Golden Arrow
SELECTED STOCKS FUND LIMITED

Half Yearly Report
December 31, 2014
(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*

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)
Mr. Muhammad Yaqoob (Secretary)

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

HEAD OF COMPLIANCE
Mr. Rashid Ahmed

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

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

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

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

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

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

RATING - GASSFL
BY PACRA
Performance Ranking

Long-term	Short-term
5-Star	4-Star

MANAGEMENT COMPANY
PACRA: AM3 (AM Three)

* Approval pending from SECP

Mission Statement

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

Vision

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

DIRECTORS' REPORT

The Board of Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its interim report along with the Fund's accounts for the half year ended December 31, 2014.

KSE continued its upward drive where the Index continued to post historic levels reaching new high of 32,148.78 points on December 5, 2014 to settle at 32,131.28 points as at December 31, 2014. The KSE - 100 Index increased by 8.36% for the 1HFY15. Market Capitalization increased to USD 73.805 billion from USD 70.226 billion as at June 30, 2014, an increase of 5.1%.

Funds' Financial Performance

For 1HFY15, Golden Arrow Selected Stocks Fund Limited posted a return of 22.56% versus the benchmark KSE-100 Index return of 8.36%, thus significantly outperforming the benchmark by 14.20%. GASSFL posted a profit of Rs. 360 million [EPS: 2.37] as compared to 400 million [EPS: 2.63] in the same period last year.

Dividend

The Board of Directors of Golden Arrow Selected Stock Fund Limited has approved an interim cash dividend of Rs 2.2 / share for the half year ended December 31, 2014 in the meeting held on February 23, 2015.

Macro Perspective

The economy has witnessed major developments in the first half of FY15 on the back of 14% increase in revenue collection, declining international commodity prices, decrease in discount rate and decline in inflation. The Government has taken several steps to support the ailing economy, which is primarily suffering from energy crisis and poor law and order situation.On international front securing quarterly tranches from the IMF was one major achievement since it has strings tied to it while on the other hand Pakistan sought energy and infrastructure investments of $42 billion from China in November'14. On the local front, FBR realized net collection of Rs. 1,171.868 billion, showing an increase of 14%.

The foreign reserves increased to $15.2 billion after receiving two tranches of worth $1.1 billion from International Monetary Fund. Moreover, better than expected issuance of Sukuk Bonds raised $1 billion for Government, which helped to restore confidence of international investors. So far, Government's effort to increase the cash inflows by selling its stake in major companies has also been successful. Previously, Government generated $387 million by selling its 19.8% stake in United Bank Limited (UBL). In December, Government raised Rs. 14.4 billion from the sale of 11.46% of stake in Allied Bank Limited (ABL). However, depressed oil prices urged the need to postpone the sale of Government's 7.5% stake in OGDCL, which could have further raised about $815 million. Furthermore, the Government is expecting to receive $500 million from the International Bank for Reconstruction and Development (IBRD), since it met the precondition of $15 Billion foreign exchange reserves mark.

During first half FY15 inflation remained low at 6.10% as compared to 8.90% recorded during the same period last year. Half yearly inflation was contained primarily due to falling oil prices, favorable trend in the global commodity prices, limited impact of floods and smooth food supplies. On the other hand, the benefit of sharp decline of more than 45% in international oil prices was transferred the public in the shape of reduced domestic petroleum product prices. Primarily, due to lower inflationary outlook the State Bank of Pakistan (SBP) decided to reduce the discount rate to 9.50% from 10% during the first half of FY15. It further reduced the discount rate by another 100basis points to 8.5% in the monetary policy held on January 26, 2015.

Since Pakistan's inclusion to the Generalized System of Preferences (GSP) Plus Status, the country's exports to EU countries have increased by $900 million till September 2014. Despite that increase, the economy could not fully benefit from GSP plus Status yet mainly due to political tension which peaked at the end of August'14 and continued till the end of November'14. According to data released by the Pakistan Bureau of Statistics (PBS), exports fell to $3.84 billion in July-August 2014 against $4.00 billion last year - a decline of 5.8%.

During first five months of FY15 Foreign Direct Investment (FDI) increased to $422.8 million against $354.8 million last year posting a surge of $86 million. Similarly the FDI inflows stood at $1.371 billion against the outflow of $948 million last year. So far, private sector's participation has been low as this sector borrowed Rs. 76 billion in nearly first six months of this fiscal year, a considerably smaller figure than Rs. 175 billion borrowing in the comparable period of FY14.

Nevertheless, the economy will continue to depict incremental improvements. The development of manufacturing sector has to play a vital role to give a boost to Pakistan's economy.

Equity market

Despite posting a small return of 0.25% during the first Quarter of the fiscal year 2015, KSE-100 index witnessed hefty returns clocking in at 8.09% in the second Quarter of the fiscal year. The poor performance in the first Quarter was mainly due to the uncertain political situation of the country. The end of the protests by the opposition parties marks a prominent moment for the incumbent PML (N) government, where we believe the focus should shift back to economic reforms.

Pakistan Equities looked geared for another year of stellar returns where we believe KSE-100 Index still has the potential to witness growth on the back of continued de-risking as economic indicators improve and privatization process remains on track, expectations of a further 50 basis points cut in policy rate by SBP in the next MP meeting, ample local and foreign liquidity, political stability as all parties front a unified stand in the wake of recent terrorism and attractive relative valuations with the KSE continuing to be the cheapest market in the region.

Future Outlook

With the softening of the political crisis and the pro-business attitude of government, we believe the equity market of Pakistan has once again enhanced investors' confidence. The continuous decline in the international commodity prices is expected to release external account burden and stabilize the inflationary numbers at lower end thus increasing the disposable income of consumers. The loosening of the monetary policy with higher disposable income of people is expected to bring healthy marginal additions in growth of the country's output. The economic activity is expected to improve significantly during 2015 as State bank of Pakistan (SBP) is to follow a loosening of monetary stance. Going forward, reduction in discount rate, depressed oil and commodity prices will restrict the inflation and improve the corporate profitability of manufacturing output.

The government's privatization program is expected to increase the state owned companies operating efficiencies with the foreign inflows of proceeds supporting the external account. Moreover, heavy investment from China in energy sector may help overcoming the severe energy crisis, while giving support to the economy in the long-term.

However, the tightening of the US monetary policy could drain down the foreign portfolio investments from the frontier markets, but with the real interest rates ranging between 2% to 3% Pakistan seems one of the safer frontier markets in terms of foreign flows.

Pakistan's stock market continued to be one of the top performing markets for another year. Pakistan ranked third amongst top 10 best performing markets in 2014. The KSE 100 Index successfully gained 6,870 points and generated 27% return during 2014. Although Pakistan Equity market is trading at an all time high, we believe the improvement in the corporate profitability arising from lower inflation and higher disposable income with friendlier government policies will provide further impetus for growth.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Karachi: February 23, 2015

FUND MANAGER'S REPORT

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

Closed End - Equity Scheme

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

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

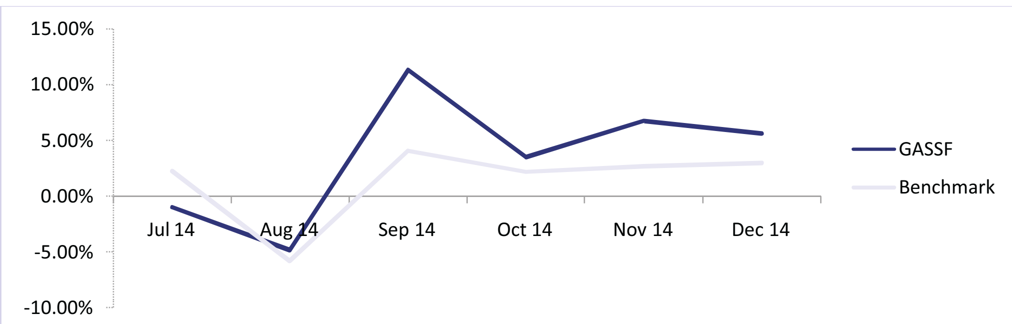
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For the 1HFY15, the return of the Golden Arrow Selected Stocks Fund Limited (GASSFL) stood at a 22.56% versus the benchmark KSE-100 Index of 8.36%, thus significantly outperforming the benchmark by 14.20%.

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 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14
GASSF	-1.00%	-4.79%	11.33%	3.53%	6.78%	5.66%
Benchmark	2.23%	-5.76%	4.06%	2.19%	2.70%	2.99%

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 investment company. The return of the Fund is generated through investments in value stocks, which have strong growth potential. GASSFL is fully complied with the relevant policies and procedures as per the 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-14	30-Sep-14
Equities	97.82%	94.66%
Cash	1.84%	4.37%
Other Assets	0.34%	0.97%
Leverage	Nil	Nil

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

1HFY15 Return	22.56%
Benchmark Return	8.36%

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

Net Asset Value			NAV Per Unit	
31-Dec-14	30-Sep-14	Change	31-Dec-14	30-Sep-14
(Rupees In "000")			Rs.	Rs.
1,874,507	1,748,886	7.18%	11.05	11.5

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

Economy

The outlook of the economy significantly improved subsequent to a decline in global commodity prices. Pakistan is expected to benefit from the significant decline in international crude oil prices as oil and oil related products represents a major portion of the Country's import bill. This would in turn result in much needed economic relief on the external front and strengthen the outlook on foreign reserves besides improve disposable incomes as inflation remains in check.

In addition, Pakistan has been successful in complying with the pre-conditions attached to the extended funded facility and has been able to avail another $1.1bn during the period further strengthening the Country's foreign exchange reserves position. This has led to fiscal discipline and further build-up in confidence of other bilateral and multi-lateral donor agencies, which resulted in additional releases of Funds. In addition, Pakistan was also able to tap the international debt market where it launched its first international dollar Islamic Sukuk amounting USD 1bn.

The Government also decided to pass on the impact of a decline in oil prices where it reduced domestic oil prices. This resulted in lower inflation. State Bank of Pakistan capitalizing on the opportunity reduced the discount rate first in November by 50 basis points and then in January by 100 basis points to stand currently at 8.5%.

Despite key favorable economic points, infrastructural weaknesses including the unavailability of gas and electricity hampered Pakistan to fully capitalize on the GSP plus status. The exports to the EU countries have increased by over $900 million till September 2014. The export volume is expected to increase further while the Government is also working on a war footing it seems in order to address infrastructural weaknesses. Additional benefit of GSP Plus status is further to be realized as we expect economic improvements in the second half of FY15.

Although the reduction in oil prices bode well for inflation and overall macro economic outlook in general this resulted in revision of revenue targets on the domestic front increasing budget deficit outlook. In order to cope up with the decrease in revenue the Government decided to increase the tax on petroleum products from the earlier 17% to 27% to compensate.

The foreign reserves of the country also improved and touched $15.2 billion mark on the back of significant inflows during the first half of FY15. Two tranches worth $1.1 billion from the International monetary Fund (IMF) and issuance of Sukuk bond worth $1 billion were major inflows to increase the reserves. Government's decision to continue the privatization process resulted in raising $387 million, $159 million and Rs. 14.4 billion by selling its stake in United Bank Limited (UBL), Pakistan Petroleum Limited (PPL) and Allied Bank Limited (ABL), respectively. Moreover, after the Government meeting the $15 billion foreign reserves threshold, it is expecting to receive another $500 million from IBRD.

Improving economic conditions and outlook along with Government's stance and national consensus on addressing the menace of war on terror we believe will open a new era in the history of Pakistan.

Equity market

Although gains had been a meager 0.25% during the first Quarter of the fiscal year 2015, however in the second quarter KSE-100 index witnessed hefty returns clocking in at 8.09%. Initial lackluster performance was primarily on the back of uncertain political situation of the country. However, subsequent to the end of the protests staged by a key opposition party against the Government, we believe the focus will shift back to economic reforms.

KSE-100 Index crossed the 32,000 level reaching an all time high of 32,131. Investor confidence was also supported by Moody' outlook upgrade for Pakistan from negative to stable while keeping its rating unchanged, followed by another upgrade in the outlook on the big-5 commercial banks. Average daily turnover clocked at PKR 9.356 billion, almost remain stable compared to 2HFY2014 PKR9.406 billion. The small reduction is due to political uncertainty and shorter trading hours prevailing in the month of Ramadan.

During 1HFY2015 State bank of Pakistan reduced discount rate by 50 basis points because of lower inflation and increasing foreign reserves receiving IMF tranches, energy and infrastructure investment anticipation of $42 billion from China and issuance of Eurobonds/Sukuk.

IPO's of two reputed companies "Engro powergen Qadirpur" and "Saifpower" and secondary offering of Allied bank also hit the stock market during 1HFY2015 and were well received by the market. Two further IPO's of "System Ltd" and "Synthetic Product Ltd" were heavily oversubscribed during the book building process. Some pending merger and acquisition transactions also took place namely Bestway cements acquisition of a 75.9% stake in Lafrage cements making it the largest manufacturing group in Pakistan.

Analyzing the sector performance during the period under review, electricity and cements were the major leaders putting a return of 46.04% & 30.41% respectively during the 1HFY2015 owed to reduced furnace oil price and later discount rate cut.

However, a sharp decline in the crude and furnace oil prices in the international market put the Oil & Gas sector in back door registering a negative return of -19.80% during the 1HFY2015.

Future Outlook

The stock market again made history as the benchmark KSE-100 Index landmarked the 34,000 points level. We believe that the equity market will continue to gain investors' confidence as a result of lesser political stress and pro-business attitude of current government. The external account burden is likely to reduce further on the back of continuous fall in the international commodity prices. Resultantly, the stabilization of lower inflation will enhance the disposable income of consumers. The relaxation in the monetary policy with higher disposable income of consumer is expected to bring healthy marginal additions in growth of the country's output. Moreover, a further expectation of 50-100 basis points cut in the upcoming monetary policy will further augment economic activity in the country. Ultimately, the combined impact of all positive economic developments will keep the inflation numbers in check and improve the corporate profitability of manufacturing industry.

The expected significant energy and infrastructure centric investment from China will help overcome the severe energy crisis, along with large improvements at industrial level. After the successful first phase government's privatization program it is expected to continue going forward, which will continue to support the external account.

However, the tightening of the US monetary policy could draw down the foreign portfolio investments from the frontier markets, but with the real interest rates ranging between 2% to 3% Pakistan is one of the safer frontier markets in terms of foreign flows.

Pakistani equities looked all set for another year of stellar returns where we believe KSE-100 Index still has the potential to witness growth on the back of improving macro-economic environment, continuation of the privatization process, expectations of a further 50 basis points cut in policy rate by State Bank of Pakistan in the next monetary policy meeting, ample local and foreign liquidity, political stability as all parties front a unified stand in the wake of recent terrorism and attractive relative valuations with the KSE where it continues to be the cheapest in the region.

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 Stocks Fund Limited** (the Company) as at **31 December 2014**, 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 end scheme or its winding up was not approved in the meeting of the shareholders held on 31 January 2013 as per the majority specified in the applicable regulations. Subsequently, a notice for non-compliance of clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 was received by the Company from the 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 23, 2015

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2014

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		---------- (Rupees in '000) ----------	
ASSETS			
Bank balances		**36,363**	53,271
Investments	4	**1,914,744**	1,698,189
Dividend and other receivables		**17,580**	2,167
Tax refundable		**124**	124
Security deposit		**2,750**	2,750
Total assets		**1,971,561**	1,756,501
LIABILITIES			
Payable against purchase of investments		**1,224**	-
Payable to the Management Company		**4,339**	3,872
Provision for Workers' Welfare Fund (WWF)	5	**50,033**	42,689
Accrued and other liabilities		**10,985**	8,965
Unclaimed dividend		**30,470**	34,278
Total liabilities		**97,051**	89,804
NET ASSETS		**1,874,510**	1,666,697
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2014: 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, 2014: 152,098,344) Ordinary shares of Rs.5 each		**760,492**	760,492
General reserve		**500**	500
Undistributed income		**1,113,518**	905,705
		1,874,510	1,666,697
		------------ (Rupees) ------------	
NET ASSETS VALUE PER SHARE		**12.32**	10.96
CONTINGENCIES AND COMMITMENTS	6		

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

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

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

	Note	Half year ended December 31, 2014	Half year ended December 31, 2013	Quarter ended December 31, 2014	Quarter ended December 31, 2013
		---------------- (Rupees in '000)			----------------
Income					
Net capital gain on sale of investments classified as 'financial assets at fair value through profit or loss' - held-for-trading		**157,335**	254,376	**143,420**	62,803
Net capital gain on sale of investments classified as 'available-for-sale'		**-**	7,383	**-**	7,383
Dividend income		**27,891**	36,413	**21,547**	29,935
Net unrealised appreciation on re-measurement of investments / derivatives classified as 'financial assets at fair value through profit or loss' - held-for-trading		**207,545**	136,932	**131,910**	193,733
Profit on bank deposits		**3,539**	2,228	**2,691**	1,042
Total income		**396,310**	437,332	**299,568**	294,896
Operating expenses					
Remuneration to Management Company		**17,257**	17,058	**8,971**	8,255
Sales tax on management fee		**3,003**	3,166	**1,561**	1,532
Provision for indirect taxes and duties		**2,761**	2,729	**1,435**	1,320
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		**820**	810	**426**	392
Remuneration of custodian - Central Depository Company of Pakistan Limited (CDC)		**574**	549	**346**	263
Auditors' remuneration		**235**	204	**166**	134
Legal and professional charges		**101**	209	**101**	205
Annual listing fee		**548**	477	**-**	-
Central depository system charges		**244**	157	**83**	108
Fees and subscription		**203**	152	**130**	69
Securities transaction cost		**3,019**	2,837	**2,675**	1,076
Bank charges		**5**	9	**3**	3
Directors' fee		**125**	90	**125**	50
Printing and postage		**159**	631	**159**	156
Advertisement		**-**	63	**-**	63
Provision for Workers' Welfare Fund (WWF)	5	**7,345**	8,164	**5,668**	5,626
Total expenses		**36,399**	37,305	**21,849**	19,252
Net income before taxation		**359,911**	400,027	**277,719**	275,644
Taxation	7	**-**	-	**-**	-
Net income after taxation		**359,911**	400,027	**277,719**	275,644
Other comprehensive income					
Reclassification adjustment for gain included in the income statement		**-**	(821)	**-**	-
Total comprehensive income for the period		**359,911**	399,206	**277,719**	275,644
		-------------------- (Rupees)			--------------------
Earnings per share - basic and diluted		**2.37**	2.63	**1.83**	1.81

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, 2014

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
	---------------------- (Rupees in '000) ----------------------			
Undistributed income brought forward	**905,705**	840,189	**987,897**	797,264
Net income after taxation for the period	**359,911**	400,027	**277,719**	275,644
Final dividend for the year ended June 30, 2014 @ 20% (Re. 1.00 per share) [June 30, 2013 @ 22% (Rs. 1.10 per share)] declared on September 19, 2014	**(152,098)**	(167,308)	**(152,098)**	-
Undistributed income carried forward	**1,113,518**	1,072,908	**1,113,518**	1,072,908

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, 2014

	Half year ended December 31, 2014	Half year ended December 31, 2013	Quarter ended December 31, 2014	Quarter ended December 31, 2013
	---------- (Rupees in '000) ----------			
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before taxation	**359,911**	400,027	**277,719**	275,644
Adjustments:				
Capital gain on sale of investments classified as 'financial assets at fair value through profit or loss' - net	**(157,335)**	(254,376)	**(143,420)**	(62,803)
Capital gain on sale of investments classified as 'available-for-sale' - net	**-**	(7,383)	**-**	(7,383)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(207,545)**	(136,932)	**(131,910)**	(193,733)
Provision for Workers' Welfare Fund (WWF)	**7,345**	8,164	**5,668**	5,626
Provision for indirect taxes and duties	**2,761**	2,729	**1,435**	1,320
	5,137	12,229	**9,492**	18,671
Decrease / (increase) in assets				
Receivable against sale of investments	**-**	927	**9,973**	92
Investments	**148,325**	212,550	**96,306**	18,873
Advance against share subscription	**-**	(64,975)	**-**	(64,975)
Dividend and other receivables	**(15,413)**	814	**(12,524)**	5,401
	132,912	149,316	**93,755**	(40,609)
Increase / (decrease) in liabilities				
Payable against purchase of investments	**1,224**	(6,145)	**1,224**	63
Payable to the Management Company	**467**	271	**443**	212
Accrued and other liabilities	**(741)**	(1,127)	**523**	(17,926)
	950	(7,001)	**2,190**	(17,651)
Net cash generated from / (used in) operating activities	**138,999**	154,544	**105,437**	(39,589)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	**(155,907)**	(162,667)	**(149,212)**	(145,295)
Net cash used in financing activities	**(155,907)**	(162,667)	**(149,212)**	(145,295)
Net decrease in cash and cash equivalents	**(16,908)**	(8,123)	**(43,775)**	(184,884)
Cash and cash equivalents at the beginning of the period	**53,271**	34,468	**80,138**	211,229
Cash and cash equivalents at the end of the period	**36,363**	26,345	**36,363**	26,345

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, 2014

	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, 2013	760,492	500	-	797,264	1,558,256
Net income for the period	-	-	-	275,644	275,644
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive income for the quarter ended December 31, 2013	-	-	-	275,644	275,644
Balance as at December 31, 2013	760,492	500	-	1,072,908	1,833,900
Balance as at June 30, 2013	760,492	500	821	840,189	1,602,002
Net income for the period	-	-	-	400,027	400,027
Other comprehensive income for the period	-	-	(821)	-	(821)
Total comprehensive income for the half year ended December 31, 2013	-	-	(821)	400,027	399,206
Final dividend for the year ended June 30, 2013 @ 22% (Rs.1.10 per share)	-	-	-	(167,308)	(167,308)
Balance as at December 31, 2013	760,492	500	-	1,072,908	1,833,900
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 income 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% (Re.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% (Re.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at December 31, 2014	**760,492**	**500**	**-**	**1,113,518**	**1,874,510**

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, 2014

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
	---------- (Rupees) ----------			
Net assets value per share at the beginning of the period	**10.96**	10.53	**11.50**	10.25
Net capital gain on sale of investments classified as 'financial assets at fair value through profit or loss' - held-for-trading	**1.03**	1.72	**0.94**	0.46
Dividend income	**0.18**	0.24	**0.14**	0.20
Net unrealised appreciation on re-measurement of investments / derivatives classified as 'financial assets at fair value through profit or loss' - held-for-trading	**1.37**	0.90	**0.86**	1.27
Profit on bank deposits	**0.02**	0.02	**0.02**	0.01
Net income for the period	**2.60**	2.88	**1.96**	1.94
Operating expenses	**(0.24)**	(0.25)	**(0.14)**	(0.13)
Final dividend for the year ended June 30, 2014 @ 20% (Re.1.00 per share) [June 30, 2013 @ 22% (Rs.1.10 per share)]	**(1.00)**	(1.10)	**(1.00)**	-
Net assets value per share	**12.32**	12.06	**12.32**	12.06

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, 2014

1. STATUS AND NATURE OF BUSINESS

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

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

1.3 The Pakistan Credit Rating Agency (PACRA) has assigned an asset manager 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 Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 1492(I)/2012 dated December 26, 2012 an asset management company managing an Investment Company shall, from the expiry of five years from November 21, 2007, hold within one month of such period a meeting of shareholders to seek their approval to convert the Investment Company into an Open End Scheme (by simple majority) or wind up the Investment Company (by special resolution). Further, during the current year, SECP vide its Notification S.R.O 1399(I) 2012 dated November 28, 2012 extended the timeline for convening the meeting of share holders till January 31, 2013.

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

Subsequently, the Company received a notice from SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation and advised the Company to take immediate corrective action by calling another 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 constitution. The Honorable Sindh High Court, after a preliminary hearing, has granted an ad-interim relief to the Company by restraining the SECP from taking any coercive action against the Company during the pendency of the petition.

The future operations of the Company are dependent on the outcome of the above referred Constitutional Petition. The management and the Company's legal counsel are of the view that the scheme of Regulation 65 in the way it has been framed is not in accordance with the principles of Company Law as well as the Constitution of Pakistan. Furthermore, they are confident that the Honorable Sindh High Court will strike down Regulation 65 or direct SECP to devise a more practical implementation scheme. However, the management believes that, in the worst case scenario, the winding up of the Company will not have any material impact on the carrying amounts of assets and liabilities for the reason that such values are not materially different from the expected realisable / settlement amounts of the assets and liabilities of the Company. Accordingly, these financial statements have been prepared on a going concern basis.

2. STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the NBFC Rules, NBFC Regulations and directives issued by SECP. In case where requirements differ, the requirements of 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, 2014.

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, 2014.

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:

IAS 19 – Employee Benefits - Employee Contributions (Amendment)

IAS 32 – Financial Instruments : Presentation – (Amendment)
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial information.

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.

	Note	(Unaudited) December 31, 2014	(Audited) June 30, 2014
		------ (Rupees in '000) ------	
4. INVESTMENTS			
Financial assets at fair value through profit or loss			
- Quoted equity securities - held-for-trading	4.1	**1,911,449**	1,694,894
Available-for-sale			
- Quoted equity securities	4.2	**3,295**	3,295
		1,914,744	1,698,189

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, 2014			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						---------- Rupees in '000 ----------					
SHARES OF LISTED COMPANIES - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Oil and gas											
Attock Refinery Limited	269,500	-	-	269,500	-	-	-	-	-	-	-
National Refinery Limited	51,400	-	-	51,400	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	119,700	-	-	119,700	-	-	-	-	-	-	-
						-	-	-			
Chemicals											
Arif Habib Corporation Limited	210,000	-	-	51,000	159,000	4,428	4,373	(55)	0.23	0.23	0.04
Archroma Pakistan Limited *	140,580	-	-	-	140,580	46,259	80,266	34,007	4.19	4.28	0.41
Biafo Industries Limited	453,000	517,000	-	631,400	338,600	51,348	62,770	11,422	3.28	3.35	1.69
Dynea Pakistan Limited (Face value of Rs.5 each)	895,233	-	-	-	895,233	40,295	51,512	11,217	2.69	2.75	4.74
Engro Polymer & Chemicals Limited	250,000	-	-	-	250,000	3,383	3,000	(383)	0.16	0.16	0.04
Engro Corporation Limited	179,000	200,000	-	379,000	-	-	-	-	-	-	-
Ghani Gases Limited	7,072	-	-	-	7,072	175	202	27	0.01	0.01	0.01
Nimir Ind. Chemicals Limited	-	672,500	-	-	672,500	18,828	17,142	(1,686)	0.90	0.91	0.61
						164,716	219,265	54,549			
Forestry (paper and board)											
Century Paper and Board Mills Limited	116,017	-	-	-	116,017	6,184	6,289	105	0.33	0.34	0.08
Pakistan Paper Products Limited	-	201,500	-	-	201,500	12,366	15,818	3,452	0.83	0.84	3.36
						18,550	22,107	3,557			
Industrial metals and mining											
Huffaz Seamless Pipe Industries Limited	462,745	-	-	71,000	391,745	7,972	9,343	1,371	0.49	0.50	0.71
International Steel Limited	-	356,000	-	356,000	-	-	-	-	-	-	-
International Industries Limited	599,500	289,500	-	889,000	-	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	2,005,000	-	-	-	2,005,000	14,276	14,516	240	0.76	0.77	2.55
						22,248	23,859	1,611			
Construction and materials											
Akzo Nobel Pakistan Limited	39,500	140,000	-	179,500	-	-	-	-	-	-	-
Balochistan Glass Limited	110,000	-	-	-	110,000	715	594	(121)	0.03	0.03	0.06
Berger Paints Pakistan Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Buxly Paints Limited	1,000	35,500	-	-	36,500	1,650	1,515	(135)	0.08	0.08	2.53
Dewan Cement Limited	7,009,500	418,500	-	1,360,000	6,068,000	44,669	47,088	2,419	2.46	2.51	1.56
Javedan Corporation Limited	-	2,843,300	-	-	2,843,300	89,634	80,039	(9,595)	4.18	4.27	4.87
Javedan Corporation Limited (LoR)	-	43,500	-	-	43,500	698	774	76	0.04	0.04	1.40
Lafarge Pakistan Cement Limited	2,400,000	-	-	2,400,000	-	-	-	-	-	-	-
Shabbir Tiles & Ceramics Limited (Face value of Rs.5 each)	270,682	547,000	-	-	817,682	8,200	9,256	1,056	0.48	0.49	0.54
						145,566	139,266	(6,300)			
General industrials											
Cherat Packaging Limited	61,499	-	-	-	61,499	4,566	9,966	5,400	0.52	0.53	0.22
Macpac Films Limited	727,129	46,000	-	-	773,129	13,271	14,767	1,496	0.77	0.79	1.99
Merit Packaging Limited	895,657	-	-	-	895,657	16,892	19,051	2,159	0.99	1.02	2.22
Thal Limited (Face value of Rs.5 each)	189,700	378,300	-	5,000	563,000	139,748	151,464	11,716	7.91	8.08	0.69
						174,477	195,248	20,771			
Electronic and electric goods											
Johnson and Phillips (Pakistan) Limited	-	17,000	-	-	17,000	570	538	(32)	0.03	0.03	0.31
Pakistan Cables Limited	114,500	80,200	-	-	194,700	22,390	31,152	8,762	1.63	1.66	0.68
						22,960	31,690	8,730			

Name of the Investee company	Number of shares					Balance as at December 31, 2014			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						Rupees in '000					
Engineering											
K.S.B. Pumps Company Limited	218,000	-	-	113,000	105,000	8,794	16,080	7,286	0.84	0.86	0.80
						8,794	16,080	7,286			
Pharma and bio tech											
GlaxoSmithkline (Pak) Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
						-	-	-			
Software and computer services											
Netsol Technologies Limited	-	200,000	-	200,000	-	-	-	-	-	-	-
						-	-	-			
Industrial transportation											
Pakistan International Container Terminal Limited	-	25,600	-	-	25,600	7,719	7,680	(39)	0.40	0.41	0.02
Pakistan National Shipping Corporation	198,808	-	-	198,808	-	-	-	-	-	-	-
						7,719	7,680	(39)			
Technology hardware and equipment					-						
TPL Trakker Limited	8,102,000	-	-	2,011,500	6,090,500	50,490	48,846	(1,644)	2.55	2.61	2.80
						50,490	48,846	(1,644)			
Support services					-						
TRG Pakistan Limited	11,184,060	4,828,467	-	-	16,012,527	208,595	233,142	24,547	12.18	12.44	3.60
TRG Pakistan Limited (LoR)	-	4,065,043	-	4,065,043	-	-	-	-	-	-	-
						208,595	233,142	24,547			
Automobile and parts											
Atlas Battery Limited	16,396	-	-	10,600	5,796	2,608	5,216	2,608	0.27	0.28	0.03
Atlas Honda Limited	145,151	-	-	-	145,151	33,372	48,734	15,362	2.55	2.60	0.14
Exide Pakistan Limited	43,461	-	-	43,461	-	-	-	-	-	-	-
General Tyre & Rubber Co. of Pakistan Limited	152,892	-	-	152,892	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
						35,980	53,950	17,970			
Beverages											
Murree Brewery Company Limited	3,800	14,580	-	18,380	-	-	-	-	-	-	-
						-	-	-			
Food producers											
Colony Sugar Mills Limited	378,000	-	-	-	378,000	2,873	2,930	57	0.15	0.16	0.38
Habib - ADM Limited (Face value of Rs.5 each)	74,889	-	-	74,889	-	-	-	-	-	-	-
JDW Sugar Mills Limited	11,573	-	-	11,573	-	-	-	-	-	-	-
Noon Sugar Mills Limited	1,215,091	-	-	1,185,630	29,461	707	916	209	0.05	0.05	0.18
Punjab Oil Mills Limited	99,000	-	-	-	99,000	10,374	9,072	(1,302)	0.47	0.48	1.84
Quice Food Industries Limited	290,500	1,377,500	-	513,000	1,155,000	9,223	8,743	(480)	0.46	0.47	1.47
Sanghar Sugar Mills Limited	14,890	-	-	-	14,890	381	328	(53)	0.02	0.02	0.12
Shahtaj Sugar Mills Limited	24,537	-	-	-	24,537	1,963	1,781	(182)	0.09	0.10	0.20
Shakarganj Mills Limited	4,646,502	420,000	-	-	5,066,502	85,801	81,824	(3,977)	4.27	4.37	7.29
S. S. Oil Mills Limited	-	180,500	-	400	180,100	8,302	8,465	163	0.44	0.45	3.18
Tandlianwala Sugar Mills Limited	5,356	-	-	5,356	-	-	-	-	-	-	-
						119,624	114,059	(5,565)			

Name of the Investee company	Number of shares					Balance as at December 31, 2014			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid up capital
						Rupees in '000					
Personal goods (textile)											
Crescent Fibres Limited	42,000	-	-	-	42,000	1,249	1,308	59	0.07	0.07	0.34
Dawood Lawrencepur Limited	62,159	-	-	-	62,159	7,273	7,492	219	0.39	0.40	0.11
Fazal Cloth Mills Limited	12,406	-	-	-	12,406	1,923	1,890	(33)	0.10	0.10	0.04
Rupali Polyester Limited	12,701	-	-	-	12,701	214	188	(26)	0.01	0.01	0.04
Din Textile Mills Limited	54,729	-	-	-	54,729	6,536	4,731	(1,805)	0.25	0.25	0.24
Ellcot Spinning Mills Limited	835,554	20,000	-	-	855,554	63,596	71,405	7,809	3.73	3.81	7.81
Fazal Textile Mills Limited	22,800	10,900	-	-	33,700	27,929	20,289	(7,640)	1.06	1.08	0.54
Ishaq Textile Mills Limited	6,500	-	-	-	6,500	144	94	(50)	0.00	0.01	0.07
Island Textile Mills Limited	37,850	2,150	-	-	40,000	34,473	33,000	(1,473)	1.72	1.76	8.00
Kohinoor Mills Limited	-	80,500	-	-	80,500	1,208	1,088	(120)	0.06	0.06	0.16
Prosperity Weaving Mills Limited	84,591	-	-	-	84,591	3,468	3,299	(169)	0.17	0.18	0.46
Saif Textile Mills Limited	181,500	35,500	-	-	217,000	5,658	5,792	134	0.30	0.31	0.82
Sapphire Fibres Limited	47	-	-	-	47	14	21	7	0.00	0.00	-
Service Industries Limited	53,288	-	-	53,288	-	-	-	-	-	-	-
ZIL Limited	115,155	-	-	-	115,155	11,976	11,445	(531)	0.60	0.61	1.88
						165,661	**162,042**	**(3,619)**			
Fixed line telecommunication											
Pak Datacom Limited	654,031	-	-	70,000	584,031	44,678	45,379	701	2.37	2.42	5.96
Telecard Limited	2,268,500	-	-	-	2,268,500	9,346	7,509	(1,837)	0.39	0.40	0.76
WorldCall Telecom Limited	2,752,000	-	-	-	2,752,000	5,752	4,678	(1,074)	0.24	0.25	0.32
						59,776	**57,566**	**(2,210)**			
Electricity											
Sitara Energy Limited	263,151	-	-	-	263,151	8,881	10,523	1,642	0.55	0.56	1.38
						8,881	**10,523**	**1,642**			
Media											
Hum Network Limited (Face value of Re.1 each) **	211,000	28,000	1,251,000	100,000	1,390,000	15,005	20,419	5,414	1.07	1.09	0.15
						15,005	**20,419**	**5,414**			
Multiutilities (gas and water)											
Sui Northern Gas Pipelines Limited	1,007,050	4,167,000	-	856,000	4,318,050	105,210	123,971	18,761	6.47	6.61	0.68
Sui Southern Gas Company Limited	2,895,500	1,480,500	-	250,000	4,126,000	150,402	160,006	9,604	8.36	8.54	0.47
						255,612	**283,977**	**28,365**			
Commercial banks											
Allied Bank Limited	-	328,125	-	-	328,125	36,094	37,268	1,174	1.95	1.99	0.03
Askari Bank Limited	589,792	-	-	589,792	-	-	-	-	-	-	-
Bank Alfalah Limited	541,500	-	-	541,500	-	-	-	-	-	-	-
Bank Al-Habib Limited	314,600	-	-	314,600	-	-	-	-	-	-	-
BankIslami Pakistan Limited	506,500	45,956	-	-	552,456	5,378	5,420	42	0.28	0.29	0.10
BankIslami Pakistan Limited (LoR)	-	45,956	-	45,956	-	-	-	-	-	-	-
The Bank of Punjab Limited	-	1,324,500	-	-	1,324,500	13,640	14,503	863	0.76	0.77	0.09
Habib Bank Limited	382,690	-	-	382,690	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited	513,382	-	-	513,382	-	-	-	-	-	-	-
National Bank of Pakistan	-	400,000	-	400,000	-	-	-	-	-	-	-
NIB Bank Limited	4,372,955	1,500,000	-	-	5,872,955	13,052	13,625	573	0.71	0.73	0.06
Summit Bank Limited	11,628,659	-	-	-	11,628,659	38,956	51,748	12,792	2.70	2.76	1.08
						107,120	**122,564**	**15,444**			

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, 2014: Carrying cost	Balance as at December 31, 2014: Market value	Balance as at December 31, 2014: Appreciation / (diminution)	Percentage in relation to: Market value as percentage of investments	Percentage in relation to: Market value as percentage of net assets	Percentage in relation to: Investee paid up capital
						---------- Rupees in '000 ----------					
Non life insurance											
Adamjee Insurance Company Limited	200,000	1,600,000	-	100,000	1,700,000	82,168	84,082	1,914	4.39	4.49	0.49
Askari General Insurance Company Limited	526,000	-	-	263,000	263,000	4,603	7,206	2,603	0.38	0.38	0.68
Century Insurance Company Limited	451,312	12,000	-	-	463,312	7,674	11,583	3,909	0.60	0.62	1.01
Habib Insurance Company Limited (Face value of Rs.5 each)	311,250	-	-	-	311,250	4,809	6,848	2,039	0.36	0.37	0.25
IGI Insurance Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
TPL Direct Insurance Company Limited	1,018,000	61,500	-	-	1,079,500	14,691	27,797	13,106	1.45	1.48	2.35
						113,945	**137,516**	**23,571**			
Financial services											
First Capital Securities Corporation Limited	317,605	-	-	-	317,605	784	638	(146)	0.03	0.03	0.10
						784	**638**	**(146)**			
Health care equipment and services											
Shifa International Hospitals	269,000	-	-	269,000	-	-	-	-	-	-	-
						-	**-**	**-**			
Travel and leisure											
Pakistan International Airlines Corporation	-	605,500	-	-	605,500	4,602	4,511	(91)	0.24	0.24	0.02
Pakistan Services Limited	13,400	-	-	-	13,400	6,584	6,499	(85)	0.34	0.35	0.04
						11,186	**11,010**	**(176)**			
IMPAIRED EQUITY SECURITIES											
Financial services											
Security Leasing Corporation Limited (9.1% Preference shares)	1,489	-	-	-	1,489	2	2	-	0.00	0.00	0.01
						2	**2**	**-**			
Total listed equity securities as at December 31, 2014						**1,717,691**	**1,911,449**	**193,758**			
Total listed equity securities as at June 30, 2014						**1,434,990**	**1,694,894**	**259,904**			

* This includes 60,000 shares pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

** The bonus reflecting in this scrip is due to decrease in face value of shares from Rs.10 each to Re.1 each.

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

Name of the investee company	Note	Number of shares: Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Balance as at December 31, 2014: Carrying Cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Percentage in relation investee paid-up capital
							(Rupees in '000)					
Financial services												
Security Leasing Corporation Limited (9.1% Preference shares)	4.2.1	1,000,000	-	-	-	1,000,000	10,166	-	-	-	-	-
Less: Impairment							(6,871)					
							3,295	3,295	-	0.17	0.18	8.89
Total listed equity securities as at December 31, 2014							**3,295**	**3,295**	**-**			
Total listed equity securities as at June 30, 2014							3,295	3,295	-			

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.

	Note	(Un-audited) December 31, 2014	(Audited) June 30, 2014
		--------- (Rupees in '000) ---------	
4.3 Unrealised diminution in fair value of investments classified as 'available-for-sale' - net			
Market value of investments		**3,295**	3,295
Less: Cost of investments		**(3,295)**	(3,295)
		-	-

5. PROVISION FOR WORKERS' WELFARE FUND (WWF)

Through the Finance Act, 2008, an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it is alleged that all Collective Investment Schemes (CISs) / mutual funds whose income exceeds Rs.0.5 million in a tax year have been brought within the scope of the WWF Ordinance thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down. However, during March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

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

In view of the aforementioned developments during the year, the Management Company, as a matter of abundant caution, has decided to retain and continue with the provision for WWF amounting to Rs.50.033 million (June 30, 2014: Rs.42.689 million) in these financial statements. Had this provision not been made the net asset value would have increased by Re.0.329 (2.67%) per share (June 30, 2014: Re.0.281 (2.56%) and the net income for the year would have increased by Re.0.048 (2.04%) per share (December 31, 2013: Re.0.037 (2.05%) per share).

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2014.

7. TAXATION

The income of the Company is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the shareholders. 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 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

8. PROVISION FOR INDIRECT TAXES AND DUTIES

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

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 (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 and terms determined in accordance with market rates. Details of transactions and balances with connected persons are as follows:

	Half year ended December 31, 2014	Half year ended December 31, 2013
9.1 Transactions during the period	-------- (Rupees in '000)	--------
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**17,257**	17,058
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**34,915**	38,407
AKD Securities Limited - Group Company		
Sale of shares of various companies	**213,138**	10,432
Purchase of shares of various companies	**94,259**	99,728
Brokerage	**362**	138
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**3**	3
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**2,093**	2,302
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**601**	661
Directors of the Company		
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**6,650**	7,348
Key Management Personnel of the Company		
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**80**	11
AKD Opportunity Fund - Common Management Company		
Purchase of shares	**46,740**	5,248
Aqeel Karim Dhedhi Securities (Private) Limited		
Purchase of shares	**28,667**	-
AKD Capital Limited		
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)	**818**	706
Oil & Gas Investment Limited - Group Company		
Cash dividend paid @ 20% i.e. Re.1.00 per share (2013: 22% i.e. Rs.1.10 per share)	**2,200**	2,420

9.2 Transactions outstanding at the period / year end	(Un-audited) December 31, 2014	(Audited) June 30, 2014
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**3,184**	2,760
Sales tax on Management fee	**554**	512
Provision for indirect taxes and duties	**8,626**	5,865
Others	**600**	600
Shares in issue (number of shares: December 31, 2014: 34,915,395; June 30, 2014: 34,915,395)	**174,577**	174,577
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (number of shares: December 31, 2014: 2,092,812; June 30, 2014: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (number of shares: December 31, 2014: 2,889; June 30, 2014: 2,889)	**14**	14
Brokerage payable	**73**	9
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (number of shares: December 31, 2014: 601,046; June 30, 2014: 601,046)	**3,005**	3,005
Oil & Gas Investment Limited - Group Company		
Shares in issue (No. of shares: December 31, 2014: 500; June 30, 2014: 2,200,000)	**3**	11,000
Directors of the Company		
Shares of the Company held (number of shares: December 31, 2014: 6,759,861; June 30, 2014: 6,649,861)	**33,799**	33,249
Key Management Personnel of the Company		
Shares of the Company held (number of shares: December 31, 2014: 80,000; June 30, 2014: 135,622)	**400**	678
Central Depository Company of Pakistan Limited - Custodian		
Fee payable (including transaction charges)	**139**	85

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

	December 31, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	(Rupees in '000)			
Investments / derivatives at fair value through profit or loss - held-for-trading	**1,925,234**	**-**	**2**	**1,925,236**
Investment in securities - available-for-sale	**-**	**-**	**3,295**	**3,295**
	1,925,234	**-**	**3,297**	**1,928,531**

	June 30, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS	(Rupees in '000)			
Investments / derivatives at fair value through profit or loss - held-for-trading	1,694,892	-	2	1,694,894
Investment in securities - available-for-sale	-	-	3,295	3,295
	1,694,892	-	3,297	1,698,189

During the half year ended December 31, 2014, 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 23, 2015 have declared an interim dividend at the rate of 44% i.e. Rs.2.2 per share (December 31, 2013: 44% i.e. Rs.2.2 per share). These condensed interim financial statements of the Company for the period ended December 31, 2014 do not include the effect of the dividend which will be accounted for in the financial statements of the Company subsequent to the period end.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 23, 2015 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, 2014 and the corresponding figures for the quarter ended December 31, 2013 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

AKD Investment
Management Ltd.

216-217, Continental Trade Centre, Block-8, Clifton, Karachi-74000
U.A.N : 92-21-111 AKDIML (111-253-465) Fax : 92-21-35373217, 35303125
E-mail : info@akdinvestment.com Website : www.akdinvestment.com