

November 30, 2011

## PERFORMANCE REPORT



NAV Per Unit OMR 0.874\*

Total Net Asset Value OMR 7.858 M - US\$ 20.437 M

\*Please refer to weekly NAV for subscription/redemption / NAV Adjusted for 6% Bonus Units

<b>Bloomberg Code</b>	<b>OMALARA OM</b>	<b>Reuters Code</b>	<b>LP68032666</b>
<b>Zawya Code</b>	<b>OABOAAF.MF</b>	<b>MSM Code</b>	<b>OMANARAB</b>

## Fund Objectives

The Fund is an open-ended equity mutual fund which offers exposure to the listed equity in Oman coupled with the possibility of capturing emerging opportunities in listed equities in other GCC countries, and aims to a combination of capital growth and dividend income.

## Key Features

Domicile	Sultanate of Oman	Founders	Oman Arab Bank	Oinvest
Reference Currency	Omani Rials (OMR)	Inception Date	December 22, 2009	
Fund Type	Open-ended	Management Fees	1.5% per annum	
Unit Nominal Value	OMR 1.000	Performance Fees	15% of amount exceeding 10% over NAV	
Valuation	Weekly	Fund Manager	Oman Arab Bank - IMG	
Minimum Investment	1,000 Units and multiples of 100 Units	Custodian	National Bank of Oman S.A.O.G.	
Maximum Investment	No maximum	Administrator	Oman Arab Bank – IMG	
Subscription Fees	From 1.50-2.50% depending on amount	Legal Advisor	Said Al Shahry Law Office	
Redemption Fee	1.5%	Auditor	Price Waterhouse Coopers	

## Performance Vs. Other Indices – 2011

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
<b>OAF</b>	-0.38%	-9.93%	6.39%	4.52%	-4.10%	-1.37%	-1.97%	-2.09%	-2.39%	0.79%	-2.67%		<b>-13.26%</b>
<b>S&amp;P GCC Index</b>	-2.63%	-6.55%	6.06%	3.16%	-1.85%	-2.04%	-2.60%	-4.89%	0.68%	1.83%	-1.81%		<b>-10.47%</b>
<b>Bloomberg GCC200</b>	-2.72%	-6.32%	5.95%	2.85%	-2.06%	-1.56%	-2.08%	-4.31%	-0.20%	1.29%	-1.94%		<b>-11.08%</b>
<b>MSM30 Index</b>	1.24%	-10.18%	0.41%	2.73%	-5.17%	-1.52%	-1.83%	-0.70%	-2.86%	-0.26%	-3.00%		<b>-19.75%</b>
<b>Al Arabi Oman20 Index</b>	0.86%	-13.40%	0.20%	4.96%	-5.36%	0.25%	-2.33%	0.19%	-3.00%	2.21%	-2.31%		<b>-17.39%</b>

## Performance Vs. Other indices – 2010

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
<b>OAF*</b>			3.14%	1.34%	-7.10%	-1.89%	3.33%	-0.89%	3.12%	1.48%	1.15%	2.60%	<b>+5.95%</b>
<b>S&amp;P GCC Index</b>			5.33%	0.36%	-10.63%	-1.57%	4.29%	-0.73%	6.20%	0.99%	-0.59%	4.58%	<b>+8.23%</b>
<b>Bloomberg GCC200</b>			6.17%	-0.17%	-10.33%	-1.54%	3.81%	-0.84%	6.22%	2.18%	-0.22%	3.67%	<b>+8.95%</b>
<b>MSM30 Index</b>			0.71%	1.98%	-7.85%	-3.75%	3.90%	-0.60%	3.45%	1.24%	0.59%	2.47%	<b>+1.57%</b>
<b>Al Arabi Oman20 Index</b>			1.35%	4.54%	-10.28%	-0.44%	4.18%	-0.62%	3.28%	2.04%	2.17%	3.27%	<b>+8.95%</b>

\*Since March 4, 2010, date of first NAV

## Monthly Commentary

Negative sentiment stemming from global markets continued to have its effect on the MSM and GCC markets during the month of November. Despite the shorter month, the MSM recorded its biggest loss in 6 months, retreating by 3% due selling pressure across all sectors of the index. The industrial sector was the biggest contributor, followed by the Financial sector and finally the Services sector. Meanwhile, the Fund recorded a monthly loss of 2.67%, while the S&P GCC Index and the Bloomberg GCC Index recorded losses of 1.81% and 1.94% respectively.

Despite the announcement of all company results for the third quarter, which showed an increase in net earnings by 15.4% when compared with the second quarter of the same year, the market was put under pressure by heavy selling on leading companies such as Renaissance Services, Galfar Engineering and Bank Muscat, each ending the month lower by 14.94%, 11.99% and 3.49% respectively.

However on the macro level, the Sultanate continues to show its long-term stability. The International Monetary Fund (IMF) predicts Oman's real GDP growth in 2011 to be 4.4% due to increased production and prices of oil. Latest data shows production of oil at 884,000 bpd at an average price of \$102 for the first nine months of the current year. The IMF also predicts surplus to GDP for the Sultanate to be at 10.9% in 2011, placing it only second to Kuwait in the GCC. Further Oman's surplus for the year was at RO906.3 million, showing a massive jump of 1510% compared with the previous period (RO 56.3mn – 2010).

Regionally, the MSM ended the month as the worst performer amongst its peers followed by Abu Dhabi Stock Exchange -2.26% and the Saudi Stock Exchange -1.92%. Meanwhile Bahrain Stock Exchange was the only index to post positive monthly returns of 1.35%.

A meeting involving the heads of market regulators in the GCC was held to discuss rules and regulations regarding joint disclosures of traded companies as well as IPO regulations and subscriptions. This is a positive step in unifying GCC markets as well as increasing market efficiency through disclosures. Further the Saudi Capital Market Authority is at the final stage of permitting non-resident foreign investors to directly invest in the Saudi Tadawul market, which is sure to attract a large wave of fresh money.

Global markets were jittery following ambiguity regarding the ECB's ability to find a solution to the European crisis. However some positivity was brought back to the markets following the agreement between six central banks, including the ECB and the Federal Reserve to allow cheaper dollar funding to foreign banks.

## Fund's Outlook:

During the coming month, we expect the market to witness some reshuffling of positions which might create positive activity as the year comes to an end and investors will look to take advantage of very attractive prices nearing the year-end dividends. In the medium-long term, global markets remain ambiguous and the witnessed correlation between local, regional and international markets will deem the situation fragile to any further negative developments.

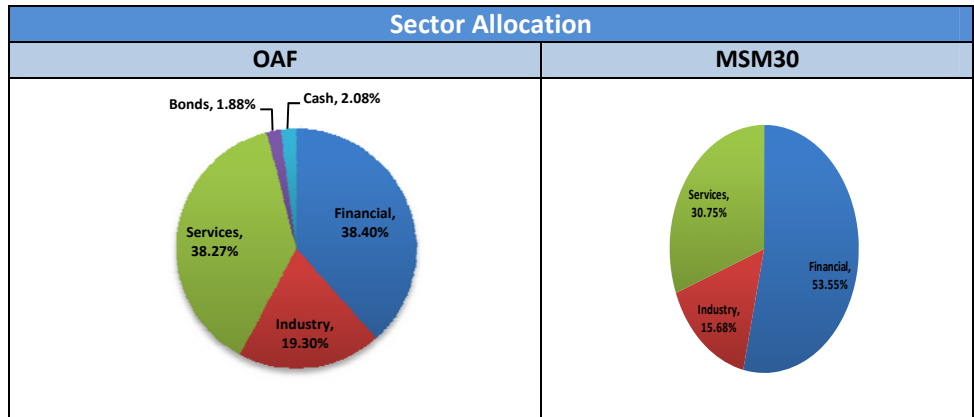
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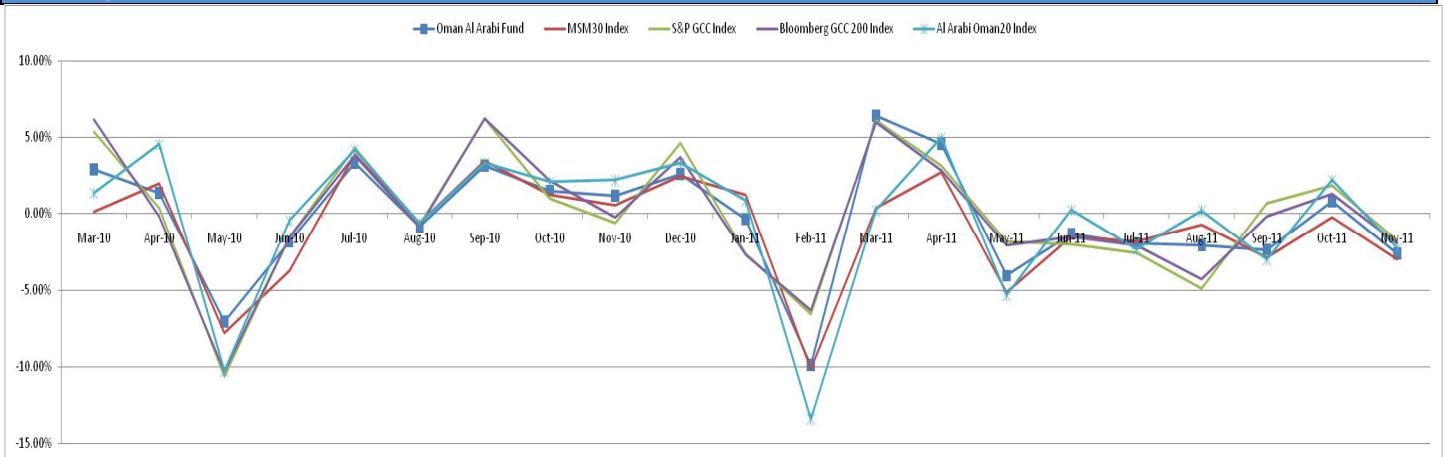
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Top 5 Holdings		
Security	Country	%
Oman Telecommunications	Oman	10.10%
Bank Muscat	Oman	9.77%
National Bank of Oman	Oman	7.16%
Oman International Bank	Oman	6.90%
Oman Qatari Telecom Nawras	Oman	4.72%



### Monthly Performance Vs. Other Indices



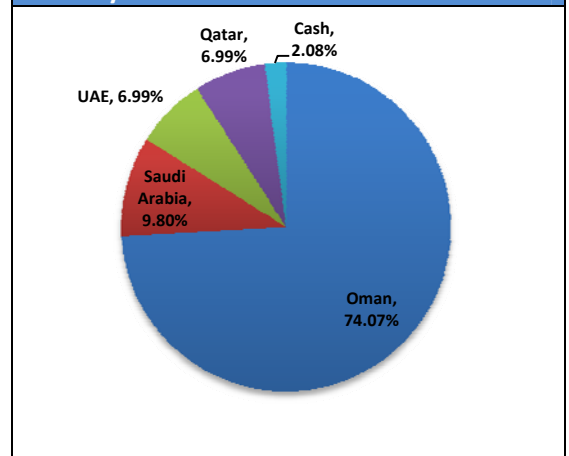
### Performance Statistics

	OAF	S&P GCC	Bloomberg GCC200	MSM30	Al Arabi Oman20 Index
YTD	-13.26%	-10.74%	-11.08%	-19.75%	-17.39%
MTD	-2.67%	-1.81%	-1.94%	-3.00%	-2.31%
3-Month	-4.24%	+0.66%	-0.88%	-6.01%	-3.14%
6-Month	-9.35%	-8.66%	-8.57%	-9.78%	-4.98%
12-Month	-11.03%	-6.65%	-7.81%	-17.77%	-14.69%

### NAV Publication

OAB – IMG	<a href="http://www.oabinvest.com">www.oabinvest.com</a>	Local Newspapers	Al Roya, Muscat Daily
MSM	<a href="http://www.msm.gov.om">www.msm.gov.om</a>	Zawya	<a href="http://www.zawya.com">www.zawya.com</a>
Bloomberg	OMALARA OM	Reuters	LP68032666

### Country Allocation



### Disclaimer

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