Golden Arrow Selected Stocks Fund

AKD Investment Management Ltd — **January '08**

Investment objective

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

Fund Managers
Faisal Bengali, Ali Alvi

Base Currency of Fund: PkR

Total Units
122,907,752 Units @ PkR 5 each

Assets under Management
PkR.1.25bn

Dividend Yield for FY07
23% (based on open price for FY07)

Type of Fund
Closed ended

Date of Fund launch
May, 1983

Date of Management takeover
Sep, 2004

Fund Index
KSE100 Index

Net Asset Value (31st Jan '08)
PkR.9.28

KSE symbol
GASF

Management Fee
2%

Financial Year
July 1st ~ June 30th

Auditor
A. F. Ferguson

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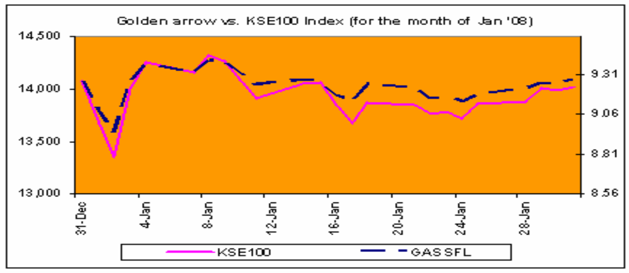
Fund Performance



Fund Performance % (Dividends Re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	1.77%	-0.42%	-2.12%	2.02%	24.34%
Golden Arrow	3.32%	0.11%	-2.73%	2.18%	32.57%

Market Performance

The market for the month was range bound, down 0.42% MoM. The after effects of Mohtarma Bhutto's assassination led to negative opening for the KSE100 index, which lost 5.14% in the first two trading days. However, normalcy gradually set in and the market started to recover closing the month with a flat performance.

News for the month was not very encouraging where most of the earning announcements were below expectations. This was further exacerbated by fears of US recession, downward trend in global markets, outflow from SCRA account, and high inflation (December CPI stood at 8.79%). Going forward, result season will come into full swing in February while on the political front investors will also keep a close eye on the Feb 18th elections and the developments thereafter.

Fund Activity during the month

The fund managers maintained a cautious stance towards equities as an asset class. During the month we maintained a cash level of over 23%. Political uncertainty and weak economic numbers kept the fund on a defensive footing.

Allocation to Oil & Gas E&P sector was maintained at 19.63% as cheap valuations of the sector provide a shelter during uncertain times. Exposure to banking sector was reduced from 12.51% to 11.33%. Exposure to Auto sector was raised from 4.66% to 5.44% as valuation discount widened between Indus Motors and its sector. Additional exposure was taken in Power sector, taking it from 2.31% to 3.05%, to benefit from the high dividend yield offered by the sector.

Portfolio Details

Portfolio Composition (% of Assets under Management)

Equities: 75.02%	Debt: 1.09%	Cash: 23.89%

Top 5 Holdings (31st January '08)

Security Name	%
Oil & Gas Dev Co.	8.60
Pakistan Petroleum Ltd	7.49
National Bank of Pak	6.94
Pakistan State Oil	3.93
Fauji Fertilizer Co.	3.77

Fund Characteristics

Statistic	FY08E
Price to Earning Ratio	7.77x
Price to Book Value Ratio	2.36x
EPS Growth	14.88%
Dividend Yield	4.18%
No. of long-term positions	39
Beta	0.7
Alpha	9.43%
Sharpe Ratio	1.45

Sector Breakdown (31st January 2008)