Golden Arrow
SELECTED STOCKS FUND LIMITED

January 24, 2018

The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building
Stock Exchange Road
Karachi.

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Dear Sir,

With reference to above we are enclosing copy of Notice of Extra Ordinary Meeting of ***Golden Arrow Selected Stocks Fund Ltd.*** to be published in daily "***Business Recorder***" and daily "***Khabrain***" on January 25, 2018.

Thanking you.

Yours faithfully,

Rashid Ahmed
Head of Compliance

Encl: as above

GOLDEN ARROW SELECTED STOCKS FUND LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (**"EOGM"**) of GOLDEN ARROW SELECTED STOCKS FUND LIMITED will be held on February 15, 2018 at 9:30 a.m. at the auditorium of the Institute of Chartered Accountants of Pakistan, Clifton Karachi, to transact the following business:

Special Business:

1. To consider and if thought fit, to pass the following Resolutions, as Special Resolutions (with or without modification) by a majority of not less than three-fourth of such Members of the Company ("**Shareholders**") entitled to vote as are present in person, or by proxies or through video link, at the Meeting, for conversion of the Company (GOLDEN ARROW SELECTED STOCKS FUND LIMITED) from a Closed End Fund (Investment Company) to an Open End Scheme and to approve the **"Scheme of Arrangement for Conversion of GOLDEN ARROW SELECTED STOCKS FUND LIMITED from a Closed End Fund to an Open End Scheme"**; copy of the Scheme is annexed to the Notice of this EOGM (**"the Scheme of Arrangement "**).

    RESOLVED that, subject to the approval of the Securities and Exchange Commission of Pakistan ("the **SECP**"), the Shareholders of GOLDEN ARROW SELECTED STOCKS FUND LIMITED hereby approve the conversion of the Company from a Closed End Fund (Investment Company) to an Open End Scheme to be known as Golden Arrow Stock Fund, an equity fund as per the terms and conditions of the Scheme of Arrangement which be and is hereby approved, adopted and made part of this Special Resolution, subject to fulfillment of all legal and regulatory formalities.

    RESOLVED FURTHER that the Company through its directors and officers as may be designated by its board of directors ("the **Board**") for such purpose and AKD Investment Management Limited (the "**Management Company**") and its concerned directors and officers as may be designated by the board of directors of the Management Company, shall prepare necessary documentation, including the Constitutive Documents of the proposed Open End Scheme containing such terms and conditions as the Board and the Management Company may deem appropriate, including as to issuance of Units of the Open End Scheme to new investors at the Offer Price based on Net Asset Value (**"NAV"**) of the Open End Scheme with or without any Front End Load and redemption of Units at the redemption price based on the NAV of the Open End Scheme with or without Back End Load, as may be approved by the SECP and shall also select a Trustee for the Open End Scheme.

    RESOLVED FURTHER that the Management Company shall be the asset management company of the Open End Scheme and be and is hereby authorized to appoint a Trustee for the Open End Scheme and to execute a trust deed with such Trustee with the approval of the SECP and to get the same registered with the Sub-Registrar. The Management Company is further empowered to get the Open End Scheme registered with the SECP as a Notified Entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as amended (**"NBFC Regulations"**) and prepare and publish an Offering Document after seeking approval from the SECP.

    RESOLVED FURTHER that the Company and the Management Company shall execute such other documents and deeds, as may be required for conversion of the Company into an Open End Scheme, obtain and fulfill all regulatory compliances, including approval from the SECP and fulfill, effectuate and do all such other acts, things and deeds.

RESOLVED FURTHER that the conversion of the Company into an Open End Scheme be effectuated by issuance of Units of the Open End Scheme to be constituted as above, to the Shareholders of the Company based on the swap ratio of 1:1 i.e. for each fully paid-up Share of the par value of Rs: 5/- of the Company, each Shareholder whose name is entered in the Register of Members of the Company on the Effective Date to be announced by the Board, be issued one Unit of the Open End Scheme of the par value of Rs: 5/- with no Front End Load, regardless of the Net Asset Value of the Company ("**Conversion Units**"), but subject to a Back End Load at the rate of 1.00% on redemption of Conversion Units prior to the expiry of six months from the date of issuance thereof, as provided in the Scheme of Arrangement; and upon issuance of the Conversion Units of the Open End Scheme, the Share Certificates of the Company be deemed to be cancelled and be of no effect.

RESOLVED FURTHER that after the completion of the conversion process, the Company be got struck off by the Registrar of Companies Company Registration Office, Karachi ("**CRO**") from the Register of Companies under Section 425 of the Companies Act, 2017 ("**Act**") or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by the Board and be dissolved automatically without formal winding up, as and how the SECP may permit or direct.

RESOLVED FURTHER that the Company through its directors and officers as may be designated by the Board and/or through the directors and officers of the Management Company, be and is hereby further authorized to prepare and effectuate a timeline for completing the conversion formalities, including as to book closure, issuance of Units of the Open End Scheme to the then existing Shareholders of the Company in lieu of the shares held by them, to make necessary disclosures and announcements from time to time and to represent the Company to the SECP, the Registrar of Companies and the Pakistan Stock Exchange without the need for any further approvals of the Shareholders.

RESOLVED FURTHER that the Board and the Management Company be and are hereby empowered to agree upon modifications in this Special Resolution or changes in the Scheme of Arrangement that are not of substantive nature or the timeline for completing the conversion formalities that may be required by the SECP and acceptable to the Board and the Management Company without the need for any further approvals of the Shareholders.

RESOLVED FURTHER that all the terms and conditions of the Scheme of Arrangement be and are hereby made part of this Special Resolution and be effectuated and implemented by the Board in true letter and spirit, as may finally be approved by the SECP.

RESOLVED FURTHER that in case the Special Resolution or the Scheme of Arrangement is not approved by the SECP on terms approved by this Special Resolution or any modification that may be accepted by the Board and/or the Management Company, then the Special Resolution and the Scheme of Arrangement shall cease to be effective and the Company shall continue as a Closed End Fund (Investment Company) under the Act and the NBFC Regulations.

2. To consider and pass any additional or supplemental resolution(s) in relation to the conversion of the Company into an Open End Fund, as may be approved or considered necessary by the Shareholders, with the permission of the Chair.

By order of the Board

Karachi: January 25, 2018

Muhammad Yaqoob
Company Secretary

NOTES:

1. The Register of Members will remain closed from February 08, 2018 to February 15, 2018 (both days inclusive). Physical scrips transfers/ CDS transaction IDs received in order at the office of Share Registrar, JWAFFS Registrar Services (Pvt.) Limited, 407-408, Al Ameera Center, Shahrah-e-Iraq,

Saddar, Karachi at the close of the business day on February 07, 2018 will be treated in time for the purpose of entitlement of Shareholders to attend and vote at the meeting.

2. A Member entitled to attend and vote at the meeting shall be entitled to appoint another person as his/her/its proxy to attend and exercise all or any of the rights of such Member, speak and vote instead of him/her/it, and the proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a Member. Proxy, in order to be effective, must be duly completed with Rs.5/- revenue stamp and signed and delivered at the registered office of the Company not less than 48 hours before the time of the meeting.

3. Members are requested to notify any change in their address immediately to the Share Registrar, JWAFFS Registrar Services (Pvt.) Limited, 407-408, Al Ameera Center, Shahrah-e-Iraq, Saddar, Karachi.

4. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. <u>For attending the meeting:</u>

1. In case of individuals, the account holders or sub account holders whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

2. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. <u>For appointing of proxies:</u>

1. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per CDC Regulations shall submit the proxy form as per requirement.

2. The proxy form will be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the forms.

3. Attested copies of CNICs or passports of the beneficial owners and the proxies shall be furnished with the respective proxy forms.

4. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

5. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

6. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (**"CDC"**) and/or their proxies are required to produce their original CNICs or passports for identification purpose at the time of attending the meeting.

7. Shareholders are requested to notify immediately any change in their address.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

The Company (GOLDEN ARROW SELECTED STOCKS FUND LIMITED) is a Closed End Fund, constituted as an Investment Company. The Directors of the Company in consultation with the Management Company i.e. AKD Investment Management Limited (AKDIML), after thorough deliberations and having considered the current investment climate and after weighing all the pros and cons, at a meeting held on 09 January, 2018 arrived at a considered decision in the interest of the Shareholders that the Company be converted from a Closed End Fund to an Open End Scheme, subject to the approval of the SECP, after fulfilling all legal and regulatory requirements and further decided to place the proposal before the Shareholders for their consideration and approval by Special Resolution. As such, this meeting has been called. The conversion will take place with the approval of the Shareholders of the Company by a Special Resolution i.e. by majority of not less than three-fourth of the Shareholders entitled to vote as are present in person or by proxies, or through video link at the EOGM.

Interest of Directors, Management Company, Director of the Management Company and Associate Companies and Undertakings as at December 31, 2017:

There are 152,098,344 outstanding shares of the Company. The Directors of the Company are holding 3,026,277 shares of the Company which constitutes 1.99% of the total outstanding shares. The Management Company holds 23,882,895 shares of the Company, which constitutes 15.70% of the total outstanding shares. The associated companies and undertakings collectively hold 2,379,747 shares of the Company which constitutes 1.56% of the total outstanding shares. The details are as follows:-

Name of Director	**Shares held**
Imran Motiwala	1,000
AnumDhedhi	1,000
Muzammil Abdul Karim	1,500
Javaid Bashir Sheikh	10,000
Abdul Karim Memon	3,010,000
Muhammad Siddiq Khokhar	2,777
Management Companies	**Shares held**
AKD Investment Managment Limited	23,882,895
Associated Companies	**Shares held**
AKD Securities Limited	2,889
Aqeel Karim Dhedhi Securities (Pvt.) Ltd-Staff Provident Fund	2,092,812
AKD Investment Management Ltd-Staff Provident Fund	284,046
Total	**29,288,919**

The interest of the Directors of the Company in the proposed conversion is only to the extent of their investments in the Company, the interest of the Management Company in the proposed conversion is only to the extent of its investment in the Company and being the Management Company under the NBFC Regulations and the interest of the associated companies and undertakings in the proposed conversion is only to the extent of their respective investments in the Company.

Pursuant to Regulation 65 of the NBFC Regulations, as it existed at the relevant time, an Extra Ordinary General Meeting of the Shareholders of the Company was convened on 31-01-2013 whereat Ordinary Resolution-A was proposed for converting the Company into an Open End Scheme and in the alternate Special Resolution-B was proposed for winding up of the Company. Both the proposed Resolutions were out rightly rejected by an overwhelming majority of Shareholders.

The SECP was not satisfied and directed the Company to implement Regulation 65. Therefore, the Company filed a Constitution Petition No.753 of 2013 in the High Court of Sindh at Karachi, which is still pending. The High Court was also pleased to grant an interim injunction which still holds the field. The directors of the Company have however now decided to voluntarily convert the Company into an Open End Scheme in deference to the wish of the SECP and in the interest of the Shareholders. Therefore, upon conversion of the Company into an Open End Scheme in terms of the annexed Scheme of Arrangement, the pending Constitution Petition filed by the Company will become infructuous and will therefore be withdrawn with no orders as to costs. However, if the SECP does not permit the conversion of the Company into an Open End Scheme in terms of the Scheme of Arrangement as annexed to the Notice of the Meeting, then the Petition will be perused by the Company and the holding of this EOGM and passing of the special resolution by the Shareholders shall be without prejudice to the Company's legal position in the Petition.

The Directors and Chief Executive of Company, who are acting in good faith and in the interest of the Shareholders of the Company, will not be liable in their personal capacities in any manner whatsoever, if the Scheme of Arrangement is not approved by the Shareholders, or by the SECP, or in case any resentment is expressed by any Shareholder(s) or other concerned person(s), or consequent proceedings are initiated against them or the Company by virtue of the conversion of the Company into an Open End Scheme, whether raised during the course of conversion or thereafter.

SCHEME OF ARRANGEMENT FOR CONVERSION
OF
GOLDEN ARROW SELECTED STOCKS FUND LIMITED
FROM
A CLOSED-END FUND
TO
AN OPEN-END SCHEME

I. PRELIMINARY

1.1 Definitions

In this Scheme of Arrangement, unless the subject or context requires otherwise, the following expressions shall have the meanings assigned to them, as below:

"Act" means the Companies Act, 2017, including any substitution thereof.

"GASF Undertaking" means the business, operations, affairs, properties, assets, securities, liabilities, receivables, contracts, etc. of GASF, as outlined in Article IV of this Scheme of Arrangement.

"GASF" means Golden Arrow Selected Stocks Fund Limited, a listed public company, limited by shares, incorporated in Pakistan under Company Registration No.0010350, having its Registered Office at 216-217, Continental Trade Centre, Block 8, Clifton, Karachi.

"GASF's Board" means the Board of Directors of Golden Arrow Selected Stocks Fund Limited.

"Closed End Fund" means an Investment Company or a Closed End Scheme as defined in the NBFC Regulations.

"Constitutive Documents" mean the trust deed, the offering document and other principal documents governing the formation of the proposed Open End Scheme, including all related material agreements.

"Effective Date" means the date following the expiry of the book closure to be announced specifically for the purpose of conversion, by GASF's Board, which shall be the effective date of conversion, subject to the obtaining of the approval of the SECP and fulfillment of all legal and regulatory requirements.

"Management Company" means AKD Investment Management Limited an unlisted public limited company licensed to provide asset management and investment advisory services under the NBFC Rules and NBFC Regulations, which is already acting as the management company of GASF.

"NAV" mean Net Asset Value.

"NBFC Regulations" mean the Non-Banking Finance Companies and Notified Entities Regulations, 2008 including any amendments and substitutions thereof.

"NBFC Rules" mean the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, including any amendments and substitutions thereof.

"Open End Scheme" means an equity scheme to be constituted as a trust by the Management Company in consultation with the Directors of GASF under the name of "**Golden Arrow Stock Fund**" initially for taking over GASF Undertaking and issuing Units to the Shareholders of GASF in lieu of the shares held by them, at the swap ratio mentioned in this Scheme of Arrangement and subsequently offering and redeeming Units continuously as specified in the Constitutive Documents in accordance with the provisions of the NBFC Rules and the NBFC Regulations.

"Scheme of Arrangement" means this Scheme of Arrangement for Conversion of Golden Arrow Selected Stocks Fund Limited from a Closed End Fund to an Open End Scheme.

"SECP" means the Securities and Exchange Commission of Pakistan and shall include any successor body thereof.

"Special Resolution" shall have the same meaning as embodied in Section 2(1)(66) of the Act.

"Trustee" means a trustee to be appointed by the Management Company for the Open End Scheme with the approval of the SECP, in accordance with the provisions of the NBFC Regulations.

"Unit" means one undivided unit in the Open End Scheme on *pari passu* basis.

1.2 Background:

(i) GASF is a public limited company listed at the Pakistan Stock Exchange. GASF is a Closed End Fund, constituted as an investment company under the repealed Investment Companies and Investment Advisors Rules, 1971, which have been superseded by the NBFC Rules and the NBFC Regulations. GASF Board, upon the recommendation of the Management Company and after thorough deliberations, having considered the current investment climate and weighing all the pros and cons, had initially at its meeting held on September 21, 2017 considered and approved conversion of GASF from an Investment Company into an Open End Scheme, subject to all regulatory approvals and compliance with all statutory requirements.

(ii) GASF's Board at a meeting held on January 09, 2018, approved this Scheme of Arrangement and decided to convene an Extra Ordinary General Meeting (**"EOGM"**) of GASF on February 15, 2018 to place this Scheme of Arrangement for the approval of the Shareholders of GASF by a Special Resolution, subject to the fulfillment of all legal and regulatory requirements. As such, this Scheme of Arrangement is being laid before the Shareholders of GASF at the EOGM.

(iii) Earlier, pursuant to Regulation 65 of the NBFC Regulations, as it existed at the relevant time, an Extra Ordinary General Meeting of the Shareholders of GASF was convened on 31-01-2013 whereat Ordinary Resolution-A was proposed for converting the Company into an Open End Scheme and in the alternate Special Resolution-B was proposed for winding up of GASF. Both the proposed Resolutions were out rightly rejected by overwhelming majority of Shareholders.

(iv) The SECP was not satisfied and directed GASF to implement Regulation 65. Therefore, GASF filed a Constitution Petition No.753 of 2013 in the High Court of Sindh at Karachi, which is still pending. The High Court was also pleased to grant an interim injunction which still holds the field. The directors of GASF have however now decided to voluntarily convert GASF into an Open End Scheme in deference to the wish of the SECP to either wind-up GASF or to convert into an Open End Scheme and in the interest of the Shareholders. Therefore, upon conversion of GASF into an Open End Scheme in terms of this Scheme of Arrangement, the pending Constitution Petition filed by GASF will become infructuous and will therefore be withdrawn with no orders as to costs. However, if the SECP does not permit the conversion of the Company into an Open End Scheme in terms of the Scheme of Arrangement as annexed to the Notice of the Meeting, then the Petition will be perused by the Company and the holding of this EOGM and passing of the special resolution by the Shareholders shall be without prejudice to the Company's legal position in the Petition.

II. CAPITAL

The authorized share capital of GASF is Rs:1,250,000,000/ (Rupees One Billion Two Hundred and Fifty Million only) divided into 250,000,0000 (Two Hundred and Fifty Million) Ordinary Shares of Rs: 5/- each, of which 152,098,344 Ordinary Shares of the aggregate par value of Rs:760,491,720/- (Rupees Seven Hundred and Sixty Million Four Hundred and Ninety One Thousand Seven Hundred and Twenty) are issued and fully paid.

III. OBJECT OF THIS SCHEME

The object of this Scheme of Arrangement is to convert GASF from a Closed End Fund to an Open End Scheme by:

- constitution of an Open End Scheme under the NBFC Regulations by the Management Company which shall also be the Management Company of the Open End Scheme;
- the transfer to and vesting in the Open End Scheme through its Trustee the whole of GASF Undertaking;
- the issue of Units of the Open End Scheme to the registered shareholders of GASF based on the swap ratio of 1:1 as mentioned hereafter, and
- getting the GASF's name struck off by the Registrar of Companies, Company Registration Office from the Register of Companies under Section 425 of the Act or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by GASF, without winding up or as and how the SECP may permit or direct.

IV. TRANSFER TO AND VESTING IN THE OPEN-END SCHEME THE ENTIRE UNDERTAKING OF GASF ("GASF UNDERTAKING")

1. The GASF Undertaking to be transferred to and vested in the Open End Scheme shall be inclusive of but not limited to the following:

(a) All operations and affairs of GASF.

(b) All properties and assets of GASF of every kind and description, real, corporeal and incorporeal, tangible and intangible of every kind and description in possession or power of GASF, including stocks, shares, securities, investments, contracts, receivables, book debts, accrued income, dividends, profits, mark-up, etc. on GASF's investments, cash and bank balances, reserves, capital reserves, un-appropriated profits, deposits, etc. whether present or contingent or accrued or accruing of whatsoever nature and wherever situated and howsoever due or accruing.

(c) All intellectual property rights, such as trademarks, copyrights, software, trade name, trade styles, secret processes, confidential information and other proprietary and intangible assets and rights therein, owned by or licensed to GASF, if any.

(d) All sanctions, consents, licenses, privileges and authorizations, sanctions, permissions, NOCs, etc. issued by the Federal, Provincial or Local Governments, etc., to the extent the same can be obtained by or issued to an Open End Scheme under the provisions of the Act, the NBFC Rules and the NBFC Regulations and securities, deposits, etc., given thereagainst, if any.

(e) All book-debts and accounts receivables and actionable claims of GASF, including those of trade debtors, suppliers and service providers and the advances, prepayments or deposits made or paid to them.

(f) All bank accounts maintained by GASF as well as by the Management Company for and on behalf of GASF with banks and financial institutions with all bank balances, including cash-in-hand, securities, deposits and investments.

(g) All custodial accounts, IPS accounts and other accounts maintained by GASF.

(h) All contracts and agreements of with any third parties whatsoever.

(i) All refunds and adjustments of income tax and all other taxes, duties and assessments of owing or due to GASF.

(j) All authorizations, rights, powers, privileges and interests of GASF arising out of such properties, assets and investments, documented or undocumented or otherwise including executed and executory contracts.

(k) All legal and title deeds and documents in respect of moveable properties and immoveable properties (if any) and securities and other assets, tenancy/lease rights or executed or issued in favour of or appertaining to or to which GASF may be a party thereto or in which GASF may have any right, title, interest, obligation or liability there under.

(l) All corporate, tax and other books, records, registers, instruments and papers of every kind maintained by or on behalf of GASF.

(m) All claims, refunds and securities accrued or accruing to GASF in respect of any taxes, rates, duties or assessments of any kinds, including advance payments or collections.

(n) All decrees, judgments and orders passed in favour of GASF by any court, tribunal or lawful authority in relation to any matter concerning GASF.

(o) All other assets/obligations/entitlements/agreements not covered above.

(p) All liabilities, accounts payable and obligations of every kind and description, including but not limited to debts payable, borrowings, including bank borrowings, mortgages, charges and securities created thereagainst (if any), taxes, duties accrued or continuing to accrue or earmarked from time to time for payment, if any and whether arising out of contracts, deeds, instrument, bonds, guarantees, sanctions, licenses or otherwise and whether subsisting or contingent, accrued or continuing to accrue or which at any time be due and payable to creditors, if any.

V. CONVERSION

1. GASF through its directors and officers as may be designated by GASF's Board for such purpose and the Management Company and its concerned directors and officers as may be designated by the Board of Directors of the Management Company, shall prepare necessary documentation, including the Constitutive Documents of the proposed Open End Scheme containing such terms and conditions as GASF's Board and the Board of Directors of the Management Company may deem appropriate, including as to issuance of Units of the Open End Scheme to investors at the Offer Price based on NAV of the Open End Scheme with or without any Front End Load and redemption of Units at the redemption price based on the NAV of the Open End Scheme with Back End Load as may be approved by the SECP. The Units issued to the Shareholders of GASF upon its conversion into an Open End Scheme shall be subject to the Back End Load as given in Clause VII hereinafter. The Management Company shall also appoint the Trustee for the Open End Scheme.

2. The Management Company shall be the asset management company of the Open End Scheme. The Management Company shall execute a trust deed with the Trustee with the approval of the SECP and get the same registered with the Sub-Registrar. The Management Company shall get the Open End Scheme registered with the SECP as a Notified Entity under the NBFC Regulations and prepare and publish an Offering Document after seeking approval from the SECP. GASF and the Management Company shall also execute such other documents and deeds, as may be required for conversion of GASF into an Open End Scheme, obtain and fulfill all regulatory compliances, including approval from the SECP and fulfill, effectuate and do all such other acts, things and deeds.

VI. TRANSFORMATION

On and from the Effective Date:

(i) The GASF Undertaking as defined above shall become part of the Open End Scheme. The Open End Scheme shall have the right through its Trustee to *inter alia*, perform all contracts, recover, realize and enforce all respective debts and receivables, pay debts and liabilities and perform all obligations of GASF.

(ii) Subject to Clause I.1.2(iv) above, all suits, appeals, petitions, applications, execution applications and other legal proceedings of whatsoever nature, pending (if any) in any court or tribunal of up to the highest jurisdiction by or against GASF shall be continued to be pursued, prosecuted, enforced or defended, as the case may be, by the Trustee of the Open End Scheme in the same manner and to the same extent as that would or might have been prosecuted, enforced or defended by or against GASF, which shall not be abated or discontinued or in any manner be prejudiced or be affected adversely by the provisions of this Scheme of Arrangement.

(iii) All refunds, credits or payments, receivables on account of taxes, including income tax, for and in respect of GASF shall stand transferred to and be vested in the Open End Scheme.

(iv) Capital reserves, revenue reserves and un-appropriated profits in the books of GASF shall constitute capital reserves, revenue reserves and un-appropriated profits of the Open End Scheme and shall stand transferred to and be vested in the Open End Scheme.

(v) All securities held by GASF for payment or discharge of any debts or liabilities shall be transferred to and vest in Open End Scheme and shall continue to subsist and remain in full force and effect.

(vi) All investments and assets of GASF shall be registered in the name of Open End Scheme and the custody of all securities, investments, documents, records, and other properties held by GASF shall stand vested in the Trustee of the Open End Scheme on the Effective Date and the rights and obligations of GASF in relation thereto shall on that date become rights and obligations of the Open End Scheme to be managed by the Management Company.

(vii) The Open End Scheme shall be known as ***Golden Arrow Stock Fund.***

VII. ISSUANCE OF UNITS

1. The conversion of GASF into an Open End Scheme shall be effectuated by issuance of Units of the Open End Scheme to be constituted as above, to the shareholders of GASF based on the swap ratio of 1:1 i.e. for each fully paid-up share of the par value of Rs: 5/- of GASF, each shareholder whose name is entered in the Register of Members of GASF on the Effective Date to be announced by the GASF's Board shall be issued fully paid-up one Unit of the Open End Scheme of the par value of Rs: 5/- with no Front End Load, regardless of the NAV of GASF ("**Conversion Units**"). The Conversion Units shall be credited as fully paid up. Upon the issuance of the Conversion Units of the Open End Scheme, the shares of GASF and the corresponding share certificates shall be deemed to be cancelled and of no effect. Therefore, the status of the Shareholders of GASF shall stand changed to the Unit Holders of the Open End Scheme upon issuance of the Conversion Units.

2. Redemption of Conversion Units mentioned in Clause VII.1 above, during the first six months from the date of issuance thereof shall however be subject to deduction of Back End Load of 1.00% of the NAV of the Open End Scheme. No load on redemption of Conversion Units shall be charged after six months from the date of issuance. The Back End Load shall form part of the trust property of the Open End Scheme.

3. After issuance of the Conversion Units to the Shareholders of GASF, the Open End Scheme shall offer and redeem new Units to investors on a continuous basis as any other open-end scheme. The Offer and Redemption Price shall be based on the Net Asset Value of the Scheme on a daily basis and shall carry a Front-end Load of 3% (three percent) with no Back-End Load.

VIII. STATUS OF GASF

After the completion of the conversion process, GASF's name shall be got struck off by the Registrar of Companies, Company Registration Office from the Register of Companies under Section 425 of the Act or under Section 426 of the Act relating to Easy Exit of a defunct company, as may be considered appropriate by GASF's Board and GASF will be dissolved automatically without the winding up process as and how may be considered appropriate by GASF's Board and permitted by the SECP.

IX. NOTICE TO MEMBERS FOR ISSUANCE OF SHARES

1. There shall be issued and published a seven (7) days notice to each shareholder of GASF of the date to be fixed by GASF's Board by reference to which, the registered holders

of the Ordinary Shares of GASF are to be determined for entitlement to the Conversion Units of the Open End Scheme. Such shares whether in physical form or registered in CDC as book entry securities shall stand automatically cancelled on the Effective Date against issuance of Conversion Units.

2. The issuance of Conversion Units of the Open End Scheme by the Management Company of the Open End Scheme shall be made on the date so notified and the Units shall be issued and delivered as soon as practicable thereafter and notices shall be sent to the shareholders of GASF by registered post at their respective registered addresses.

X. CREDITORS/FIXED ASSETS

1. GASF and the Management Company hereby declare that there are no outstanding liabilities of any nature owed by GASF to any third party, except for the current audit fee and expense, management fee, custodial charges, SECP fee etc. which shall be got cleared by GASF prior to its dissolution or will be transferred to the Open End Scheme.

2. GASF and the Management Company hereby declare that GASF has no immovcable properties or other fixed assets or vehicles.

XI. CERTAIN OBLIGATIONS, REPRESENTATIONS AND INDEMNIFICATION

Upon conversion, the Management Company shall take all necessary and expedient steps to properly and efficiently manage the affairs of the Open End Scheme in accordance with the provisions of the NBFC Regulations, notifications issued by the SECP from time to time and the Act.

XII. BENEFITS OF CONVERSION

Historically, the Closed End Funds trade at some discount to their NAV. In order to provide liquidity to the shareholders, this Scheme of Arrangement for Conversion is provided. The conversion would also allow the Management Company to market the Fund to the new investors by issuing the fresh Units.

XIII. FINANCIAL INFORMATION OF GASF

The total assets, shareholders' equity Profit after tax of GASF, as shown in its audited accounts for the year ended June 30, 2017 and audited accounts for each of the preceding five years and the dividends paid in each such year were:-

	2017	2016	2015	2014	2013	2012
	------------------------------- Rupees '000 -------------------------------					
Total Assets	2,003,954	1,830,244	1,858,589	1,756,501	1,657,051	1,160,063
Shareholders' equity	1,891,098	1,714,315	1,744,806	1,666,697	1,602,002	1,134,946
Profit After Tax	838,410	159,632	564,823	734,748	802,871	290,165
Dividends	88%	21%	69%	86%	42%	24%

XIV. Investment Policy

The Investment Policy of the Golden Arrow Stock Fund would be an Open-end Equity Scheme in accordance with the Circular No. 07 of 2009 dated March 06, 2009 that states that:

1. At least 70% of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis:

2. The remaining net assets shall be invested in cash and/ or near cash instruments which include cash in bank accounts (excluding TDRs), and treasury bills not exceeding 90 days maturity;

3. It shall not take exposure to Margin Trading System.

XV. Management Fee

An annual management fee of two percent of the average annual net assets of the GASF calculated on a daily basis in the manner as specified by the SECP shall be applicable.

XVI. MISCELLANEOUS

1. Pending the conversion, GASF shall not issue any rights shares or alter the share capital in any manner.

2. This Scheme is subject to the final sanction of the SECP after the approval of the Shareholders of GASF by a Special Resolution. This Scheme may be sanctioned in its present form or with any modifications thereof or additions thereto, as GASF Shareholders may approve and this Scheme, with such modifications or additions, if any, which shall be deemed to be part of this Scheme.

3. Upon completion of the Conversion of GASF into an Open End Scheme, the Asset Management Agreement dated December 11, 2015 between GASF and the Management Company shall stand terminated.

4. Upon completion of the conversion, the present Custodial Services Agreement between GASF and Central Depository Company of Pakistan Limited shall also stand terminated and the assets transferred to the Open End Scheme shall be held by its Trustee in accordance with the NBFC Regulations.

5. The GASF's Board, as well as the board of directors of the Management Company shall have the discretion, but shall not be bound to accept jointly on behalf of all concerned to any modifications of or additions to this Scheme of Arrangement or to any conditions, which the SECP may think fit to impose without the need of obtaining further approval from the shareholders of GASF.

6. All costs of conversion of GASF into an Open End Scheme, including preparation, execution and registration of Constitutive Document, registration of the Open End Scheme as a Notified Entity, approval of the SECP for publication of the Offering Documents and other such matters shall be charged to GASF as conversion costs. The conversion costs shall be paid prior to the transfer of GASF Undertaking to the Open End Scheme, or as may be permitted by the SECP.

7. This Scheme of Arrangement shall become effective from the Effective Date, subject to the attainment of regulatory approvals and fulfillment of all legal and regulatory formalities.

8. In case this Scheme of Arrangement is not approved by the Shareholders of GASF by Special Resolution or is not sanctioned by the SECP for any reason whatsoever, then this Scheme of Arrangement shall become null and void and in that event no additional rights or liabilities shall accrue to or be incurred by GASF and/or the shareholders of GASF or the Management Company consequent to this Scheme of Arrangement and neither the legal position of GASF in the pending Constitution Petition will be jeopardized in any manner.

9. The Directors and Chief Executive of GASF (Company), who are acting in good faith and in the interest of the Shareholders of GASF, will not be liable in their personal capacities in any manner whatsoever, if this Scheme of Arrangement is not approved by the Shareholders, or by the SECP, or in case any resentment is expressed by any Shareholder(s) or other concerned person(s), or consequent proceedings are initiated against them or the Company by virtue of the conversion of GASF into an Open End Scheme, whether raised during the course of conversion or thereafter.

By the order of the Board of Directors of Golden Arrow Selected Stocks Fund Limited pursuant to the meeting held on January 09, 2018.

For Golden Arrow Selected Stocks Fund Limited

Muhammad Yaqoob
Company Secretary

Dated:January 09, 2018