL EXCISE DUTY

There is no change in status of the petition pending with the Honourable Sindh High Court as reported in note 15 to the annual financial statements of the Company for the year ended June 30, 2015.

9. TAXATION

The income of the Company is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income in cash for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders. Accordingly, the Company has not recorded provision for taxation as the management intends to distribute at least 90 percent of the Company's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its shareholders.

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

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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:

10.1 Transactions during the period	Half year ended December 31, 2015	2014
	-------- (Rupees in '000)	--------
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**17,917**	17,257
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**30,978**	34,915
	48,895	52,172
AKD Securities Limited - Group Company		
Brokerage	**358**	362
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**4**	3
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**2,616**	2,093
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**564**	601
Directors of the Company		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**3,959**	6,650
Key Management Personnel of the Company		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**100**	80
AKD Opportunity Fund - Common Management Company		
Purchase of shares	**-**	46,740
Aqeel Karim Dhedhi Securities (Private) Limited - Group Company		
Purchase of shares	**-**	28,667
AKD Capital Limited - Group Company		
Purchase of shares	**-**	2,500
Mr. Aqeel Karim Dhedhi		
Purchase of shares	**-**	49,208
Central Depository Company of Pakistan Limited - Custodian		
Fee charged during the year (including transaction charges)	**779**	818
Oil & Gas Investment Limited - Group Company		
Cash dividend paid @ 25% i.e. Rs.1.25 per share (2014: 20% i.e. Rs.1.00 per share)	**-**	2,200
Javedan Corporation Limited - Common Directorship		
Purchase of shares	**19,183**	-

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
10.2 Transactions outstanding at the period / year end	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**2,667**	2,692
Sales tax on management fee	**433**	468
Provision for indirect taxes and duties	**14,110**	11,244
Others	**600**	600
Shares in issue (number of shares: December 31, 2015: 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 (number of shares: December 31, 2015: 2,092,812; June 30, 2015: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (number of shares: December 31, 2015: 2,889; June 30, 2015: 2,889)	**14**	14
Brokerage payable	**-**	2
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (number of shares: December 31, 2015: 451,046; June 30, 2015: 451,046)	**2,255**	2,255
Directors of the Company		
Shares of the Company held (number of shares: December 31, 2015: 3,167,361; June 30, 2015: 6,715,861)	**15,837**	33,579
Key Management Personnel of the Company		
Shares of the Company held (number of shares: December 31, 2015: 80,000; June 30, 2015: 80,000)	**400**	400
Central Depository Company of Pakistan Limited - Custodian		
Fee payable (including transaction charges)	**75**	79
Javedan Corporation Limited - Common Directorship		
Shares held by the Company (number of shares: December 31, 2015: 4,300,300; June 30, 2015: 3,661,800)	**140,405**	119,338

11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

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

	As at December 31, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	(Rupees in '000)			
Investment in securities - at fair value through profit or loss - held for-trading				
- Quoted equity securities	**1,605,511**	**-**	**-**	**1,605,511**
- Preference shares	**-**	**-**	**2**	**2**
Investment in securities - available-for-sale	**-**	**-**	**1,480**	**1,480**
	1,605,511	**-**	**1,482**	**1,606,993**

	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 - held for-trading				
- Quoted equity securities	1,670,525	-	-	1,670,525
- Preference shares	-	-	2	2
Investment in securities - available-for-sale	-	-	1,480	1,480
	1,670,525	-	1,482	1,672,007

12. CORRESPONDING FIGURES

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

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 16, 2016 by the Board of Directors of the Company.

14. General

Figures have been rounded off to the nearest thousand rupees.

Imran Motiwala
Chief Executive Officer

Anum Dhedhi
Director

AKD Investment
Management Ltd.

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