Golden Arrow Selected Stocks Fund

For the month ending January 2011

Fund activity during the month

The Golden Arrow Selected Stocks Fund Limited (GASF) posted a return of negative 1.96% in January 2011versus the Benchmark KSE-100 Index return of 2.80%. For the seven month period, July 2010 to January 2011, GASF showed a return of 17.75%. During this period, performance in Water & Gas Utilities Sector and Personal Goods Sector was undone by poor performance in Fixedline Telecommunications sector and Support & Services sector. Moreover, under-weight exposure to the Oil & Gas Sector also caused a drag on performance.

In a momentum driven market that we witnessed in 1HFY11, a value oriented fund such as GASF will typically end up under-performing. The Investment Committee is however, cognizant of the underperformance and is considering gradual shift in exposures to various sectors and stocks that would narrow the gap between the Fund's performance and that of the Benchmark KSE-100. At the same time, the IC is committed to its core philosophy of value investing that can deliver an above average total return to GASF's unit holders in FY11. In this context, Portfolio turnover is unlikely to increase significantly in the near term even as gradual shift in exposures occurs going forward.

Investment Objective

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

Fund Information

Fund Type	Closed-end
Category	Equity
Date of Fund launch	May, 1983
Date of Manag. takeover	Sep, 2004
Assets under Management	988.139mn
NAV (31st Jan 2011)	PkR 6.50
Market Price (31st Jan 2011)	PkR 3.24
Benchmark	KSE100 Index
Dealing Days	Mon to Fri
Cut-off Timmings	9:00 am to 5:00 pm
Pricing Mechanism	Forward Pricing
Management Fee	2%
Risk Profile	Moderate / High
Trustee	CDC
Auditor	A. F. Fergusons
Asset Manager Rating	AM3

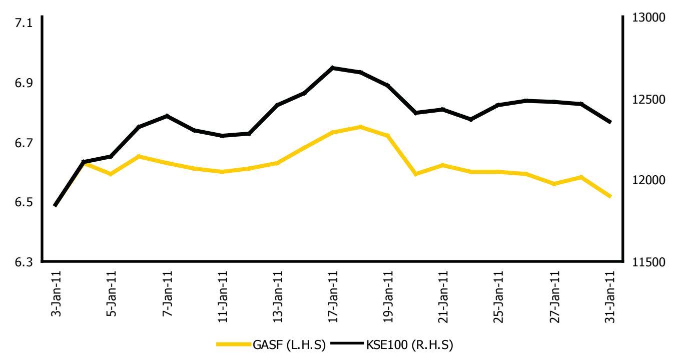
Portfolio Characteristics

Statistics	FY10
Price to Earnings Ratio	7.20x
EPS Growth	36.15%
Dividend Yield	4.28%
No. of Long Term Positions	56
Beta	0.75

Investment Committee Members

Mr. Nadeem Naqvi
Mr. Imran Motiwala
Mr. Amin Hussain
Mr. Muhammad Yaqoob
Mr. Ahmed Hassan

Fund Performance



	FYTD	1 Month	3 Month	6 Month	1 Year
KSE 100	27.13%	2.80%	16.62%	17.50%	28.55%
GASF	17.75%	-1.96%	22.18%	10.17%	9.80%

Debt Securities (% of NAV)	Ratings	Jan 31, 2011
Al-Abbas Sugar Mills Limited	A+	1.66%
JDW Sugar Mills Limited	A	0.87%
Kohat Cement Company Limited	Withdrawn by PACRA	1.32%

Top Ten Equity Holdings

Sui Southern Gas Company	12.06%	Bank Alfalah Limited	3.78%
Dawood Hercules	9.06%	Thal Limited	3.32%
TRG Pakistan	6.11%	Habib Metropolitan Bank	3.12%
Habib Bank Limited	5.74%	Muree Brewery	3.11%
Pak Datacom Limited	4.08%	Sui Northern Gas Pakistan	2.64%

Asset Allocation (% of Total Assets)	Dec 31, 2010	Jan 31, 2011
Equities	94.18%	94.56%
TFCs	4.00%	3.78%
Cash	1.15%	1.18%
Other Assets	0.67%	0.48%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Dec 31, 2010	Jan 31, 2011
Banks	21.00%	22.14%
Gas Water and Multiutilities	14.81%	14.70%
Personal Goods	13.06%	14.40%
Chemicals	13.09%	13.86%
Support Services	6.68%	6.11%