Golden Arrow
SELECTED STOCKS FUND LIMITED

3rd Quarter Report
March 31, 2013
(Un-audited)





Quarterly report

Partner with AKD Profit from the Experience

AKD Investment Management Ltd.

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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman
Mr. Ahmed Abdul Sattar

Chief Executive Officer
Mr. Imran Motiwala

Directors
Mr. Aurangzeb Ali Naqvi
Ms. Ayesha Aqeel Dhedhi
Mr. Abdul Karim Memon
Mr. Muhammad Amin Hussain*
Mr. Muhammad Yaqoob**

CHIEF FINANCIAL OFFICER
Mr. Muhammad Munir Abdullah

COMPANY SECRETARY
Mr. Muhammad Yaqoob

AUDIT COMMITTEE
Mr. Abdul Karim Memon (Chairman)
Mr. Aurangzeb Ali Naqvi
Mr. Muhammad Amin Hussain (Member)*
Ms. Ayesha Aqeel Dhedhi (Member)
Mr. Yasir Ghouri (Secretary)

MANAGEMENT COMPANY
AKD Investment Management Limited
216-217, Continental Trade Centre, Block-8,
Clifton, Karachi -74000.

INTERNAL AUDITORS
Rafaqat Mansha Mohsin
Dossani Masoom & Co.
Chartered Accountants
Suite 113, 3rd Floor,
Hafeez Centre, KCHS,
Block 7 & 8, Shahrah-e-Faisal,
Karachi -75350.

CUSTODIAN
Central Depository Company
of Pakistan Limited
CDC House 99-B, Block 'B'
S.M.CH.S., Main Shahra-e-Faisal,
Karachi - 74400.

AUDITORS
Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
Karachi - 75530.

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.
505, 5th Floor, Kashif Centre,
Near Hotel Mehran, Main Shahrah-e-Faisal
Karachi - 75530.
Tel: 021-35643871-72

RATING
JCR-VIS: MFR 5-Star (3-year period)
JCR-VIS: MFR 5-Star (2-year period)
JCR-VIS: MFR 5-Star (1-year period)

MANAGEMENT COMPANY
JCR-VIS: AM3 - (AM-Three) Minus

*Subsequent to the period end, he has resigned from the Board and Audit Committee.

**Appointed in place of Miss Parveen Akhter Malik, subject to approval from SECP.

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 finanical 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 Directors of Golden Arrow Selected Stocks Fund Limited (GASSFL) is pleased to present its report along with the respective Fund's accounts for the nine months period ending March 31, 2013.

Fund's Financial Performance

The Net Asset Value of your Fund closed at Rs.8.29 which represents an increase of 45.14% for the period. The Golden Arrow Selected Stocks Fund Limited (GASSFL) reported a profit of Rs.462.642 million, an earnings per share of Rs.3.04 as compared to a profit of Rs.195.365 million (earning per share of Rs.1.28) for the corresponding period last year.

Despite the difficulties Pakistan faces including socio-economic factors and a volatile political scenario, our conviction on the potential value of equities has begun to bear fruits. Golden Arrow Selected Stocks Fund Limited continued to outperform the benchmark KSE - 100 index and all its peers with a decent margin. This again is due to the enduring investment strategy adopted by the Company, by cherry picking deep value stocks having high dividend yields with potential for capital appreciation.

Macro Perspective

Home remittances continued to provide much needed fiscal space contributing a large part of foreign inflows against depleting reserves. In 9MFY13 remittance inflows stood at $10.354 billion from $9.736 billion of corresponding prior fiscal period up 6.35%. Average monthly inflows increased rose to $1.15 billion compared to $1.082 billion of corresponding period last fiscal year, while growth under this head seems to be tampering off.

The total liquid foreign exchange reserves fell by $3.53 billion to slate down to $11.758 billion during the nine months of the current fiscal year primarily due to debt repayments to the IMF. Reserves held by State Bank were down to $6.697 billion from $10.803 billion June, 2012. The Central Bank paid $847 million to the IMF against principal amount of the Stand-By Arrangement (SBA) and Extended Credit Facility (SCF) in 3QFY13 alone. On a cumulative basis $2.04 billion has been repaid to the IMF during 9MFY13. The rupee remained under pressure and continued to depreciate, breaching the psychological level of Rs. 100 against greenback in the open market in February 2013. However, a nominal recovery was observed during this period as reserves held by banks registered an improvement surging by $576 million to $5.061 billion in Mar-13 against $4.485 billion in June-12.

CPI inflation on the other hand continued to decline and averaged at 8.0% for the first nine months of the current fiscal year well below the Government's target and discount rate of 9.50%. For the month of March it clocked in at 6.57%, lowest since July 2009, mostly attributable to a high base effect, low food and transport inflation. It is expected that going forward, CPI inflation would average in the range of 7.75% - 8.25% in FY13 due to decline in fuel prices, continued high base effect and contained food inflation.

SBP remained committed in playing its role of reviving our ailing economy, capitalized on the declining inflation numbers and reduced the interest rates by 250 basis points in the first half of FY13 to stand at 9.5%, while restraining itself from further monetary easing on the back of the deteriorating balance of payments position.

Equity Market

Easing inflation, rising local cement prices, surging textile exports, general above market expectations corporate results and a strong correlation of market performance with election year propelled the KSE-100 to breach the all time high psychological barrier of 18,000 points in Feb-13. The index increased by 4,241.90 points to close at 18,043.31 points, a surge of 23.51% during 9MFY13. Foreign investors continued to purchase equity at the bourse and were net buyers of $ 227.67 million equity during the 9MFY13.

Furthermore, market sentiments were positive as for the first time in Pakistan's history an elected government completed its five year term, a tremendous achievement for the democratic process and encouraging for consistency in vision and reforms.

Future Outlook

We anticipate CPI inflation to average in the range of 7.75% to 8.25% while we expect the discount rate to remain unchanged for the remaining period of fiscal 2013. It is pertinent to note that due to low financial and capital account inflows external current account deficit could widen. Falling reserves, which cover less than two months imports, beckon Pakistan's economy to inevitably re-enter a new IMF Program.

Compared to regional markets the KSE-100 is trading at a PE of 7.95x P/E versus 14.98x P/E of the regional peers based on forward earnings. Furthermore, the equity markets offer an attractive 2013 average dividend yield of 6.92% compared to the regional average of only 2.62% giving room for further upside potential. We advice investors to remain invested in the stock market.

Regulation 65 of the Non Banking Finance Companies & Notified Entities Regulations 2008

Subject reference to Regulation 65 of the Non Banking Finance Companies & Notified Entities 2008 as amended by the Securities & Exchange Commission of Pakistan through SRO 1492 (I)/2012 dated December 26, 2012. As required under Regulation 65, the Company called an Extra Ordinary General Meeting (EOGM) of the Shareholders dated January 31, 2013, where both resolutions, Resolution A: Ordinary Resolution for conversion of the Company into an Open end scheme and Resolution B: Special Resolution for winding up of the Company were not carried out by the required majority under the said Regulation.

In this connection a letter was received from SECP dated February 21, 2013 instructing the Company to recall an EOGM & re-present both Resolutions this time, to be disposed off by the Shareholders through simple majority. Since this is in contravention of existing laws including the Companies Ordinance 1984, the Company has pursued legal recourse for further clarification in this matter and both the Stock Exchanges namely (Karachi Stock Exchange Limited and Lahore Stock Exchange Limited) were accordingly informed since this was material information.

For and on behalf of the Board

Imran Motiwala
Chief Execcutive Officer

Karachi: April 20, 2013

FUND MANAGER'S REPORT

The KSE-100 index increased by 4,241.90 points appreciating by 30.74% to close at 18,043.31 for the nine months period ended 31 March 2013. The Net Asset Value of your Fund closed at Rs.8.29 (ex-interim dividend of Re. 1.00 per share) which represents an increase of 45.14% for the period. The Golden Arrow Selected Stocks Fund Limited (GASSFL) reported a profit of Rs. 462.642 million, translating into an earnings per share of Rs.3.04 as compared to a profit of Rs. 195.365 million (earnings per share of Rs.1.28) for the corresponding period last year.

Economy

The economy continued to remain under immense pressure due to the deteriorating balance of payment situation primarily due to repayments of loans to the International Monetary Fund and ballooning current and fiscal deficits. The rupee continued to reflect these concerns and depreciated by 5.2% versus the greenback. During the nine months of FY13 USD 2.04 bn was repaid to the International Monetary Fund while another USD 838 mn is due for the remaining part of FY13. The Current Account deficit stood at USD 1.294 bn while the Trade Deficit stood at USD 11.264. Pakistan's foreign exchange reserves held by the State Bank of Pakistan declined to USD 7.128 as of March 29, 2013 versus USD 10.803 bn as of June 30, 2012 a net decline of USD 3.68 bn.

Inflows remained subdued and USD 1.8bn under the head of Coalition Support Fund was received during the first half of FY12 which provided much needed respite and financial space. Home remittances also continued to provide support to the balance of payment situation. In 9MFY13 remittance inflows stood at $10.354 billion an increase of 6.35% from $9.736 billion corresponding period last year. Furthermore, growth in monthly average inflows was also witnessed as it rose to $1.15 billion compared to $1.082 billion of comparable period last year.

CPI stood at 6.57% in Mar-13 primarily attributable to a high-base effect on the back of unprecedented inflationary numbers marked over the years. Improved inflation outlook coupled with a determination to promote private investment pushed SBP to further reduce the policy rate to single digit. The State Bank of Pakistan cut the discount rate by a hefty 250 bps during the first half of the fiscal year. However, SBP decided to maintain status quo in 3QFY13 primarily due to the deteriorating balance of payment situation and its likewise adverse affect on the local currency.

Equity Market Review

Karachi Stock Exchange continued to remain buoyant with increased participation from retailers and high net worth individuals, while foreign institutional investors also remained net buyers of worth $277.67 million. Monetary easing coupled with better than expected corporate results continued to support the market while the Index appreciated by 30.74% to close at 18,043.31 points comfortably containing itself above the 18,000 point mark.

Growing popularity of second and third line stocks by retailers supported market volume as average daily volumes soared to 169.64 million shares a day in 9MFY13 from 147.74 million shares a day of 1HFY13.

A major driver in principle of capital markets is "liquidity" which has overwhelmingly found its way into the local stock market following the revamping of the Capital Gains Tax on January 15, 2012, as the market has consistently rallied since then. While first tier stocks traded near their fair values at this juncture it is understandable that the liquidity resulted in bargain hunting for second and third line stocks, this also included illiquid stocks which were trading at cheaper price multiples due to this reason. KSE-100 index is set on the path of making new records as it breached the psychological barrier of 18,000 points in Feb-13; however, the market is still falling short of its price to earnings record and even at current levels trades at a steep discount to regional peers and its historical multiples. In retrospect, the tremendous equity performance can be attributed to liquidity due to the revamping of Capital Gains Tax regime, monetary easing, enhanced foreign portfolio inflows, better corporate earnings and simply put "cheap valuations".

Fund Strategy and Outlook

The Fund continued to remain invested in equities with exposure of 94.79%, which reflects our view of strong market performance owing to broader based undervaluation of the market relative to the region.

Top five sector exposure as of June 30, 2012 and their quarter performance included:

Sector Name	% of NAV	Returns for the quarter ended March 31, 2013
Personal Goods	16.02%	9.30%
Commercial Banks	12.93%	-6.50%
Chemicals	7.67%	2.10%
Gas Water & Multi-utilities	7.37%	-19.6%
Food Producers	7.33%	17.6%

On the domestic politics front, with general elections approaching political instability and uncertainty is peaking. While the outgoing Government leaves the economy in a fragile state with the forthcoming elected government hard pushed to address much needed reforms, foreign policy in view of current US-Pak relations, handing over of Gwadar Port to China, US withdrawal from Afghanistan and the much criticized Pak-Iran gas line has kept investors in check besides wary of how fluid macro issues still are.

On the positive side, a democratic government for the first time in Pakistan's history completed its five year tenure and handed the rein of the country to the caretaker set-up. The completion of an elected government's term provides consistency in policies/reforms, plus a more open media has resulted in political maturity while the judiciary is providing an essential platform for accountability, which in our view will eventually result in a re-rating upwards in all asset classes.

Going forward, smooth transition of power by the care taker set-up to an elected government following elections, down trending commodity pricing in the international market, better export figures post ATP announced by the EU shall bode well for the economy in general. Nonetheless, SBP anticipates further widening of the external account deficit due to low foreign inflows and huge debt payments. Re-entry to a new IMF program is imminent for the survival of our economy as the current foreign exchange reserves barely cover two months imports; however, recent reports suggest that the IMF shall not be pursued till the new government is in place will remain a concern in the days ahead.

The KSE-100 index compared to its regional peers is trading at relatively lower price multiples with 2013 forward price to earnings of 7.95x compared to regional average of 14.98x with an EPS growth of 10.0%, return on equity of 21.59% and dividend yield of 6.92%. Based on the above fundamentals we believe interest both from the local and foreign fronts will remain upbeat. The KSE-100 index had yielded a return of 20% over the past 10 years and with attractive valuations coupled with a steady interest scenario the Pakistani equities as an asset class is expected to outperform all other asset classes.

We strongly advice equity investors to remain invested in the Pakistani capital markets.

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
		---------- (Rupees in '000) ----------	
ASSETS			
Bank balances		**56,351**	14,569
Receivable against sale of investments		**-**	3,839
Investments	4	**1,386,362**	1,136,933
Dividends and other receivables		**17,054**	1,972
Security deposit		**2,750**	2,750
Total assets		**1,462,517**	1,160,063
LIABILITIES			
Payable against purchase of investments		**12,063**	-
Payable to Management Company		**2,533**	1,824
Accrued expenses and other liabilities		**22,851**	13,414
Dividend Payable (interim dividend for the financial year 2012-13)		**152,098**	-
Unclaimed dividend		**11,737**	9,879
Total liabilities		**201,282**	25,117
NET ASSETS		**1,261,235**	1,134,946
SHARE HOLDER'S EQUITY			
Authorised capital			
250,000,000 (June 30, 2012: 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, 2012: 152,098,344) Ordinary shares of Rs.5 each		**760,492**	760,492
General reserve		**500**	500
Undistributed income		**499,960**	371,934
Unrealised appreciation on re-measurement of investments classified as 'available-for-sale' - net		**283**	2,020
		1,261,235	1,134,946
		---------- (Rupees) ----------	
NET ASSETS VALUE PER SHARE		**8.29**	7.46
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The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Note	Nine months ended March 31, 2013	Nine months ended March 31, 2012	Quarter ended March 31, 2013	Quarter ended March 31, 2012
		(Rupees in '000)			
Income					
Capital gain on sale of investments - net		**177,640**	34,238	**55,930**	31,553
Dividend income		**53,445**	50,038	**28,323**	15,984
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	4.4	**268,156**	128,909	**44,420**	268,276
Income on Term Finance Certificates		**12**	3,260	**-**	1,062
Reversal of provision against debt security	7	**3,711**	-	**-**	-
Profit on bank deposits		**1,609**	1,027	**318**	188
Total income		**504,573**	217,472	**128,991**	317,063
Operating expenses					
Remuneration of Management Company		**18,729**	12,644	**6,479**	4,282
Sales tax on remuneration of Management Company		**2,997**	2,023	**1,037**	685
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		**890**	601	**308**	204
Remuneration of Custodian - Central Depository Company of Pakistan Limited (CDC)		**652**	287	**205**	107
Auditors' remuneration		**239**	236	**75**	68
Legal and professional charges		**186**	7	**179**	-
Annual listing fee		**383**	290	**-**	1
Central depository system charges		**177**	179	**34**	29
Fees and subscription		**349**	463	**202**	111
Securities transaction cost		**3,049**	690	**620**	333
Provision against debt security	7	**3,711**	-	**-**	-
Bank charges		**6**	6	**2**	2
Directors' fee		**126**	36	**63**	-
Printing and postage		**787**	676	**102**	-
Advertisement		**208**	55	**133**	47
Provision for Workers' Welfare Fund	5	**9,442**	3,914	**2,391**	3,914
Total expenses		**41,931**	22,107	**11,830**	9,783
Net Income before taxation		**462,642**	195,365	**117,161**	307,280
Taxation	8	**-**	-	**-**	-
Net Income after taxation		**462,642**	195,365	**117,161**	307,280
Other comprehensive income / (loss) for the period					
Unrealised diminution during the period on re-measurement of investments classified as 'available-for-sale' - net	4.6	**(1,737)**	(3,584)	**(2,082)**	(3,241)
Total comprehensive income for the period		**460,905**	191,781	**115,079**	304,039
		(Rupees)			
Earnings per share - basic and diluted		**3.04**	1.28	**0.77**	2.02

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	(Rupees in '000)			
Undistributed income / (accumulated loss) brought forward	**371,934**	195,843	**534,897**	(30,146)
Net income after taxation for the period	**462,642**	195,365	**117,161**	307,280
Final dividend for the year ended June 30, 2012 @ 24% (Rs.1.20 per share) [June 30, 2011 @ 15% (Re.0.75 per share)]	**(182,518)**	(114,074)	**-**	-
Interim dividend for the year ending June 30, 2013 @ 20% (Re.1.00 per share) (June 30, 2012: Nil)	**(152,098)**	-	**(152,098)**	-
Undistributed income carried forward	**499,960**	277,134	**499,960**	277,134

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income before taxation	**462,642**	195,365	**117,161**	307,280
Adjustments for non-cash and other items				
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**(268,156)**	(128,909)	**(44,420)**	(268,276)
Remuneration to Management Company	**18,729**	12,644	**6,479**	4,282
Dividend income	**(53,445)**	(50,038)	**(28,323)**	(15,984)
Remuneration of custodian	**652**	287	**205**	107
	160,422	29,349	**51,102**	27,409
(Increase) / decrease in assets				
Receivable against sale of investments	**3,839**	60,155	**435**	(50)
Investments - net	**16,990**	32,434	**(29,644)**	(28,772)
Dividends and other receivables	**1,019**	(389)	**(20)**	(962)
	21,848	92,200	**(29,229)**	(29,784)
Increase / (decrease) in liabilities				
Payable against purchase of investments	**12,063**	(17,590)	**11,714**	14,837
Accrued expenses and other liabilities	**9,409**	3,799	**2,294**	3,894
	21,472	(13,791)	**14,008**	18,731
Net cash generated from operations	**203,742**	107,758	**35,881**	16,356
Remuneration paid to the Management Company	**(18,020)**	(12,878)	**(6,492)**	(3,800)
Remuneration paid to custodian	**(624)**	(300)	**(189)**	(102)
Dividend received	**37,344**	35,601	**11,651**	1,899
Net cash generated from operating activities	**222,442**	130,181	**40,851**	14,353
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	**(180,660)**	(111,080)	**(743)**	(4)
Net cash used in financing activities	**(180,660)**	(111,080)	**(743)**	(4)
Net increase in cash and cash equivalents	**41,782**	19,101	**40,108**	14,349
Cash and cash equivalents at the beginning of the period	**14,569**	10,047	**16,243**	14,799
Cash and cash equivalents at the end of the period	**56,351**	29,148	**56,351**	29,148

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Share capital	General reserves	Unrealised appreciation / (diminution) on re-measurement of investments classified as 'available-for-sale' - net	Undistributed income	Total
			(Rupees in '000)		
Balance as at December 31, 2011	760,492	500	5,890	(30,146)	736,736
Net Income after taxation	-	-	-	307,280	307,280
Other comprehensive loss for the period	-	-	(3,241)	-	(3,241)
Total comprehensive income for the quarter ended March 31, 2012	-	-	(3,241)	307,280	304,039
Balance as at March 31, 2012	760,492	500	2,649	277,134	1,040,775
Balance as at June 30, 2011	760,492	500	6,233	195,843	963,068
Net Income after taxation	-	-	-	195,365	195,365
Other comprehensive loss for the period	-	-	(3,584)	-	(3,584)
Total comprehensive income for the nine months period ended March 31, 20	-	-	(3,584)	195,365	191,781
Final dividend for the year ended June 30, 2011 @ 15% (Re.0.75 per share)	-	-	-	(114,074)	(114,074)
Balance as at March 31, 2012	760,492	500	2,649	277,134	1,040,775
Balance as at December 31, 2012	760,492	500	2,365	534,897	1,298,254
Net Income after taxation	-	-	-	117,161	117,161
Other comprehensive loss for the period	-	-	(2,082)	-	(2,082)
Total comprehensive income for the quarter ended March 31, 2013	-	-	(2,082)	117,161	115,079
Interim dividend for the year ending June 30, 2013 @ 20% (Re.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at March 31, 2013	760,492	500	283	499,960	1,261,235
Balance as at June 30, 2012	760,492	500	2,020	371,934	1,134,946
Net Income after taxation	-	-	-	462,642	462,642
Other comprehensive loss for the period	-	-	(1,737)	-	(1,737)
Total comprehensive income for the nine months period ended March 31, 2013	-	-	(1,737)	462,642	460,905
Final dividend for the year ended June 30, 2012 @ 24% (Rs.1.20 per share)	-	-	-	(182,518)	(182,518)
Interim dividend for the year ending June 30, 2013 @ 20% (Re.1.00 per share)	-	-	-	(152,098)	(152,098)
Balance as at March 31, 2013	**760,492**	**500**	**283**	**499,960**	**1,261,235**

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES - PER SHARE (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	(Rupees)			
Net assets value per share at the beginning of the period	**7.46**	6.33	**8.54**	4.84
Capital gain on sale of investments - net	**1.17**	0.23	**0.37**	0.21
Dividend income	**0.35**	0.33	**0.18**	0.11
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	**1.76**	0.85	**0.29**	1.77
Income on Term Finance Certificates	**0.01**	0.02	**0.01**	0.01
Net income for the period	**3.29**	1.43	**0.85**	2.10
Operating expenses	**(0.25)**	(0.15)	**(0.08)**	(0.07)
Unrealised diminution on re-measurement of investments classified as 'available-for-sale'	**(0.01)**	(0.02)	**(0.02)**	(0.03)
Final dividend for the year ended June 30, 2012 @ 24% (Rs 1.20 per share) (June 30, 2011 @ 15% (Re 0.75))	**(1.20)**	(0.75)	**-**	-
Interim dividend for the year ending June 30, 2013 @ 20% (Re 1.00 per share) (June 30, 2012 : Nil)	**(1.00)**	-	**(1.00)**	-
Net assets value per share as at March 31	**8.29**	6.84	**8.29**	6.84

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2013

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 Act, 1913 (now 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 216 - 217, 2nd floor, Continental Trade Centre, Block 8, Clifton, Karachi. The Company is listed on the Karachi and Lahore Stock Exchanges. 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 JCR-VIS Credit Rating Company Limited has assigned a rating of 'AM3-' to the Management Company and Company performance ranking of "MFR 5-Star" to the Company.

1.4 As per clause 65 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended by 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). Further, during the current period, SECP vide its Notification S.R.O. 1399(I)/2012 dated November 28, 2012 extended the timeline for convening the meeting of shareholders till January 31, 2013.

In compliance with the 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 has been communicated to the stock exchanges and the Securities and Exchange Commission of Pakistan.

Subsequently, the Company received a notice from the SECP on February 21, 2013 citing non-compliance of the aforementioned Regulation. Thereafter, the Company through its legal counsel filed a Constitutional Petition before the Honorable Sindh High Court in this regard and the Honorable Sindh High Court had been pleased to pass a stay order first till 15 March 2013 and later till 26 April 2013 following its adjournment accordingly.

2. STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.

The condensed interim financial statements are presented in Pakistani Rupees which is the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of these condensed interim financial statements and financial risk management objectives and policies are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2012.

New and amended standards and interpretations

During the period, following amendments, interpretations and improvements to the accounting standards became effective:

IAS 1 Presentation of Financial Statements – Presentation of items of comprehensive income

IAS 12 Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the financial statements of the Company.

	Note	(Unaudited) March 31, 2013	(Audited) June 30, 2012
		-------- (Rupees in '000) --------	
4. INVESTMENTS			
Financial assets at fair value through profit or loss			
- Quoted equity securities - held-for-trading	4.1	**1,375,465**	1,124,299
Available-for-sale			
- Quoted equity securities	4.2	**10,897**	12,634
		1,386,362	1,136,933

4.1 Quoted Equity Securities - financial assets at 'fair value through profit or loss'

Name of the investee company	Number of shares					Balance as at March 31, 2013			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying value	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 of Rs.10 each unless stated otherwise											
CHEMICALS											
Clariant Pakistan Limited	124,180	1,300	-	110,000	15,480	2,796	3,496	700	0.25	0.28	0.05
Dawood Hercules Chemicals Limited	-	68,500	-	68,500	-	-	-	-	-	-	-
Dynea Pakistan Limited (face value of Rs.5 each)	895,233	-	-	-	895,233	18,102	21,691	3,589	1.56	1.72	4.74
Engro Polymer & Chemicals Limited	-	2,120,500	-	-	2,120,500	21,764	21,862	98	1.58	1.73	0.32
Engro Corporation Limited	206,200	619,300	-	25,000	800,500	83,416	103,265	19,849	7.45	8.19	0.24
Ghani Gases Limited	6,900	-	-	-	6,900	64	195	131	0.01	0.02	-
Sitara Chemical Industries Limited	247,071	-	-	247,071	-	-	-	-	-	-	-
						126,142	**150,509**	**24,367**			
OIL AND GAS											
Attock Refinery Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
National Refinery Limited	-	51,400	-	-	51,400	11,802	11,701	(101)	0.84	0.93	0.06
Pakistan State Oil Company Limited	85,000	10,000	35,040	21,200	108,840	17,909	22,109	4,200	1.59	1.75	0.06
						29,711	**33,810**	**4,099**			
FORESTRY (PAPER AND BOARD)											
Century Paper and Board Mills Limited	357,590	-	118	357,000	708	11	14	3	-	-	-
Century Paper and Board Mills Limited - LoR	-	-	177	-	177	-	-	-	-	-	-
						11	**14**	**3**			
INDUSTRIAL METALS AND MINING											
Crescent Steel and Allied Products Limited	258,035	792,000	-	-	1,050,035	28,029	34,819	6,790	2.51	2.76	1.86
International Steel Limited	382,965	-	-	-	382,965	4,580	4,936	356	0.36	0.39	0.09
International Industries Limited	500,000	-	-	132,000	368,000	10,396	11,334	938	0.82	0.90	0.37
Huffaz Seamless Pipe Industries Limited	20,245	408,500	-	-	428,745	9,390	8,185	(1,205)	0.59	0.65	0.77
						52,395	**59,274**	**6,879**			
CONSTRUCTION AND MATERIALS											
Cherat Cement Company Limited	582,484	250,047	-	832,531	-	-	-	-	-	-	-
D.G Khan Cement Company Limited	630,000	282,500	-	912,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	1,700,000	-	1,700,000	-	-	-	-	-	-	-
Lafarge Pakistan Cement Limited	-	1,147,000	-	1,147,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	96,500	-	50,000	46,500	813	1,061	248	0.08	0.08	0.03
Shabbir Tiles & Ceramics Limited (face value of Rs.5 each)	257,793	-	-	-	257,793	1,843	2,062	219	0.15	0.16	0.18
						2,656	**3,123**	**467**			
GENERAL INDUSTRIALS											
Cherat Packaging Limited	38,437	-	-	-	38,437	1,107	1,134	27	0.08	0.09	0.22
Cherat Packaging Limited - LoR	-	23,062	-	-	23,062	-	219	219	0.02	0.02	0.22
Merit Packaging Limited.	349,615	105,000	-	420	454,195	10,180	9,856	(324)	0.71	0.78	9.58
Macpac Films Limited	-	296,629	-	83,000	213,629	4,268	5,768	1,500	0.42	0.46	0.55
Thal Limited (Face value Rs 5 each)	598,007	-	48,050	123,500	522,557	44,180	51,205	7,025	3.69	4.06	0.71
						59,735	**68,182**	**8,447**			
HEALTH CARE EQUIPMENT AND SERVICES											
Shifa International Hospitals Limited	310,500	-	-	-	310,500	9,607	13,662	4,055	0.99	1.08	0.61
						9,607	**13,662**	**4,055**			
HOUSEHOLD GOODS											
Tariq Glass Limited	1,166,271	-	-	1,166,271	-	-	-	-	-	-	-
						-	**-**	**-**			

Name of the investee company	Number of shares					Balance as at March 31, 2013			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying value	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						(Rupees in '000)					
ELECTRONIC AND ELECTRICAL GOODS											
Johnson & Phillips (Pakistan) Limited	79,287	-	-	42,000	37,287	350	315	(35)	0.02	0.02	0.68
Pakistan Cables Limited	14,357	-	-	14,357	-	-	-	-	-	-	-
						350	**315**	**(35)**			
ENGINEERING											
Al-Ghazi Tractors Limited (Face value Rs 5 each)	48,100	25,000	-	73,100	-	-	-	-	-	-	-
K.S.B. Pumps Company Limited	250,000	-	-	-	250,000	13,655	15,928	2,273	1.15	1.26	1.89
						13,655	**15,928**	**2,273**			
INDUSTRIAL TRANSPORTATION											
Pak.International Bulk Terminal Limited	65,000	-	-	-	65,000	650	650	-	0.05	0.05	-
Pakistan National Shipping Corporation	298,808	25,000	-	125,000	198,808	3,669	7,837 [17]	4,168	0.57	0.62	0.15
						4,319	**8,487**	**4,168**			
SUPPORT SERVICES					-						
TRG Pakistan Limited	23,950,060	4,511,500	-	12,050,500	16,411,060	60,813	128,991	68,178	9.30	10.23	4.26
						60,813	**128,991**	**68,178**			
TECHNOLOGY HARDWARE AND EQUIPMENT					-						
TPL Trakker Limited	-	3,000,000	-	-	3,000,000	24,100	20,280	(3,820)	1.46	1.61	1.60
						24,100	**20,280**	**(3,820)**			
AUTOMOBILE AND PARTS											
General Tyre & Rubber Co. of Pakistan Limited	152,892	-	-	-	152,892	3,134	4,428	1,294	0.32	0.35	0.26
Atlas Battery Limited	2,970	10,100	594	-	13,664	2,922	3,651	729	0.26	0.29	0.11
Atlas Honda Limited	116,121	-	-	-	116,121	13,363	22,237	8,874	1.60	1.76	0.16
Honda Atlas Cars (Pakistan) Limited	-	10,000	-	-	10,000	182	292	110	0.02	0.02	0.01
Exide Pakistan Limited	34,510	5,000	-	-	39,510	7,095	14,184	7,089	1.02	1.12	0.56
						26,696	**44,792**	**18,096**			
BEVERAGES											
Shezan International Limited	100,000	-	-	100,000	-	-	-	-	-	-	-
Murree Brewery Company Limited	391,001	150,300	30,000	91,000	480,301	52,413	77,991	25,578	5.63	6.18	2.52
						52,413	**77,991**	**25,578**			
FOOD PRODUCERS											
Colony Sugar Mills Limited	-	401,000	-	-	401,000	2,392	2,230	(162)	0.16	0.18	0.40
Habib - ADM Limited (Face value Rs 5 each)	74,889	-	-	-	74,889	1,539	1,730	191	0.12	0.14	0.19
JDW Sugar Mills Limited	5,073	6,500	-	-	11,573	1,344	984	(360)	0.07	0.08	0.03
Noon Pakistan Limited	31,689	-	-	-	31,689	1,172	1,318	146	0.10	0.10	0.61
Punjab Oil Mills Limited	100,000	-	-	1,000	99,000	5,248	4,574	(674)	0.33	0.36	1.84
Quice Food Limited	2,289,139	2,140,626	-	4,359,235	70,530	779	567	(212)	0.04	0.04	0.17
Quice Food Ltd.-Right	900,626	1,159,500	-	2,060,126	-	-	-	-	-	-	-
Engro Foods Limited	-	950,000	-	715,000	235,000	23,107	29,876	6,769	2.15	2.37	0.03
Noon Sugar Mills Limited	590,591	411,500	-	-	1,002,091	21,810	26,255	4,445	1.89	2.08	6.07
Mitchell's Fruit Farms Limited	6,428	-	-	6,428	-	-	-	-	-	-	-
Sanghar Sugar Mills Limited	352,865	144,850	-	-	497,715	7,722	10,079	2,357	0.73	0.80	4.17
Shahtaj Sugar Mills Limited	24,537	-	-	-	24,537	1,876	1,644	(232)	0.12	0.13	0.20
Shakarganj Mills Limited	1,982,502	634,500	-	-	2,617,002	34,749	44,882	10,133	3.24	3.56	3.76
Kohinoor Sugar Mills Limited	-	209,500	-	-	209,500	1,128	1,571	443	0.11	0.12	2.21
National Foods Limited	-	11,900	-	11,900	-	-	-	-	-	-	-
Tandlianwala Sugar Mills Limited	85,863	-	-	56,007	29,856	2,284	2,493	209	0.18	0.20	0.03
Unilever Pakistan Limited	-	1,620	-	-	1,620	16,361	19,845	3,484	1.43	1.57	0.01
						121,511	**148,048**	**26,537**			

Name of the investee company	Number of shares					Balance as at March 31, 2013			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying value	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						(Rupees in '000)					
PERSONAL GOODS											
Artistic Denim Mills Limited	2,057,472	-	-	-	2,057,472	49,379	50,778	1,399	3.66	4.03	2.45
Crescent Fibres Limited	-	19,500	-	-	19,500	486	488	2	0.04	0.04	0.16
Dawood Lawrencepur Limited	43,159	-	-	-	43,159	2,677	2,072	(605)	0.15	0.16	0.07
Fazal Cloth Mills Limited	1,211	9,000	128	-	10,339	1,131	1,189	58	0.09	0.09	0.06
Gul Ahmed Textile Mills Limited	369,647	258,929	-	-	628,576	12,243	12,584	341	0.91	1.00	0.50
Gul Ahmed Textile Mills Ltd. Right	-	258,929	-	258,929	-	-	-	-	-	-	-
Rupali Polyester Limited	12,701	-	-	-	12,701	326	286	(40)	0.02	0.02	0.04
Din Textile Mills Limited	1,067,209	124,500	-	646,500	545,209	9,998	29,714	19,716	2.14	2.36	2.67
Ellcot Spinning Mills Limited	1,074,554	-	-	199,000	875,554	22,764	46,404	23,640	3.35	3.68	8.00
Faisal Spinning Mills Limited	-	50,000	-	-	50,000	2,750	5,250	2,500	0.38	0.42	0.50
Indus Dyeing Manufacturing Co. Limited	29,780	-	-	29,780	-	-	-	-	-	-	-
Ishaq Textile Mills Limited	-	6,500	-	-	6,500	42	112	70	0.01	0.01	0.07
Island Textile Mills Limited	38,300	-	-	-	38,300	7,931	36,194	28,263	2.61	2.87	7.66
Masood Textile Mills Limited	469,170	-	-	-	469,170	9,590	11,542	1,952	0.83	0.92	0.78
Prosperity Weaving Mills Limited	84,591	-	-	-	84,591	793	2,495	1,702	0.18	0.20	0.46
Saif Textile Mills Limited	-	350,000	-	168,500	181,500	2,469	3,213	744	0.23	0.25	0.96
Sapphire Fibres Limited	47	-	-	-	47	6	8	2	0.00	0.00	-
Service Industries Limited	49,588	-	-	-	49,588	8,228	8,316	88	0.60	0.66	0.41
Suraj Cotton Mills Limited	502,082	-	-	502,000	82	2	5	3	0.00	0.00	-
ZIL Limited	214,835	3,300	-	100,000	118,135	12,248	10,382	(1,866)	0.75	0.82	2.22
						143,063	**221,032**	**77,969**			
FIXED LINE TELECOMMUNICATION											
PAK Datacom Limited	645,031	-	-	-	645,031	40,566	38,373	(2,193)	2.77	3.04	8.23
Pakistan Telecommunication Company Limited	-	537,500	-	30,000	507,500	8,056	10,302	2,246	0.74	0.82	0.01
Wateen Telecom Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-
WorldCall Telecom Limited	250,000	4,663,000	-	2,913,000	2,000,000	5,638	6,140	502	0.44	0.49	0.23
						54,260	**54,815**	**555**			
ELECTRICITY											
Karachi Electric Supply Company Limited	4,439,112	2,000,000	-	6,439,112	-	**-**	**-**	**-**	-	-	-
Kohinoor Energy Limited	1,453,750	2,300,000	-	25,000	3,728,750	77,868	91,354	13,486	6.59	7.24	2.20
Sitara Energy Limited	263,151	-	-	-	263,151	4,342	7,105	2,763	0.51	0.56	1.38
						82,210	**98,459**	**16,249**			
MEDIA											
Hum Network Limited	404,414	150,000	-	150,000	404,414	8,701	11,607	2,906	0.84	0.92	8.09
						8,701	**11,607**	**2,906**			
MULTIUTILITIES (GAS AND WATER)											
Sui Northern Gas Pipelines Limited	-	1,468,500	13,050	1,338,000	143,550	3,086	2,506	(580)	0.18	0.20	0.02
Sui Southern Gas Company Limited	4,288,740	1,475,500	-	1,756,500	4,007,740	82,077	64,685	(17,392)	4.67	5.13	0.45
						85,163	**67,191**	**(17,972)**			

Name of the investee company	Number of shares					Balance as at March 31, 2013			Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Carrying value	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											
Askari Bank Limited	-	847,000	-	-	847,000	14,654	16,229	1,575	1.17	1.29	0.17
Summit Bank Limited	6,492,703	1,269,456	-	-	7,762,159	25,030	19,871	(5,159)	1.43	1.58	0.72
Summit Bank Limited - Preference Shares - LoR	-	-	1,552,431	-	1,552,431	-	-	-	-	-	-
Bank Al-Habib Limited	525,000	-	-	325,000	200,000	5,694	5,264	(430)	0.38	0.42	0.02
United Bank Limited	90,541	-	-	90,541	-	-	-	-	-	-	-
Bank Al-Falah Limited	1,750,000	-	-	1,750,000	-	-	-	-	-	-	-
Habib Bank Limited	193,400	200,000	30,390	89,500	334,290	35,524	32,262	(3,262)	2.33	2.56	0.03
Habib Metropolitan Bank Limited	594,382	-	-	81,000	513,382	8,861	7,783	(1,078)	0.56	0.62	0.05
MCB Bank Limited	-	10,000	-	10,000	-	-	-	-	-	-	0.01
NIB Bank Limited	4,372,955	-	-	-	4,372,955	8,702	10,233	1,531	0.74	0.81	0.04
National Bank of Pakistan	-	275,000	-	275,000	-	-	-	-	-	-	-
Soneri Bank Limited	4,512,802	-	283,943	4,796,745	-	-	-	-	-	-	-
						98,465	**91,642**	**(6,823)**			
NON LIFE INSURANCE											
Adamjee Insurance Company Limited	-	75,000	-	75,000	-	-	-	-	-	-	-
Century Insurance Company Limited	451,312	-	-	-	451,312	4,671	5,863	1,192	0.42	0.46	0.99
Habib Insurance Company Limited	-	249,000	-	-	249,000	3,200	3,337	137	0.24	0.26	0.25
Premier Insurance Limited (Face value Rs 5 each)	2,955,389	130,500	-	-	3,085,889	21,862	25,921	4,059	1.87	2.06	5.10
						29,733	**35,121**	**5,388**			
PHARMA AND BIO TECH											
Searle Pakistan Limited	270,000	-	-	270,000	-	**-**	**-**	**-**	-	-	-
Wyeth Pakistan Limited	5,079	18,250	-	-	23,329	20,737	20,821	84	1.50	1.65	0.16
						20,737	**20,821**	**84**			
REAL ESTATE INVESTMENT AND SERVICES											
Pace Pakistan Limited	1,532,536	-	-	1,532,536	-	**-**	**-**	**-**	-	-	-
						-	**-**	**-**			
FINANCIAL SERVICES											
First Capital Securities Corporation Limited	317,605	-	-	-	317,605	861	1,369	508	0.10	0.11	0.10
Security Leasing Corporation Limited - Preference Shares	1,489	-	-	-	1,489	2	2	-	0.00	0.00	0.01
						863	**1,371**	**508**			
Total listed equity securities as at March 31, 2013						**1,107,309**	**1,375,465**	**268,156**			
Total listed equity securities as at June 30, 2012						**1,030,310**	**1,124,299**	**93,989**			

4.2 Quoted equity securities - 'available-for-sale'

Name of the investee company	Number of shares					Balance as at March 31, 2013				Percentage in relation to		
	Opening balance	Purchases during the period	Bonus / rights issue	Sales during the period	Closing balance	Cost	Carrying value	Market value	Appreciation / (diminution)	Market Value as percentage of investments	Market value as percentage of net assets	Investee paid-up capital
						(Rupees in '000)						
Financial Services												
Security Leasing Corporation Limited (9.1% Preference shares)	1,000,000	-	-	-	1,000,000	10,166	3,295	3,295	-	0.25	0.25	2.10
Less: Impairment (note 4.2.1)						(6,871)						
						3,295						
General Industrials												
Siemens Engineering (Pakistan) Limited	12,500	-	-	-	12,500	7,319	9,339	7,602	(1,737)	0.74	0.75	0.15
Total listed equity securities - March 31, 2013						**10,614**	**12,634**	**10,897**	**(1,737)**			
Total listed equity securities - June 30, 2012						10,614	16,847	12,634	(4,213)			

4.2.1 Security Leasing Corporation Limited has deferred the payment of 3rd redemption amounting to Rs.2,720,000 (pertaining to 500,000 shares of Rs.10 each) on the basis of the current adverse financial position of the company. As per the terms of the preference shares, the redemption amount will be the lower of par value and breakup value as per latest available audited financial statements. The break-up value (per share of Security Leasing Corporation Limited) as per the financial statements for the year ended June 30, 2009 is Rs.5.44, which is lower than the face value. Further, the break-up value of shares as per the financial statements of the company for the nine months ended March 31, 2010 is Rs.1.15. Therefore, the redemption of 500,000 shares due on November 30, 2009 have been valued at Rs.5.44 per share and the remaining shares have been valued at Rs.1.15 per share. Negotiations are currently underway with the investee company to recover the outstanding amount of preference shares.

4.3 Government Security - financial assets at 'fair value through profit or loss'

Particulars	Tenor	Face value				Balance as at March 31, 2013			Percentage in relation to	
		Opening balance	Purchases during the period	Disposed off during the period	Closing balance	Cost	Market value	Appreciation / (diminution)	Market value as percentage of investments	Market value as percentage of net assets
		(Rupees in '000)								
Pakistan Investment Bonds - July 19, 2012	5 Years	-	25,000	25,000	-	-	-	-	-	-

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
		--------- (Rupees in '000) ---------	
4.4 Unrealised diminution on re-measurement of investments classified as 'at fair value through profit or loss' - net			
Market value of securities	4.1	**1,375,465**	1,124,299
Less: Carrying value of securities	4.1	**1,107,309**	1,030,310
		268,156	93,989
4.5 Net unrealised appreciation on re-measurement of investments classified as 'available-for-sale' - net			
Market value of securities	4.2	**10,897**	12,634
Less: Carrying value of securities	4.2	**10,614**	10,614
		283	2,020
4.6 Net unrealised appreciation in fair value of investments classified as 'available-for-sale'			
Market value of investments		**10,897**	12,634
Less: Carrying value of investments		**(10,614)**	(10,614)
		283	2,020
Less: Net unrealised appreciation in fair value of investments at the beginning of year		**(2,020)**	(6,233)
		(1,737)	(4,213)

5. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

In August 2011, the Lahore High Court (LHC) has issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 are declared unconstitutional and therefore struck down.

As the matter relating to levy of WWF is currently pending in the Court, the Management Company, as a matter of abundant caution, has decided to retain and continue to make the provision for WWF which amounted to Rs.20.75 million (including Rs.9.422 million pertaining to the current period) (June 30, 2012: Rs.11.308 million) at the period end. Had the provision not been made, the net asset value per share of the Company would be higher by Re.0.14 (1.65%) per share [June 30, 2012: Re.0.07 (1.00%) per share] and the net income for the period would be increased by Re.0.06 per share.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2013.

7. REVERSAL OF PROVISION AGAINST DEBT SECURITY

During the current period, the Company made a provision against redemption amount receivable amounting to Rs.3.711 million in respect of a debt security, disposed off before June 30, 2012, which was reversed on receipt of the redemption amount.

8. 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.

The Company is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

9. 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 Dhedi Securities (Private) Limited, AKD Securities Limited, other collective schemes managed by the Management Company, 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. Details of transactions and balances with connected persons are as follows:

	Nine months ended March 31,	
	2013	2012
	-------- (Rupees in '000) --------	
9.1 Transactions during the period		
AKD Investment Management Limited - Management Company		
Remuneration to Management Company	**18,729**	12,644
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**33,018**	20,637
AKD Securities Limited - Group Company		
Sale of shares of various companies	**21,612**	30,951
Purchase of shares of various companies	**114,875**	40,653
Brokerage	**233**	142
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**14,763**	9,227
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**2,511**	1,570

	Nine months ended March 31, 2013	2012
	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Staff Provident Fund		
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**721**	451
Key Management Personnel		
Cash dividend paid @ 24% i.e. Rs.1.20 per share (2011: 15% i.e. Re.0.75 per share)	**72**	50
Central Depository Company of Pakistan Limited - Custodian		
Fee charged during the year (including transaction charges)	**829**	466
AKD Opportunity Fund - Common Management Company		
Purchase of shares	**13,486**	-
PAK Datacom Limited		
Dividend received during the period	**2,580**	516

	(Un-audited) March 31, 2013	(Audited) June 30, 2012
9.2 Transactions outstanding at the period / year end	-------- (Rupees in '000) --------	
AKD Investment Management Limited - Management Company		
Remuneration payable	**2,546**	1,824
Shares in issue (number of shares: March 31, 2013: 34,915,395; June 30, 2012: 27,515,395)	**174,577**	137,577
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund		
Shares in issue (number of shares: March 31, 2013: 2,092,812; June 30, 2012: 2,092,812)	**10,464**	10,464
AKD Securities Limited - Group Company		
Shares in issue (number of shares: March 31, 2013: 2,889; June 30, 2012: 2,889)	**14**	14
Brokerage payable	**-**	6
AKD Investment Management Limited - Staff Provident Fund		
Shares in issue (number of shares: March 31, 2013: 601,046; June 30, 2012: 601,046)	**3,005**	3,005
Key Management Personnel of the Company		
Shares held by key management personnel		
Shares in issue (No. of shares: March 31, 2013: 6,366,304; June 30, 2012: 60,179)	**31,832**	301
Central Depository Company of Pakistan Limited - Custodian		
Fee payable	**96**	81
AKD Aggressive Income Fund - Common Management Company		
Receivable against sale of investment	**-**	3,712
PAK Datacom Limited		
Shares held by the Company (No. of shares: March 31, 2013: 645,031; June 30, 2012: 645,031)	**38,373**	40,566
Dividend receivable	**1,290**	-

10. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Management Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

The Company has determined the operating segments based on the reports reviewed by the Investment Committee, which are used to make strategic decisions.

The Investment Committee is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Investment Committee's asset allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The Company trades in listed Pakistani equity securities with an objective to generate capital growth.

The internal reporting provided to the Investment Committee for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no changes in the reportable segments during the period.

The Company is domiciled in Pakistan. All of the Company's income is from investments in entities incorporated in Pakistan.

The Company has a highly diversified portfolio of investments and no single investment accounts for more than 10% of the net assets of the Company.

11. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purposes of comparison. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 20, 2013 by the Board of Directors of the Company.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees.

13.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

Imran Motiwala
Chief Executive Officer

Aurangzeb Ali Naqvi
Director



AKD Investment Management Ltd.

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