Golden Arrow Selected Stocks Fund

AKD Investment Management Ltd **October '07**

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.1.3bn

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 Oct '07)
PkR.9.54

KSE symbol
GASF

Management Fee
2%

Financial Year
July 1st ~ June 30th

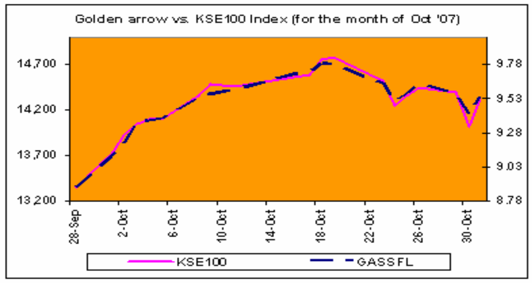
Auditor
A. F. Ferguson

Contact Us

UAN: 92 21 111-253-465
Fax: 92 21 5373217
email: info@akdinvestment.com
web: www.akdinvestment.com

AKD Investment Management Ltd.

Fund Performance



Fund Performance % (Dividends Re-invested)

	YTD	1 Month	3 Months	6 Months	1 Year
KSE 100	3.97%	7.24%	4.24%	15.76%	26.40%
Golden Arrow	6.21%	7.43%	5.05%	19.11%	41.43%

Market Performance:
The KSE100 index hit an all-time high level of 14,788 (on closing basis) during October 07, gaining 23.6% from its recent lows of 11,955 in August 07. A lackluster result season, rising political uncertainty and domestic law & order concerns triggered the market-wide correction. On the global front, fears of a US recession kept the markets volatile. However, China and India continued to make all time highs despite the concerns. A declining US Dollar sent crude oil and gold prices to their all time high levels, leading a rally across all commodities.

Fund Activity during the month:
The fund managers reduced the fund's equity exposure from 97.6% (September-End) to 76.8% (October-End) as the KSE100 index had rallied over 23% without a significant correction. High energy prices and the continued threat of rising inflation will have a negative impact on the economic growth.

The equity exposure was trimmed by reducing exposure to aggressive companies. Oil & Gas E&P is now the heaviest sector in the portfolio with 17.64% exposure. Banking sector weightage was trimmed from 18.21% to 13.49%. Holdings in ABL, AKBL, BAFL, BOP and UBL were reduced or liquidated to reduce the banking sector risk as the new provisioning regulations regarding FSV (Forced Sale Value) will erode earnings of the sector. Exposure to OMC sector was also reduced as partial capital gains were booked on holdings in PSO. Textiles and Autos continue to be a part of the defensive strategy of the fund.

Portfolio Details

Portfolio Composition (% of Assets under Management)

Equities: 76.8%	Debt: 1.33%	Cash: 21.87%

Top 5 Holdings (31 October 2007)

Security Name	%
Oil & Gas Dev Co.	8.83
Pakistan Petroleum Ltd	8.81
National Bank of Pak	7.03
Nishat Mills	5.31
Pakistan State Oil	4.89

Fund Characteristics

Statistic	FY08E
Price to Earning Ratio	7.87x
Price to Book Value Ratio	2.37x
EPS Growth	12.57%
Dividend Yield	3.94%
No. of long-term positions	33
Beta	0.84

Sector Breakdown (31 October 2007)