

February 29, 2012

## PERFORMANCE REPORT



NAV Per Unit OMR 0.937\*

Total Net Asset Value OMR 8.683 M - US\$ 22.550 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	Ominvest
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 – 2012

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
<b>OAF</b>	-1.26%	+4.80%											<b>+3.48%</b>
<b>S&amp;P GCC Index</b>	1.62%	+9.46%											<b>+9.17%</b>
<b>Bloomberg GCC200</b>	0.87%	+7.22%											<b>+7.43%</b>
<b>MSM30 Index</b>	-2.35%	+4.97%											<b>+2.50%</b>
<b>Al Arabi Oman20 Index</b>	-2.00%	+4.98%											<b>+2.87%</b>

## 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%	3.52%	<b>-10.21%</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%	2.83%	<b>-8.22%</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%	2.00%	<b>-9.30%</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%	5.07%	<b>-15.69%</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%	7.14%	<b>-11.50%</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



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**Monthly Commentary**

GCC markets witnessed positive trends during the month, as dividend distributions are fast approaching. The MSM witnessed a monthly gain of 4.97% as the value traded during the month increased by 13.41% indicating strong interest from both GCC and foreign investors in the local market. However when compared to other GCC markets, specifically the Dubai Financial Market and the Saudi Stock Exchange, the total value traded is comparatively much lower. The MSM was not the only index to witness strong monthly performance as indicated by the S&P GCC Index and Bloomberg GCC Index which increased by 7.43% and 6.50% respectively.

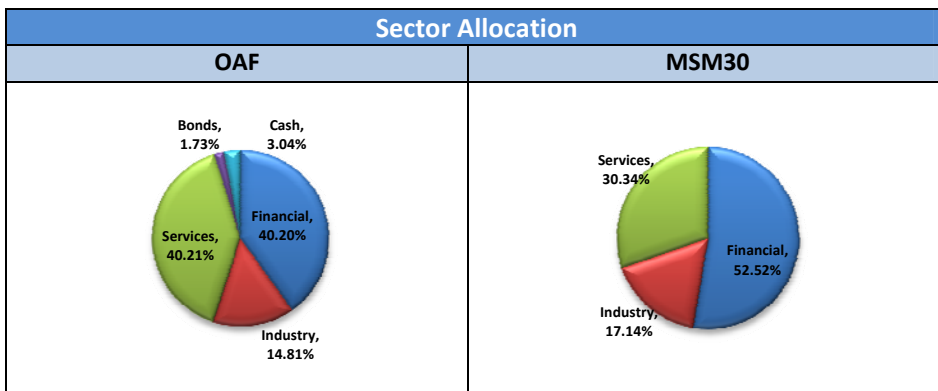
In the local market, despite the upbeat sentiment following company disclosures and the dividend announcements, which acted as the main market drivers and increased value traded on a monthly basis, the Muscat Securities Market still lags in the total value traded compared to its neighboring GCC markets. This can perhaps be attributed to the ambiguity regarding the future company plans and expected goals which were not clear in company reports, as well as the lack of tender offering. The big tender announcement awarded to Galfar during the last week of the month proved the importance of such announcements in stimulating market activity. We look forward to hearing more tender awards and announcements as well as further clarity on the direction companies will look to take during 2012 and leading to years ahead.

In the GCC markets, volumes and value traded continue to show strong improvements as investors show a bullish attitude towards these markets. The Dubai Financial Market has proven to be the main beneficiary of this, recording huge monthly gains of 20.53% due mainly to better results and strong dividend announcements. The Saudi Stock Exchange as well as the Abu Dhabi Securities Exchange also rose during the month by 9.60% and 6.40% respectively.

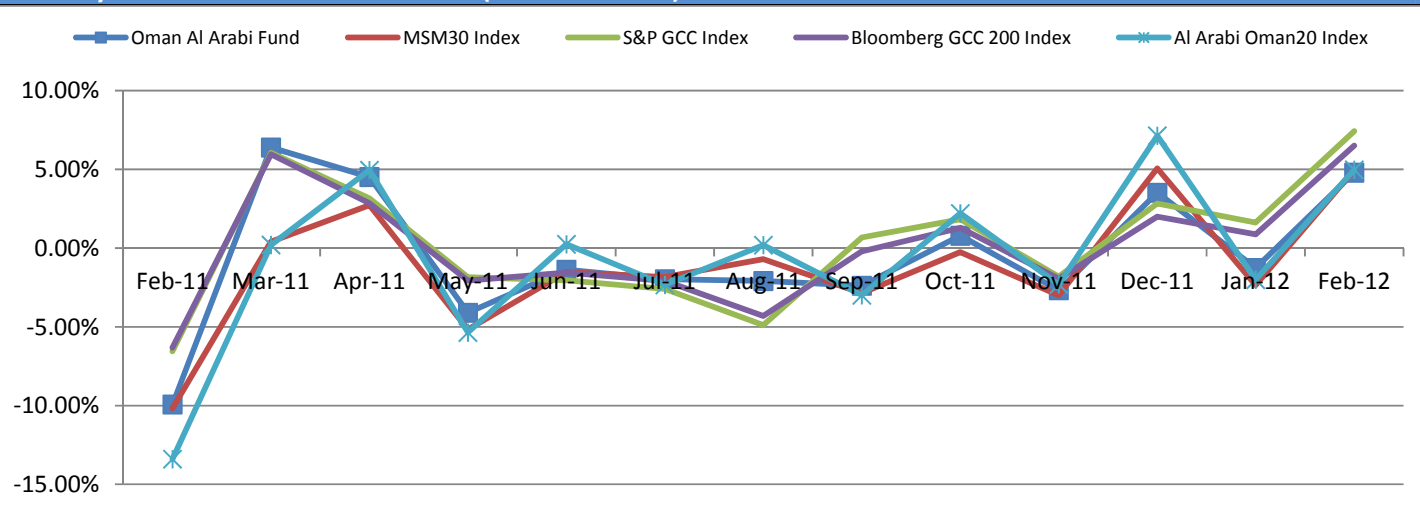
**Future Outlook:**

The Fund continues its gradual and calculated shift into the GCC markets and will look to take advantage of attractive trading positions resulting from high market activity as well as take positions in stocks with high dividend yields and strong growth prospects.

Top 5 Holdings		
Security	Country	%
Oman Telecommunications	Oman	9.62%
Bank Muscat	Oman	9.56%
National Bank of Oman	Oman	8.02%
Oman International Bank	Oman	6.72%
Saudi Basic Industries (SABIC)	KSA	5.99%

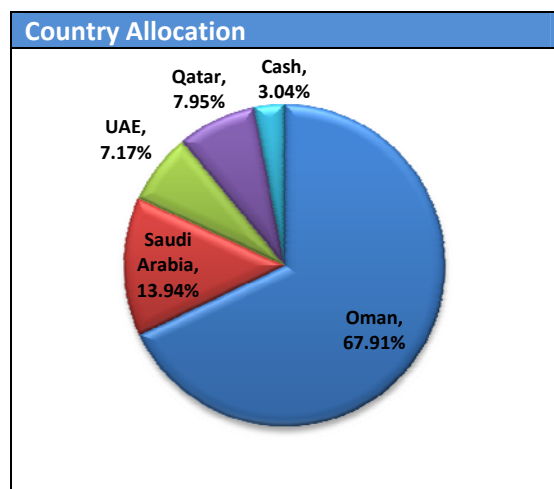


**Monthly Performance Vs. Other Indices (Last 12 Months)**



Performance Statistics					
	OAF	S&P GCC	Bloomberg GCC200	MSM30	Al Arabi Oman20 Index
YTD	+3.48%	+9.17%	+7.43%	+2.50%	+2.87%
MTD	+4.80%	+7.43%	+6.50%	+4.97%	+4.98%
3-Month	+7.12%	+12.26%	+9.58%	+7.70%	+10.22%
6-Month	+2.57%	+13.01%	+8.62%	+1.22%	+6.75%
12-Month	+3.55%	+10.12%	+6.93%	-4.96%	+4.23%

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



#### Disclaimer

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