Golden Arrow Selected Stocks Fund

For the month ending May 2010

Fund activity during the month

Golden Arrow Selected Stocks Fund (GASF) posted a return of -14.97% in May 2010, while against the KSE-100 Index return of -10.56%. The allocations drifted during the month on account as prices fluctuated within the sectors. Although major positions remained intact, however, the composition was slightly changed to capture higher risk-adjusted returns. Positions in the Tobacco, Telecom and Oil sector were liquidated as the firms within the sector approached internal valuation targets. The funds were transferred to more lucrative opportunities in Paper and Board and Telecom infrastructure segment.

Going forward, we expect the market to remain choppy as the participants adjust to new CGT regime. However, we feel this provides an ideal time for accumulation in selected Blue Chips.

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	940.792mn
NAV (31st May 10)	6.19
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	**FY10E**
Price to Earning Ratio	7.97x
Price to Book Value Ratio	0.83x
EPS Growth	12.20%
Dividend Yield	2.92%
No. of Long Term Positions	60
Beta	0.66

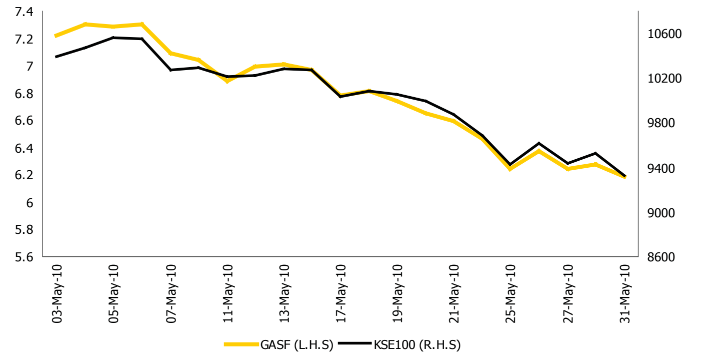
Investment Committee Members

Mr. Nadeem Naqvi — Mr. Imran Motiwala

Mr. Amin Hussain — Mr. Muhammad Yaqoob

Mr. Ahmed Hassan — Mr. Danish Owais

Fund Performance



	YTD	1 Month	3 Month	6 Month	1 Year
KSE 100	30.22%	-10.56%	-3.43%	1.31%	28.17%
GASF	13.16%	-14.97%	-12.82%	-6.50%	14.42%

Debt Securities (% of NAV)	Ratings	May 31, 2010
Al-Abbas Sugar Mills	A+	2.16%
JDW Sugar	A	1.30%

Top Ten Equity Holdings

TRG Pakistan	8.98%	Nishat Mills Limited	4.63%
Sui Southern Gas Company	7.54%	Habib Bank Limited	4.55%
Dawood Hercules	6.52%	Sui Northern Gas Pakistan	3.39%
D.G. Khan Cement	5.09%	Murree Brewery	2.57%
Pak Datacom Limited	4.70%	Kohinoor Energy Limited	2.46%

Asset Allocation (% of NAV)	Apr 30, 2010	May 31, 2010
Equities	94.80%	95.48%
TFCs	3.71%	3.46%
Cash	1.49%	1.06%
Leverage	NIL	NIL

Sector Allocation (% of NAV)	Apr 30, 2010	May 31, 2010
Banks	21.93%	18.28%
Personal Goods	12.53%	15.90%
Chemicals	12.20%	11.74%
Gas Water and Multiutilities	10.18%	10.93%
Support Services	9.12%	8.98%