

Golden Arrow
SELECTED STOCKS FUND LIMITED

Half Yearly Report
December 31, 2018
(Un-audited)



half yearly report

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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mr. Javaid Bashir Sheikh

DIRECTOR & CHIEF EXECUTIVE OFFICER

Mr. Imran Motiwala

DIRECTORS

Ms. Anum Dhedhi

Mr. Aurangzeb Ali Naqvi

Mr. Muhammad Siddiq Khokhar

Mr. Abdul Karim

Mr. Muzammil Abdul Karim

AUDIT COMMITTEE

Mr. Muhammad Siddiq Khokhar (Chairman)

Mr. Abdul Karim (Member)

Mr. Aurangzeb Ali Naqvi (Member)

Mr. Muhammad Yaqoob Sultan, CFA (Secretary)

CHIEF FINANCIAL OFFICER

Mr. Muhammad Munir Abdullah

COMPANY SECRETARY

Mr. Muhammad Yaqoob Sultan, CFA

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

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharah-e-Faisal
Karachi-75350, Pakistan.

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 5-Star (5-year period)
PACRA: MFR 4-Star (3-year period)
PACRA: MFR 4-Star (1-year period)

RATING-MANAGEMENT COMPANY

PACRA: AM3++ (AM Three Plus Plus)

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 financial 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 reviewed Financial Statement for the half year ended December 31, 2018.

FUND'S FINANCIAL PERFORMANCE

For 1HFY19, the return of the Golden Arrow Selected Stocks Fund was -9.71% compared to the KSE-100 Index return of -11.56%.

MACRO PERSPECTIVE

The newly elected Government continued to face severe challenges in 1HFY19 (July-December), as the country remained under the shadow of political uncertainty, degradation from global money-laundering watchdog (FATF) over regulatory concerns, and large twin deficits (fiscal and current).

The Current Account Deficit (CAD) for 1HFY19 stood at \$7.983 billion (5.4% of GDP) as compared to \$8.353 billion in the same period last year (SPLY), exhibiting a decline of 4.43% YoY. This improved performance was on the back of an increase in exports of goods by 0.08% YoY to \$11.840 billion from \$11.831 billion, along with an increase in remittances, which increased by 10% YoY to \$10.718 billion from \$9.744 billion. However, imports of goods increased by 5.87%, from \$12.993 billion to \$13.756 billion, which combined with swelling debt servicing, eroded the foreign exchange reserves by 31.8% YoY to \$13.57 billion.

On the fiscal front, the Federal Bureau of Revenue (FBR) managed to collect PKR1.788 trillion during the 1HFY19 which was around 4% higher as compared to the tax collection of PKR1.720 trillion, same period last year. Despite this increase, FBR failed to meet the 1HFY19 target by PKR172 billion, making it difficult for the Government to achieve its desired target of PKR4.40 trillion for FY19.

As per the Pakistan Bureau of Statistics (PBS), during the 1HFY19, average Consumer Price Index (CPI) was recorded at 6.05% compared to 3.75% same period last year. Average Core Inflation, calculated by non-food and non-energy CPI, clocked in at an alarming 8.03%, compared to 5.47% same period last year. Moreover, the State Bank of Pakistan (SBP) had upward revised its target of CPI between 6.5-7.5% for FY19, in its Monetary Policy Statement (MPS) on 30th November 2018, on the basis of higher international oil prices, further PKR/USD devaluation and increase in gas tariffs. Due to this higher expected inflation, and burgeoning twin deficits, SBP further increased the policy rate by 150 bps, to 10%, effective from 3rd December 2018.

The Agriculture sector is expected to underperform, and remain below its target in FY19, due to the increasing water crisis, which is likely to hamper agricultural output production. The slowdown in the services sector, along with manufacturing sector has caused the SBP to expect a real GDP growth of approximately 4% for FY19.

The Large Scale Manufacturing (LSM) sector, which constitutes 80% of the total manufacturing and 11% of the overall GDP, witnessed a decrease of 0.90% for 5MFY19 (July-November). Major growth was witnessed in sectors such as Engineering products (19.93%), paper & board (8.76%), fertilizers (5.87%), and rubber products (4.2%). On the other hand, LSM sectors that exhibited major negative growth were wood products (47.09%), electronics (9.46%), pharmaceuticals (7.62%), and iron & steel products (6.13%).

During the 1HFY19, Pakistan was able to attract \$1.32 billion in Foreign Direct Investment (FDI) which is 19.2% lower as compared to the corresponding period last year. This massive plunge is mainly due to decrease in Chinese inflows by 31% YoY as major investments in power generation projects from the Chinese IPPs has been already undertaken whereas, the inflows from other countries remained insignificant. In our view, PKR-USD depreciation of 14.84% in 1HFY19 and funds received through bailout package from friendly countries like UAE (\$1 billion), and Saudi Arabia (\$3 billion) will provide some relief to the CAD. A prospective bailout package by IMF is looking very plausible and issuance of Diaspora bonds for overseas Pakistanis and increasing remittances would provide a much needed cushion to the external account.

Lastly, CPEC investments will continue to play a vital role in attracting investment in Pakistan and provide support to the deteriorating external account. Overall, clarity about the economic policies and reforms of the current government will remain a key determinant of macro performance.

EQUITY MARKET REVIEW

During 1HFY19, KSE-100 index exhibited a decline of 11.56%, ending the period at 37,067 points. The equity market remained under pressure on the back of faltering investor confidence stemming from weak economic conditions (Balance of payment crisis, currency fluctuation and widening fiscal deficit) and continued foreign investor selling during the period (FIPI recorded net selling of \$403.67 million as compared to \$155.17 million in SPLY). Moreover, growing inflationary pressures led to the State Bank of Pakistan increasing the policy rate by 250 bps to 10% in the 1HFY19, prompting investors to realign their portfolios from equity market to fixed income instruments (T-bills, National Savings Schemes, PIBs, bank deposits) in pursuit of attractive returns.

Going forward, we believe that the second supplementary budget of the incumbent Government is expected to lift the market dynamics. Measures including abolishment of 0.02% on brokers for shares transactions and allowance to carry forward of capital losses over the period of three years would help improve trading activity in the market. Furthermore, sector specific measures are mainly positive for export-oriented sectors in the form of reduced duties and input costs and also settlement of refunds through promissory notes, Autos (non-filers allowed to purchase locally assembled vehicles up to 1300cc engine capacity), and Cements (allocation of loans for housing scheme). On the other hand, continuation of super tax (flat 4%) on banks (sector weight age: 25.23%) would keep the index in check.

However, improved liquidity emerging from the renewed investor confidence would still be a major driver of market performance. Improvement in macro-performance (fiscal and external deficits) and entry into an IMF program along would bring more clarity to the direction of market and possibly recover the market confidence in the remaining FY19. Upcoming monetary policies by SBP in 2HFY19 would also be crucial in determining the market performance. Currently, the KSE -100 Index is trading at an attractive multiple of 7.9x at a discount of 46% from emerging markets, offering potential upside for investors.

FUTURE OUTLOOK

Keeping in view the current economic situation, it is expected that Pakistan would continue to face severe challenges in FY19. On the external front, while recent aid (Saudi, Chinese, and UAE) should provide funding support over FY19, but an IMF program remains of paramount importance as the financial assistance would not be able to solve liquidity concerns as forex reserves SBP stand at \$7.2 billion for the 1HFY19.

Despite a gradual improvement in Current Account Deficit during 1HFY19, it still remains a major concern of the incumbent Government and needs urgent remedial measures to decelerate imports and further improve foreign inflows. However, shifting towards less costly alternative for power production, currency devaluation (14.84% in 1HFY19), and incentives provided to export oriented industries (reduced duties & Rebates) would likely further improve the external account. Oil credit facility from Saudi Arabia and U.A.E. of \$6 billion and \$6.2 billion respectively will further support the CAD situation. Moreover, remittances are also expected to increase further and support the ailing economy as factors such as the weakening currency and stringent measures being taken by the government to curb money laundering, thus forcing this money to flow through official channels.

We believe a significant reversal in equity market will be more dependent on liquidity rather than valuations (The KSE-100 index trading at a Price-to-earnings (P/E) and Dividend Yield (DY) of 7.9x and 7.09% respectively as compared to Emerging Market P/E and DY of 11.52x and 2.70% respectively). The investor confidence level and foreign participation will play a major role in this regard.

On the Fixed Income side, the rapid surge in interest rates has made the situation severe and has led to an economic slowdown. Yields on 6 Month T-Bills have surged from under 6% in 2018 to around 10.5% currently and are likely increase further by the end of 2019. Therefore, equity markets will have to offer more to entice investors as competing asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) are beginning to offer attractive yields.

Furthermore, the recent visit of the Saudi Crown Prince Mohammad Bin Salman accompanied by a highpowered Saudi business delegation(as per media reports) concluded a series of multi-billion dollar agreements (~\$20 billion in next 5 years) that would help Pakistan in regaining its FDI momentum.

MATERIAL INFORMATION

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(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 Honorable Sindh High Court, after a preliminary hearing, had 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.

Subsequently, the board of directors in their meeting held on January 09, 2018 voluntarily resolved that the Company be converted from closed end fund to an open end scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and has approved a scheme of arrangement for the same. Further, the board has decided to place the scheme of arrangement before the shareholders for their approval by special resolution in an extra ordinary general meeting held on February 15, 2018, in which the shareholders had approved the conversion.

Following the approval in EOGM, case filed by Company against Federation of Pakistan and SECP has been disposed off for which court order has been received by the Company. The Company submitted application to SECP for the conversion of GASSFL into an open end scheme. The SECP has approved the conversion of GASSFL into an Open-End Scheme in terms of Regulation 65 of the NBFC and NE Regulations, 2008 vide its letter dated February 14, 2019. The effective date for the conversion shall be no later than July 01, 2019.

For and on behalf of the Board

Imran Motiwala
Chief Executive Officer

Javaid Bashir Sheikh
Chairman

Karachi: February 19, 2019

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.

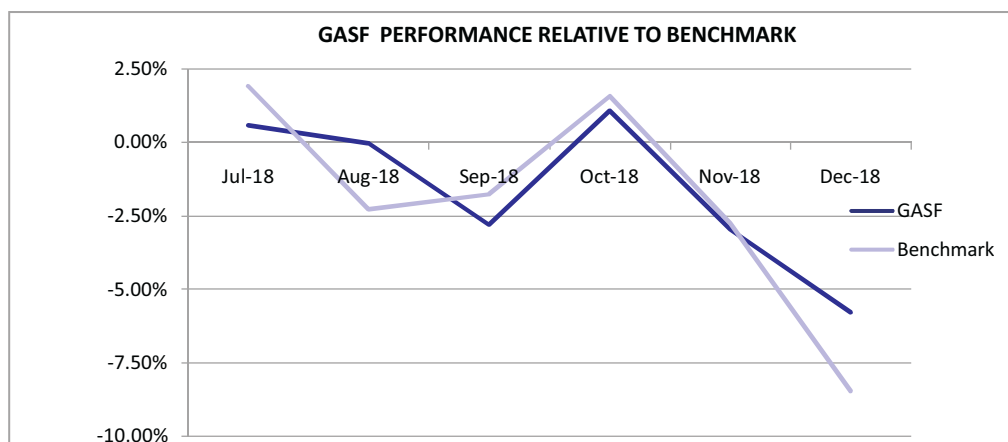
iii) Explanation as to whether Collective Investment Scheme achieved its stated Objective:

For 1HFY'19, the return of the Golden Arrow Selected Stocks Fund (GASSFL) was -9.71% compared to the KSE-100 Index return of -11.56%.

Statement of benchmark (s) relevant to the Collective Income Scheme:

KSE - 100 Index

iv) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmark:



Monthly yield	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
GASF	0.59%	-0.03%	-2.83%	1.08%	-3.02%	-5.74%
Benchmark	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%

v) 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.

vi) 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-December-18	30-September-18
Equities	95.81%	94.61%
Cash	3.72%	5.06%
Other Assets	0.47%	0.33%

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

1HFY19 Return	-9.71%
Benchmark Return	-11.56%

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

Net Asset Value			NAV Per Unit	
31-Dec-18	30-Sep-18	Change	31-Dec-18	30-Sep-18
(Rupees in "000")			Rs.	Rs.
1,365,993	1,478,192	-7.59%	8.98	9.72

ix) 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:

MACRO PERSPECTIVE

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In our view, PKR-USD depreciation of 14.84% in 1HFY19 and funds received through bailout package from friendly countries like UAE (\$1 billion), and Saudi Arabia (\$3 billion) will provide some relief to the CAD. A prospective bailout package by IMF is looking very plausible and issuance of Diaspora bonds for overseas Pakistanis and increasing remittances would provide a much needed cushion to the external account.

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Going forward, we believe that the second supplementary budget of the incumbent Government is expected to lift the market dynamics. Measures including abolishment of 0.02% on brokers for shares transactions and allowance to carry forward of capital losses over the period of three years would help improve trading activity in the market. Furthermore, sector specific measures are mainly positive for export-oriented sectors in the form of reduced duties and input costs and also settlement of refunds through promissory notes, Autos (non-filers allowed to purchase locally assembled vehicles up to 1300cc engine capacity), and Cements (allocation of loans for housing scheme). On the other hand, continuation of super tax (flat 4%) on banks (sector weight age: 25.23%) would keep the index in check.

However, improved liquidity emerging from the renewed investor confidence would still be a major driver of market performance. Improvement in macro-performance (fiscal and external deficits) and entry into an IMF program along would bring more clarity to the direction of market and possibly recover the market confidence in the remaining FY19. Upcoming monetary policies by SBP in 2HFY19 would also be crucial in determining the market performance. Currently, the KSE -100 Index is trading at an attractive multiple of 7.9x at a discount of 46% from emerging markets, offering potential upside for investors.

FUTURE OUTLOOK

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On the Fixed Income side, the rapid surge in interest rates has made the situation severe and has led to an economic slowdown. Yields on 6 Month T-Bills have surged from under 6% in 2018 to around 10.5% currently and are likely increase further by the end of 2019. Therefore, equity markets will have to offer more to entice investors as competing asset classes (Pakistan Investment Bonds, Income Funds, National Savings Certificates and Bank Deposits) are beginning to offer attractive yields.

Furthermore, the recent visit of the Saudi Crown Prince Mohammad Bin Salman accompanied by a high powered Saudi business delegation (as per media reports) concluded a series of multi-billion dollar agreements (~\$20 billion in next 5 years) that would help Pakistan in regaining its FDI momentum.

x) 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.

xi) Disclosure on share split (if any), comprising:

There was no share split during the period.

xii) Disclosure of circumstances that materially affect any interest of shareholders:

Investments are subject to credit and market risk.

xiii) 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 December 31, 2018, and 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 together with the notes forming part thereof (here-in-after referred to as the 'interim financial information') for the half year ended December 31, 2018. Management Company (AKD Investment Management Limited) is responsible for the preparation and fair 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. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement, condensed interim statement of changes in equity and condensed interim statement of movement in equity and reserves per share for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

We conducted our review in accordance with 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 as of and for the half year ended December 31, 2018 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 Board of the Company, in its meeting held on January 09, 2018 approved the Plan for the conversion of the Company into an Open End Scheme which was then approved by the shareholders in the Extra Ordinary General Meeting held on February 15, 2018.

The said conversion has also been approved by SECP vide its letter dated February 14, 2019 subject to certain legal formalities. The Company is in the process of completing related legal formalities to effect this conversion

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner

Nadeem Yousuf Adil

Karachi February 26, 2019

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2018

		(Un-Audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	54,632	55,070
Investments	5	1,406,453	1,556,648
Receivable against sale of investments		-	1,826
Dividend and profit receivable	6	3,316	131
Income tax refundable		307	307
Security deposit and prepayments	7	3,251	2,750
Total assets		1,467,959	1,616,732
LIABILITIES			
Payable to the Management Company	8	3,405	3,910
Accrued and other liabilities	9	46,770	47,596
Unclaimed dividend		51,791	52,257
Total liabilities		101,966	103,763
NET ASSETS		1,365,993	1,512,969
SHARE HOLDERS' EQUITY			
Authorised capital			
250,000,000 (June 30, 2018: 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, 2018: 152,098,344)			
Ordinary shares of Rs.5 each		760,492	760,492
General reserve		500	500
Undistributed income		605,001	751,977
		1,365,993	1,512,969
NET ASSETS VALUE PER SHARE			
		8.98	9.95

CONTINGENCIES AND COMMITMENTS

10

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

		Half year ended		Quarter ended	
		December 31,		December 31,	
		2018	2017	2018	2017
		----- (Rupees in '000) -----			
Income	Note				
Capital (loss) / gain on sale of investment - net		9,272	(1,664)	4,511	(3,383)
Dividend income		28,136	35,620	24,258	26,557
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - Net	5.1	(164,642)	(276,638)	(131,088)	(194,582)
Profit on bank deposits		1,479	1,711	798	1,096
Total income		(125,755)	(240,971)	(101,521)	(170,312)
Operating expenses					
Remuneration of the Management Company		14,886	16,876	7,326	7,608
Sales tax on management fee		1,935	2,194	952	989
Annual fee of Securities and Exchange Commission of Pakistan (SECP)		707	802	348	362
Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC)		408	458	200	215
Auditors' remuneration		222	224	117	123
Legal and professional charges		91	180	-	104
Annual listing fee		270	203	135	101
Central depository system charges		261	352	134	344
Fees and subscription		290	256	139	135
Securities transaction cost		411	332	248	287
Bank charges		3	5	2	1
Directors' fee and related expenses		317	418	317	144
Printing and postage		315	628	126	439
Sales tax on custodian and central depository system charges		56	105	28	72
Advertisement		305	184	240	184
Impairment		-	230	-	230
Expenses allocated by the Management Company		744	844	366	381
Total expenses		21,221	24,291	10,678	11,719
Net loss after taxation		(146,976)	(265,262)	(112,199)	(182,031)
Taxation	11.	-	-	-	-
Net loss after taxation		(146,976)	(265,262)	(112,199)	(182,031)
Other comprehensive (loss) / income for the period		-	-	-	-
Total comprehensive loss for the period		(146,976)	(265,262)	(112,199)	(182,031)
		----- (Rupees) -----			
Earnings per share - basic and diluted		(0.97)	(1.74)	(0.74)	(1.20)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half year ended December 31,		Quarter ended December 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Undistributed income brought forward	751,977	1,130,106	717,200	1,046,875
Final dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share) declared on September 20, 2017	-	(167,308)	-	(167,308)
Net loss after taxation for the period	(146,976)	(265,262)	(112,199)	(182,031)
Undistributed income carried forward	605,001	697,536	605,001	697,536

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half year ended		Quarter ended	
	December 31, 2018	2017	December 31, 2018	2017
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(146,976)	(265,262)	(112,199)	(182,031)
Adjustments:				
Gain on sale of investment	(9,272)	-	(4,511)	-
Unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	164,642	276,638	131,088	194,582
	8,394	11,376	14,378	12,551
Decrease / (increase) in assets				
Receivable against sale of investments	1,826	(3,240)	-	(3,240)
Investments	(5,175)	185,637	(19,525)	175,297
Loans and Receivables	-	430	-	430
Dividend and Profit receivables	(3,185)	(2,314)	(1,756)	1,769
Security deposit and prepayments	(501)	(200)	255	102
	(7,035)	180,313	(21,026)	174,358
(Decrease) / increase in liabilities				
Payable against purchase of investments	-	-	(19,175)	-
Payable to the Management Company	(505)	(1,879)	(68)	(593)
Accrued and other liabilities	(826)	(1,714)	17	(118)
	(1,331)	(3,593)	(19,226)	(711)
Net cash generated from operating activities	28	188,096	(25,874)	186,198
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(466)	(168,319)	(397)	(161,035)
Net cash used in financing activities	(466)	(168,319)	(397)	(161,035)
Net increase / (decrease) in cash and cash equivalents	(438)	19,777	(26,271)	25,163
Cash and cash equivalents at the beginning of the period	55,070	63,769	80,903	58,383
Cash and cash equivalents at the end of the period	54,632	83,546	54,632	83,546

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Share capital	General reserve	Undistributed income	Total
	(Rupees in '000)			
Balance as at September 30, 2017	760,492	500	1,046,875	1,807,867
Net income for the period	-	-	(182,031)	(182,031)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the quarter ended December 31, 2017	-	-	(182,031)	(182,031)
Final dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
Balance as at December 31, 2017	760,492	500	697,536	1,458,528
Balance as at June 30, 2017	760,492	500	1,130,106	1,891,098
Net loss for the period	-	-	(265,262)	(265,262)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the half year ended December 31, 2016	-	-	(265,262)	(265,262)
Final dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share)	-	-	(167,308)	(167,308)
Balance as at December 31, 2017	760,492	500	697,536	1,458,528
Balance as at September 30, 2018	760,492	500	717,200	1,478,192
Net loss for the period	-	-	(112,199)	(112,199)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the quarter ended December 31, 2018	-	-	(112,199)	(112,199)
Balance as at December 31, 2018	760,492	500	605,001	1,365,993
Balance as at June 30, 2018	760,492	500	751,977	1,512,969
Net loss for the period	-	-	(146,976)	(146,976)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the half year ended December 31, 2018	-	-	(146,976)	(146,976)
Balance as at December 31, 2018	760,492	500	605,001	1,365,993

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial 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, 2018

	Half year ended		Quarter ended	
	December 31, 2018	2017	December 31, 2018	2017
	----- (Rupees) -----			
Net assets value per share at the beginning of the period	9.95	12.43	9.72	11.89
Capital (loss) / gain on sale of investments - net	0.06	(0.01)	0.03	(0.02)
Dividend income	0.18	0.24	0.16	0.18
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(1.08)	(1.82)	(0.86)	(1.28)
Profit on bank deposits	0.01	0.01	-	-
Net loss for the period	(0.83)	(1.58)	(0.67)	(1.12)
Operating expenses	(0.14)	(0.16)	(0.07)	(0.08)
Final dividend for the year ended June 30, 2017 @ 22% (Rs.1.10 per share)	-	(1.10)	-	(1.10)
Net assets value per share	8.98	9.59	8.98	9.59

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

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 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 Continental Trade Centre, Block 8, Clifton, Karachi in the province of Sindh. The Company is listed on the Pakistan Stock Exchange Limited. 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 Limited (PACRA) has assigned asset manager rating of 'AM3++' to the Management Company dated August 10, 2018 and has assigned "4-Star" Star Performance Ranking to the Company dated October 31, 2018.
- 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(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 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 board of directors in their meeting held on January 09, 2018 resolved that the Company be converted from closed end fund to an open end scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and has approved

a scheme of arrangement for the same. Further, the board has decided to place the scheme of arrangement before the shareholders for their approval by special resolution in an extra ordinary general meeting held on February 15, 2018, in which the shareholders had approved the conversion.

Following the approval in EOGM, case filed by Company against Federation of Pakistan and SECP has been disposed off for which court order has been received by the Company. The Company submitted application to SECP for the conversion of Golden Arrow Selected Stocks Fund Limited into an open end scheme. The SECP has approved the conversion of Golden Arrow Selected Stocks Fund Limited into an Open-End Scheme in terms of Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide its letter dated February 14, 2019. The effective date for the conversion shall be no later than July 01, 2019.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

2.1.1 This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of IAS-34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended June 30, 2018.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Company's affairs as at December 31, 2018.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Company's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (i) classification and valuation of financial assets ; and
- (ii) impairment of financial assets

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

3.3 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Company for the year ended June 30, 2018, except for the application of IFRS - 9 'Financial Instruments' disclosed in note 3.6.

3.4 There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 01, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in this condensed interim financial information.

- 3.5** On application of IFRS - 9 'Financial Instruments', there is no material change in the Company's financial risk management objectives and policies and are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2018.

3.6 Impact of initial application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

Additionally, the Company adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to the disclosures for the half year ended December 31, 2018.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below except the General Hedge Accounting that are not applicable on the operations of the Fund. The Fund has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 01, 2018. Accordingly, the Fund has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 01, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 01, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset;
- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. Please see para (b) below for applicability of impairment requirements of IFRS 9.

The Management has reviewed and assessed the Company's existing financial assets as at July 01, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement:

- there is no change in the measurement of the Company's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;

Para (d) below tabulates the change in classification of the Company's financial assets upon application of IFRS 9.

None of the other reclassifications of financial assets have had any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

(b) Impairment of financial assets

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities because the Fund does not have any financial liabilities designated as FVTPL.

Please refer to para (d) below for further details regarding the change in classification upon the application of IFRS 9.

(d) Disclosures in relation to the initial application of IFRS 9

There were no financial assets or financial liabilities under IAS 39 that were subject to reclassification or which the Company has elected to reclassify upon the application of IFRS 9.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9.

	Carrying amount as per IAS 39 as on June 30, 2018	Reclassifications	Remeasurements	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
----- Rupees in "000" -----					
Financial assets					
Fair Value through Profit or Loss					
From held for trading (IAS 39)	1,556,648	1,556,648	-	1,556,648	-
Total	1,556,648	1,556,648	-	1,556,648	-

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
4. BANK BALANCES			
PLS savings accounts	4.1	45,773	46,179
Current accounts		8,859	8,891
		54,632	55,070

4.1 Profit rates on PLS saving accounts range between 4.75% to 8.6% (June 30, 2018: 4.5% to 6%) per annum.

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			

Financial assets at fair value through profit or loss

- Listed equity securities	5.1	1,406,453	1,556,648
- Preference Shares	5.2	-	-
		1,406,453	1,556,648

5.1 Listed Equity Securities - Financial assets at 'fair value through profit or loss'

Name of the investee company	Face value per share	Number of shares				Balance as at December 31, 2018			Percentage in relation to				
		Opening balance	Purchases during the period	Bonus / right 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													
Automobile Assembler													
Honda Atlas Cars (Pakistan) Limited	10	5,000	-	-	-	5,000	1,582	883	(699)	0.06	0.06	0.00	
Atlas Honda Limited	10	30,000	-	-	-	30,000	15,300	11,250	(4,050)	0.80	0.82	0.03	
Ghandhara Industries Limited	10	-	25,000	-	-	25,000	9,375	6,868	(2,507)	0.49	0.50	0.06	
							26,257	19,001	(7,256)				
Automobile Parts & Accessories													
Thal Limited	5	280,000	-	-	-	280,000	133,708	119,745	(13,963)	8.51	8.77	0.35	
							133,708	119,745	(13,963)				
Cable & Electrical Goods													
Pakistan Cables Limited	10	373,625	6,000	-	-	379,625	70,943	52,825	(18,118)	3.76	3.87	1.07	
							70,943	52,825	(18,118)				
Cement													
Dewan Cement Limited	10	50,000	-	-	50,000	-	-	-	-	-	-	-	
Javedan Corporation Limited (**)	10	4,133,950	-	330,716	-	4,464,666	147,995	140,637	(7,358)	10.00	10.30	1.55	
							147,995	140,637	(7,358)				
Chemical													
Archroma Pakistan Limited	10	44,472	-	-	-	44,472	22,458	22,681	223	1.61	1.66	0.13	
Buxly Paints Limited	10	36,500	-	-	-	36,500	3,407	1,715	(1,692)	0.12	0.13	2.53	
Dyneon Pakistan Limited	5	336,733	-	-	-	336,733	42,799	25,928	(16,871)	1.84	1.90	1.78	
Engro Polymer & Chemical Limited	10	292,489	200,000	-	492,489	-	-	-	-	-	-	-	
Ghani Gases Limited	10	126	-	6	-	132	2	2	-	0.00	0.00	0.00	
Lofte Chemical Pakistan Limited	10	1,250,000	-	-	1,250,000	-	-	-	-	-	-	-	
Nimir Industrial Chemicals Limited	10	672,500	-	-	-	672,500	46,073	42,361	(3,712)	3.01	3.10	0.61	
							114,739	92,687	(22,052)				

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Name of the investee company	Face value per share	Number of shares					Balance as at December 31, 2018			Percentage in relation to			
		Opening balance	Purchases during the period	Bonus / right 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 ----- % -----
Commercial Banks													
Allied Bank Limited	10	237,500	-	-	237,500	-	-	-	-	-	-	-	
BankIslami Pakistan Limited	10	6,953,428	3,500,000	-	-	10,453,428	125,093	125,441	348	8.92	9.18	1.04	
Faysal Bank Limited	10	50,000	-	-	50,000	-	-	-	-	-	-	-	
Habib Bank Limited	10	-	85,000	-	35,000	50,000	7,404	6,022	(1,382)	0.43	0.44	0.00	
National Bank of Pakistan Limited	10	-	50,000	-	-	50,000	2,575	2,102	(473)	0.15	0.15	0.00	
United Bank Limited	10	-	24,500	-	24,500	-	-	-	-	-	-	-	
Summit Bank Limited	10	2,700,159	1,000,000	-	-	3,700,159	7,034	3,034	(4,000)	0.22	0.22	0.14	
							142,106	136,599	(5,507)				
Engineering													
Aisha Steel Mills Limited	10	2,875,000	-	-	-	2,875,000	45,339	30,188	(15,151)	2.15	2.21	0.38	
Dost Steels Limited	10	133,000	-	-	-	133,000	1,052	739	(313)	0.05	0.05	0.04	
Huffaz Seamless Pipe Industries Limited	10	391,745	-	-	50,000	341,745	7,142	6,835	(307)	0.49	0.50	0.62	
							53,533	37,762	(15,771)				
Food & Personal Care Products													
Murree Brewery Company Limited	10	37,950	-	-	37,950	-	-	-	-	-	-	-	
Quice Food Industries Limited	10	1,547,500	-	-	-	1,547,500	7,738	6,886	(852)	0.49	0.50	1.57	
Al Shaheer Corporation Limited	10	-	562,000	-	-	562,000	15,569	13,449	(2,120)	0.96	0.98	0.40	
National Foods Limited	10	-	100,000	-	-	100,000	18,700	19,550	850	1.39	1.43	0.16	
							42,007	39,885	(2,122)				
Glass & Ceramics													
Balochistan Glass Limited	10	110,000	-	-	-	110,000	1,159	847	(312)	0.06	0.06	0.04	
Shabbir Tiles & Ceramics Limited	5	388	-	-	-	388	8	6	(2)	0.00	0.00	0.00	
							1,167	853	(314)				
Insurance													
Century Insurance Company Limited	10	423,559	-	-	-	423,559	9,458	9,784	326	0.70	0.72	0.84	
EFU General Insurance Limited	10	155,700	-	-	-	155,700	23,313	15,570	(7,743)	1.11	1.14	0.08	
Habib Insurance Company Limited	5	300,183	-	-	-	300,183	3,602	3,302	(300)	0.23	0.24	0.24	
TPL Insurance Limited	10	330,346	-	42,944	-	373,290	7,089	8,175	1,086	0.58	0.60	0.40	
							43,462	36,831	(6,631)				

Golden Arrow Selected Stocks Fund Limited - Half Yearly Report December 2018

Name of the investee company	Face value per share	Number of shares					Balance as at December 31, 2018			Percentage in relation to		
		Opening balance	Purchases during the period	Bonus / right 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 ----- % -----												
Investment banks / inv. cos. / securities cos.												
Jahangir Siddiqui & Company Limited	10	2,165,000	-	-	-	2,165,000	39,381	33,666	(5,715)	2.39	2.46	0.24
JS Investments Limited	10	394,000	11,000	-	10,000	395,000	3,664	3,160	(504)	0.22	0.23	0.49
Pakistan Stock Exchange Limited	10	4,579,198	225,000	-	-	4,804,198	94,516	65,193	(29,323)	4.64	4.77	0.60
							137,561	102,019	(35,542)			
Miscellaneous												
MACPAC Films Limited	10	1,210,171	-	-	12,500	1,197,671	35,403	28,085	(7,318)	2.00	2.06	2.02
Pakistan Services Limited	10	13,400	-	-	-	13,400	13,199	14,204	1,005	1.01	1.04	0.04
							48,602	42,289	(6,313)			
Oil & Gas Exploration Companies												
Oil & Gas Development Company Limited	10	265,000	-	-	65,000	200,000	31,124	25,600	(5,524)	1.82	1.87	0.00
Pakistan Petroleum Limited	10	125,000	-	11,250	66,000	70,250	13,128	10,513	(2,615)	0.75	0.77	0.00
							44,252	36,113	(8,139)			
Oil & Gas Marketing Companies												
Sui Southern Gas Company Limited	10	100,000	-	-	100,000	-	-	-	-	-	-	-
							-	-	-			
Paper & Board												
Merit Packaging Limited	10	1,350,296	-	-	-	1,350,296	30,382	25,858	(4,524)	1.84	1.89	1.67
Pakistan Paper Products Limited	10	179,000	-	59,666	-	238,666	21,498	31,922	10,424	2.27	2.34	2.98
							51,880	57,780	5,900			
Power Generation & Distribution												
K-Electric Limited	3.5	13,928,500	-	-	500,000	13,428,500	76,274	79,765	3,491	5.67	5.84	0.05
Sifara Energy Limited	10	263,151	-	-	-	263,151	5,997	6,184	187	0.44	0.45	1.38
							82,271	85,949	3,678			

Golden Arrow Selected Stocks Fund Limited - Half Yearly Report December 2018

Name of the investee company	Face value per share	Number of shares				Balance as at December 31, 2018			Percentage in relation to				
		Opening balance	Purchases during the period	Bonus / right 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 -----													
----- % -----													
Sugar & Allied Industries													
Imperial Sugar Limited	10	378,000	-	-	-	378,000	10,180	8,316	(1,864)	0.59	0.61	0.38	
Shahjaji Sugar Mills Limited	10	24,537	-	-	-	24,537	2,849	1,394	(1,455)	0.10	0.10	0.20	
							13,029	9,710	(3,319)				
Synthetics & Rayon													
Pakistan Synthetics Limited	10	1,165,000	-	-	-	1,165,000	29,230	29,708	478	2.11	2.17	2.08	
Rupali Polyester Limited	10	12,701	-	-	-	12,701	375	381	6	0.03	0.03	0.04	
							29,605	30,089	484				
Technology & Communication													
Hum Network Limited	1	118,000	-	-	-	118,000	955	519	(436)	0.04	0.04	0.01	
Pakistan Telecommunication Company Limited	10	1,700,000	-	-	-	1,700,000	19,448	16,337	(3,111)	1.16	1.20	0.05	
TRG Pakistan Limited (*)	10	3,918,417	750,000	-	-	4,668,417	132,289	104,106	(28,183)	7.40	7.62	0.86	
							152,692	120,962	(31,730)				
Textile Composite													
Dawood Lawrencepur Limited	10	62,159	-	-	-	62,159	10,924	10,197	(727)	0.73	0.75	0.11	
Gul Ahmed Textile Mills Limited	10	300,000	-	-	-	300,000	12,879	13,851	972	0.98	1.01	0.08	
Ishaq Textile Mills Limited	10	6,500	-	-	-	6,500	59	55	(4)	0.00	0.00	0.07	
Kohinoor Mills Limited	10	80,500	-	-	-	80,500	2,381	1,932	(449)	0.14	0.14	0.16	
Sapphire Fibres Limited	10	47	-	-	-	47	43	38	(5)	0.00	0.00	0.00	
							26,286	26,073	(213)				
Textile Spinning													
Crescent Fibres Limited	10	42,000	-	-	-	42,000	1,071	1,473	402	0.10	0.11	0.34	
Din Textile Mills Limited	10	54,729	-	16,418	-	71,147	5,187	5,002	(185)	0.36	0.37	0.24	
Elcoot Spinning Mills Limited	10	883,554	-	-	-	883,554	63,086	68,034	4,948	4.84	4.98	8.07	
Fazal Cloth Mills Limited	10	12,406	-	-	-	12,406	1,857	2,233	376	0.16	0.16	0.04	
Gadoon Textile Mills Limited	10	19,301	-	-	-	19,301	4,864	5,175	311	0.37	0.38	0.07	
Island Textile Mills Limited	10	40,600	-	-	-	40,600	48,720	68,594	19,874	4.88	5.02	8.12	
Saif Textile Mills Limited	10	217,000	-	-	-	217,000	3,798	3,756	(42)	0.27	0.27	0.82	
Premium Textile Mills Limited	10	23,400	-	-	-	23,400	4,680	5,265	585	0.37	0.39	0.38	
							133,263	159,532	26,269				

Name of the investee company	Face value per share	Number of shares					Balance as at December 31, 2018			Percentage in relation to				
		Opening balance	Purchases during the period	Bonus / right 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 ----- % -----												
Textile Weaving														
Prosperity Weaving Mills Limited	10	84,591	-	-	-	84,591	2,199	1,946	(253)	0.14	0.14	0.46		
							2,199	1,946	(253)					
Varaspati & Allied Industries														
Punjab Oil Mills Limited	10	234,000	-	-	-	234,000	66,334	51,349	(14,985)	3.65	3.76	4.34		
S.S. Oil Mills Limited	10	180,100	-	-	-	180,100	7,204	5,817	(1,387)	0.41	0.43	3.18		
							73,538	57,166	(16,372)					
Total listed equity securities as at December 31, 2018														
							1,571,095	1,406,453	(164,642)					
Total listed equity securities as at June 30, 2018														
							1,771,983	1,556,648	(215,335)					

* This includes 2,000,000 shares pledged with National Clearing Company of Pakistan (NCCPL) against margin.

** The exposure limit of investment in a single as a percentage of net assets exceeded by .30% against prescribed limit of 10% of total net assets as required under NBFC regulation.

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
5.2 Preference Shares			
Security Leasing Corporation Limited	5.2.1	1,482	1,482
Less: Provision for impairment		(1,482)	(1,482)
		<u>-</u>	<u>-</u>

5.2.1 Security Leasing Corporation Limited had deferred the payment of 3rd and 4th redemption pertaining to 1,001,489 shares of Rs.10 each due on November 2009 and November 2010 respectively due to adverse financial position of the Company. As per the terms of the preference shares, the preference shareholders have preference over ordinary shareholders in the event of liquidation of the Company. Based on this, the management recorded a provision of Rs 1.815 million in the year 2015 as per the break up value of the share of the Company as at March 31, 2015. Last year, the management had fully provided for the investment.

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
6. DIVIDEND AND PROFIT RECEIVABLE			
Dividend receivable		3,254	114
Profit receivable on bank balances		62	17
		<u>3,316</u>	<u>131</u>
7. DEPOSITS AND PREPAYMENTS			
Security Deposit with National Clearing Company of Pakistan Limited		2,750	2,750
Prepaid Listing Fee		266	-
Prepaid CDC Annual Fee for listed Securities		235	-
Prepayment - Annual listing fee		200	-
		<u>3,251</u>	<u>2,750</u>
8. PAYABLE TO MANAGEMENT COMPANY			
Remuneration	8.1	2,377	2,573
Sales tax on management fees	8.2	309	334
Others	8.3	600	600
Expenses allocated by the management company	8.4	119	403
		<u>3,405</u>	<u>3,910</u>

- 8.1** The Management Company is entitled to remuneration for services rendered to the Company under the provisions of the amended NBFC Regulations, of an amount not exceeding 2 percent of the average daily net assets of the Company. The Management Company charged remuneration at the rate of 2 percent per annum of the average daily net assets of the Company.
- 8.2** Sindh sales tax at the rate of 13% (June 30, 2018: 13%) on gross value of management fee is charged under the provisions of Sindh Sales Tax on Services Act, 2011.
- 8.3** This includes amount payable to the Management Company being legal charges borne by the Company for defending itself against the law suit filed in respect of clause 65 of the NBFC Regulations as more fully explained in note 1.4 above.
- 8.4** This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

		(Unaudited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
9. ACCRUED AND OTHER LIABILITIES			
Annual fee payable to SECP	9.1	707	1,562
Brokerage payable		212	117
Custodian fee / charges		77	71
Auditors' remuneration		496	415
Unclaimed amount due to shareholders on reduction of share capital		45	45
Withholding tax payable		3	11
Accrued expenses		1,088	1,234
Sales tax payable to CDC		10	9
Federal excise duty on management fee	9.2	16,592	16,592
Provision for Sindh Workers' Welfare Fund	9.3	27,540	27,540
		46,770	47,596

- 9.1** This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Company is required to pay SECP an amount equal to 0.095% (June 30, 2018: 0.095%) of the average daily net assets.
- 9.2** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Company are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Company, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in Sindh High Court (SHC) jointly by various asset management companies, together with Collective Investment Schemes through their trustees, challenging the levy of FED.

The SHC vide its Order dated June 30, 2016 has disposed of the petition by referring its judgment dated June 02, 2016 whereby it rendered the FED on certain services to be 'Ultra Vires' in the presence of Sindh Sales Tax Act 2011. However, the Federal Board of Revenue (FBR) has filed an appeal in the Supreme Court of Pakistan against this judgment of the SHC.

Further, the Federal Government vide Finance Act 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services.

In view of the abovementioned facts and the pending decision by the Supreme Court of Pakistan, the Management Company has not made any further provision for FED in the books of accounts of the Fund with effect from July 1, 2016 and decided to retain the provision for FED already made in the books of accounts of the Company which aggregated to Rs. 16.59 million as at June 30, 2018 (June 30, 2017: Rs. 16.59 million). Had this provision not been made, the NAV of the Company would have been higher by Re. 0.11 per share.

- 9.3** Sindh Revenue Board (SRB) had asked to mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are neither financial institutions as required by SWWF Act, 2014, nor establishments but only pass through vehicles and hence, do not have any worker and no SWWF is payable by them. This fact has been communicated to SRB who have responded on November 11, 2016 that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also obtained a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds from SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 28.637 million. The aggregated provision as at June 30, 2018 is Rs. 27.540 million (June 30, 2017: Rs. 27.540 million). Had this provision not been made, the NAV of the Company would have been higher by Re. 0.181 per share.

The SECP has also concurred with the directions issued by MUFAP through its letter no. SCD/AMCW/MUFAP/2017 - 405 dated February 01, 2017.

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 (June 30, 2018: Nil).

11. 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 11 of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

12. 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 Dhedhi Securities (Private) Limited, AKD Securities Limited, directors, officers and other connected persons of the Management Company, and 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:

	(Unaudited) December 31, 2018	(Unaudited) December 31, 2017
	----- (Rupees in '000) -----	
12.1 Transactions during the period		
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	14,886	16,876
Final cash dividend paid (2017: 22% i.e. Rs.1.10 per share)	-	26,271
Expenses allocated by the Management Company	744	844
AKD Securities Limited - Group Company		
Brokerage	35	1
Cash dividend paid (2017: 22% i.e. Rs.1.10 per share)	-	3
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid (2017: 22% i.e. Rs.1.10 per share)	-	2,302
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid (2017: 22% i.e. Rs.1.10 per share)	-	312
Directors of the Company		
Cash dividend paid (2017: 22% i.e. Rs.1.10 per share)	-	3,329
AKD Opportunity Fund - Common Management		
Purchase of shares	-	53,955
Central Depository Company of Pakistan Limited - Custodian		
Fee charged during the period (including transaction charges)	670	810
Javedan Corporation Limited - Common Directorship		
Dividend received during the period	2,894	8,973
Bonus Shares (Qty: 330,716)	-	-
Sale of shares	-	53,955
Prosperity Weaving Mills Limited - Common Directorship		
Dividend received during the period	169	169

	(Unaudited) December 31, 2018	(Unaudited) December 31, 2017
	----- (Rupees in '000) -----	
12.2 Balances outstanding at the period / year end		
AKD Investment Management Limited - Management Company		
Remuneration payable	2,377	2,573
Sales Tax Provincial on Management Remuneration	309	334
Federal Excise Duty on Management Remuneration	16,592	16,592
Expenses allocated by the Management Company	119	403
Others	600	600
Shares in issue (No. of shares: Dec 31, 2018: 23,882,895; June 30, 2018: 23,882,895)	119,414	119,414
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (No. of shares: Dec 31, 2018: 2,092,812; June 30, 2018: 2,092,812)	10,464	10,464
AKD Securities Limited - Group Company		
Shares in issue (No. of shares: Dec 31, 2018: 2,889; June 30, 2018: 2,889)	14	14
Brokerage payable	24	-
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (No. of shares: Dec 31, 2018: 284,046; June 30, 2018: 284,046)	1,420	1,420
Directors of the Company		
Shares of the Company held (No. of shares: Dec 31, 2018: 3,026,277; June 30, 2018: 3,026,277)	15,131	15,131
Central Depository Company of Pakistan Limited - Custodian		
Fee payable (including transaction charges)	77	71
Javedan Corporation Limited - Common Directorship		
Shares held by the Company (No. of shares: Dec 31, 2018: 4,133,950; June 30, 2018: 4,133,950)	140,637	147,995
Prosperity Weaving Mills Limited - Common Directorship		
Shares held by the Company (No. of shares: Dec 31, 2018: 84,591; June 30, 2018: 84,591)	1,946	2,199

13. EXPENSE RATIO

The expense ratio of the Fund from July 1, 2018 to December 31, 2018 is 1.44%, the total expense ratio includes 0.19% representing government levy and SECP fee.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

14.1 The company has not disclosed the fair value s for these financial assets and financial liabilities, as those are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

15. CORRESPONDING FIGURES

No significant rearrangement or reclassifications were made in this condensed financial information which has any impact on profit and loss account.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	December 31, 2018 (Un-Audited)				
	Carrying amount		Fair Value		
	Fair value through profit or loss	Fair value through other comprehensive income	At amortised cost	Other financial assets / liabilities	Total
Note					
On-balance sheet financial instruments					
Financial assets measured at fair value					
- Listed equity securities					
	1,406,453	-	-	-	1,406,453
	1,406,453	-	-	-	1,406,453
Financial assets not measured at fair value					
Bank balances	-	-	-	54,632	54,632
Receivable against sale of investments	-	-	-	-	-
Dividend and profit receivable	-	-	-	3,316	3,316
Security deposit and prepayments	-	-	-	2,550	2,550
	-	-	-	60,498	60,498
Financial liabilities not measured at fair value					
Payable to the Management Company	-	-	-	3,405	3,405
Accrued and other liabilities	-	-	-	1,928	1,928
Unclaimed dividend	-	-	-	51,791	51,791
	-	-	-	57,124	57,124
June 30, 2018 (Audited)					
	Carrying amount		Fair Value		
	Available-for-sale	Held-for-trading	Loans and receivables	Other financial assets / liabilities	Total
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments - Listed equity securities	-	1,556,648	-	-	1,556,648
	-	1,556,648	-	-	1,556,648
Financial assets not measured at fair value					
Bank balances	-	-	-	55,070	55,070
Receivable against sale of investments	-	-	-	1,826	1,826
Dividend and profit receivable	-	-	-	131	131
Security deposit and prepayments	-	-	-	2,750	2,750
	-	-	-	59,777	59,777
Financial liabilities not measured at fair value					
Payable to the Management Company	-	-	-	3,910	3,910
Accrued and other liabilities	-	-	-	1,891	1,891
Unclaimed dividend	-	-	-	52,257	52,257
	-	-	-	58,058	58,058

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on February 19, 2019 by the Board of Directors of the Company.

17. General

Figures have been rounded off to the nearest thousand rupees.

This condensed interim financial information are unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and statement of comprehensive income for the quarter ended December 31, 2018 have not been reviewed.

Imran Motiwala
Chief Executive Officer

Muhammad Munir Abdullah
Chief Financial Officer

Anum Dhedhi
Director



**AKD Investment
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Near Complex Hospital,
Main Mansehra Road, Abbottabad.
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