

Offering of 2,000,000 Units at least at a price of Omani Rial 1.020 Per unit

(With the Nominal value of each Unit being Omani Rial 1.000 and issue expenses being Oman Rial 0.020 per unit)

### Initial Public Offering

ISSUE MANAGER Vision Investment Services Co. SAOC P.O.Box 712, Al Hamriya Postal Code 131

Postal Code 131 Sultanate of Oman

ISSUE OPENING DATE 09 November 2016

Moore Stephens
P.O.Box 933, Ruwi
Postal Code 112
Sultanate of Oman

ADMINISTRATION MANAGER
Vision Investment Services Co. SAOC
P.O.Box 712, Al Hamriya
Postal Code 131
Sultanate of Oman

INVESTMENT MANAGER Vision Investment Services Co. SAOC P.O.Box 712, Al Hamriya Postal Code 131 Sultanate of Oman

ISSUE CLOSING DATE 08 December 2016

LEGAL ADVISOR Rajab Al-Khathiri & Associates P.O.Box 3888, Ruwi Postal Code 112 Sultanate of Oman

CUSTODIAN National Bank of Oman S.A.O.G P.O.Box 751, Ruwi Postal Code 112 Sultanate of Oman

### **Collecting Banks**

National Bank of Oman S.A.O.G

Ahli Bank S.A.O.G

Bank Sohar S.A.O.G

#### **Vision Focused Fund**

An Open Ended Fund P.O.Box 712, Al Hamriya, Postal Code 131, Sultanate of Oman



## **Vision Focused Fund**

This Prospectus contains material information regarding Vision Focused Fund (Under Formation) ("the Fund") to be established and constituted as per the Capital Market Law. The Capital Market Authority (CMA) assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person. This Prospectus has been prepared in accordance with the requirements as prescribed by the CMA. This is an unofficial English translation of the original Prospectus prepared in Arabic and approved by the CMA in accordance with the Administrative Decision No # 2016/94/ċ dated 19/10/2016

Neither the Sponsor nor the Issue Manager can be held responsible for any information interpreted differently from the approved Arabic Prospectus.

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## **Important Notes**

This Prospectus contains particulars of Vision Focused Fund (the "Fund") and specifically the offering of Units in the Fund for the purpose of giving information to potential investors. The Units in the Fund are offered solely on the basis of the information contained in this Prospectus. The objective of this Prospectus is to provide information that may assist investors to make an appropriate investment decision with regard to the Units offered.

All prospective investors should read the contents of this Prospectus carefully; especially the Risk Factors mentioned in Chapter 18 and are advised to consult their professional advisor on matters referred to in this Prospectus before making an application for Units in the Fund.

Vision Investment Services Co S.A.O.C (Vision) and the Fund's Management Body are responsible for the accuracy and fairness of the information contained in this Prospectus. Vision and members of the Fund's Management Body believe that the Prospectus includes, to the best of their knowledge and belief, all relevant information and data that are deemed important and that no material information has been omitted, omission of which will render the Prospectus misleading.

The Fund investments are subject to market fluctuations and to the risks inherent in all investments. Therefore, the price of Units may go down as well as up and the value of an investor's investment may be subject to sudden and substantial falls and rises.

The Fund shall be governed by the terms of this Prospectus and the Regulations of Capital Market Authority, Oman (CMA). Where the terms of this Prospectus contradicts the Regulations of CMA, the Regulations of CMA shall prevail.

The CMA is not responsible for the accuracy and adequacy of the information provided in this Prospectus. The CMA does not take any responsibility for any loss that may arise from dependence on information contained in this Prospectus.



## 1. Definitions & Acronyms

Articles of Association	The Articles of Association of the Fund that shall prescribe the functions an powers of the Unit-holders and the Fund Management and lay out rules for th operation of the Fund and as may be amended from time to time.  The provisions of the Capital Market Law, its Executive Regulation and any othe related law shall apply in the case of the absence of another related provisio in the Articles of Association.	
Business Day	Means any day other than (1) a Friday (2) a Saturday or (3) a day on which banks and all markets in which the Fund invests, are open for business	
Capital Market Authority Law or "CML"	Regulations relating to all capital market activities in Oman as established by the Royal Decree 80/98 (as amended).	
Closing Date	Means such date as decided by the Fund and approved by the CMA as the closing date for applications for subscription of the Units.	
Collecting Bank	Means the bank appointed for receiving the Initial subscriptions for the Fund.	
Currency of the Fund	Omani Rial, the currency of the Sultanate of Oman	
Custodian	Means, the entity responsible for safekeeping of assets of the Fund as per the terms of the Custodian Agreement.	
Custodian Agreement	Agreement signed between the Custodian and the Fund.	
EGM	Extra Ordinary General Meeting	
Financial Year	Means the period commencing on 1 January and ending on 31 December in each year of a Gregorian calendar year, with exception for the first financial period which will start on the Date of incorporation of the Fund and end on December 31, 2017	
Fund	Vision Focused Fund	
Fund Management	The committee, initially comprising the persons whose details appear in Chapter 7 of this Prospectus, who will have overall responsibility for the affairs of the Fund.	
GCC	The Gulf Co-operation Council, as constituted from time to time	
Investment Management Agreement	Means the agreement signed by the Investment Manager and the Fund.	
Investment Manager	Company responsible for managing the Fund's portfolio in accordance with the contract for a fee (Vision Investment Services Co. SAOC)	
СМА	Capital Market Authority – Sultanate of Oman	
Governing Law	Sultanate of Oman Law	
Investment Management Fee	Means the management fee payable by the Fund to the Investment Manager, in accordance with the Investment Management Agreement	



International Financial Reporting Standards	International Financial Reporting Standards	
g Period The period commencing on and ending on the clos	ng date	
Means such selected persons or an institution, we Units of the Fund under the terms set out in the Saccepted by the Fund.		
Stock Markets in the Gulf Co-operation Council coun Africa (MENA) Markets	tries and Middle East North	
Middle East and North Africa as defined by World E	ank	
Muscat Securities Market		
The value of the Units calculated according to Interest. Standards, and stated as NAV in the audited finance.	-	
e (NRV)  The Net Realizable Value is used for purpose of so and calculated in accordance with IFRS.	bscription and redemption	
The Net Asset Value divided by the number of Unit	in issue	
Rial, the lawful currency of Oman. One Rial compegged to USD	orises 1,000 baisas. RO is	
The Business day in which Units are redeemed f redemption request	om the Fund, upon a valid	
Charges paid by Unit-holders at the time of rede Fund	nption of their Units in the	
Service Provider is a juristic person who provid its investors or Unit-holders, by virtue of a contra service provider includes the Investment Manage External Auditor, Distributors, sub-custodians, and	ct with the Fund. The term r, Custodian, Administrator,	
Means the valid subscription form signed by subscribing to Units of the Fund, and as accepted discretion).		
Means the amount to be paid by the Investor along for the Units being subscribed to in the Fund purs Articles and the Subscription Form.	-	
The Business day on which new Units are allotte subscription request.	I to investors, upon a valid	
Units, each representing one proportionate indivis	ole share in the Fund	
Means the lawful currency of the United States of A	merica.	
The Business day of which NAV is allocated to the	nit holder	
Vision Investment Services Co. (SAOC)		
	nit holder	





## Summary of Terms

Type of Offer	Public Placement of Units in the Fund termed as Mutual Fund	
Fund Name	Vision Focused Fund	
Address of the Fund	Vision Focused Fund P.O.Box 712, Al Hamriya, Postal Code 131, Sultanate of Oman	
Fund Objective	Vision Focused Fund aims to pursue long-term capital growth by investing in a concentrated set of select stocks in the Middle East equity market sphere (between 10 to 12 stocks).	
Fund Structure	Open Ended Fund as per the Executive Regulations of the Capital Market Law	
Opening Date	09/11/2016	
Closing Date	08/12/2016	
Financial Year	The financial year of the Fund shall be from 1st January to 31st December except for the first financial period which will start on the Closing Date of initial subscription and end on 31 December 2017.	
Fund Currency	Rial	
Nominal Value of Unit	RO 1.000 (One Rial only)	
Fund Size	Minimum size RO 2 million	
Administrator	Vision Investment Services Co SAOC	
Issue & Distribution Manager	Vision Investment Services Co SAOC	
Investment Manager	Vision Investment Services Co SAOC	
Legal Advisors	Rajab Al-Khathiri & Associates (Lawyers & Legal Consultants)	
Collecting Banks	<ol> <li>National Bank of Oman S.A.O.G</li> <li>Ahli Bank S.A.O.G</li> <li>Bank Sohar S.A.O.G</li> </ol>	
Custodian	National Bank of Oman SAOG	
Initial Subscription Price	Units will be available for subscription during the Offering period at a price of RO 1.020 per Unit (including an amount of RO 0.020 per Unit towards issue expenses)	
Initial Subscription Period	9th November 2016 – 8th December 2016	



Minimum Subscription per Applicant	The minimum investment in the Initial Offer shall be 1,000 units and in multiples of 100 thereafter
Maximum Investment per Applicant	There is no maximum limit on the Unit holding by a single investor
Subscription	Investors may subscribe to Units of the Fund by completing a valid Subscription Form and submitting it to the Collecting Bank along with the specified payment during the Subscription Period.
Subsequent Subscription	After the publication of first NAV, the Fund would commence issue of fresh Units to eligible investors on a daily basis on the Subscription day
Subscription Fees	The Subscription Fee is up to 2% and will be calculated at percentage of the subscription amount. The fees collected is in exchange of issue and distribution expenses and will be paid to the Distributor.
Redemption of Units	After the publication of first NAV, the Fund will accept requests for redemption of Units of existing investors on each business day as per the terms of redemption provided under Chapter 13 of this Prospectus
Redemption Fees	Redemption of any Units held by a Unit holder will be subject to deduction of a redemption fee up to $2\%$ of NAV. The fees collected will be paid to the Distributor.
Allotment of Units	After the end of the Initial Subscription Period, the Fund will allot the Units to each Investor.
Net Asset Value ("NAV")	The Net Asset Value of the Fund will be calculated in accordance with the International Financial Reporting Standards ("IFRS") and will be stated in the financial statements of the Fund.
Risk factors	An Investment in the Fund involves risks. Investors should note that while all efforts will be taken by the Investment Manager to achieve the Fund Objectives, there is no assurance that the same would be met. Please refer to Risk Factors" chapter no.17.
Auditors	Moore Stephens LLC
External Auditor of Investment Manager	Ernst Young LLC
Taxation	As per the current taxation laws in Oman, the mutual fund registered in Oman is exempted from tax under regulations of CMA.
Eligible Investors	The Fund is open for subscription to both Omani and non-Omani investors
Management Fees	The Investment Manager will receive from the Fund a Fund Management fee of 1.5% per annum of the Net Asset Value of the Fund accrued on daily basis and payable monthly in arrears.
Performance Fees	The Investment Manager shall be entitled to a performance fee of 15% of excess annual return above 10%.
Other Fund Expenses	The Fund shall bear other running expenses like fees of the Fund's Management Body, Custodian, Auditor, legal fees and any other expenses
Dividends	In consultation with the Investment Manager, the Fund Administration may pay periodic cash/stock dividends, subject to the availability of sufficient distributable profits.



Vision Focused Fund (VFGF) (the "Fund") is an open-ended Investment Fund established by Vision Investment Services Co. (SAOC) ("Vision"), registered in the Sultanate of Oman and constituted as a joint investment account as per the Regulations of the Capital Market Authority of Oman.

The affairs of the Fund will be supervised by the Fund's Management Body. The assets of the Fund will be managed by the Investment Manager. The Fund's Management Body has appointed Vision as the Investment Manager to the Fund.

The fully paid-up capital of the fund at the time of establishment will not be less than OMR 2,000,000 and the share of the Sponsor (Vision Investment Services Co. S.A.O.C) will be 5% of the issued Units. The Sponsor's right to sell the Units is restricted for a period of three years from the date of closure of the initial subscription.

The Fund will be governed by the terms of this Prospectus which will serve as the constitution of the Fund, as also the provisions of the Capital Market Authority Law and Regulations and Directives issued by CMA.





## Investment Rationale

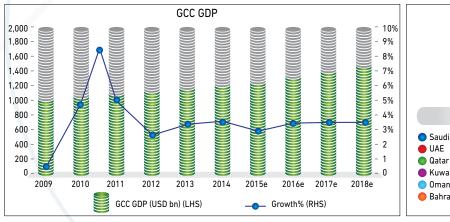
#### Growth Opportunities Underpins Middle East GCC Economics

#### Oil dependent; diversification efforts in progress

The Middle East region which includes GCC along with Egypt, Morocco and Iran represent 3.3% of the world population and 3.0% of the world GDP. However, Middle East region has a 27% share in world annual crude oil production and 16.7% of the world annual gas production.

GCC economies continue to be predominantly oil dependent. GCC economies grew at CAGR of 4.5% during 2008-2014, unlike most developed economies which are still recovering. The non-oil GDP aided the overall growth in the GCC region which was supported by increased government spending. GCC countries account for approximately 24 per cent of the world's oil production and 11 per cent of the world's gas production. According to IMF, the real GDP is expected to grow above 3% over the next 5 years, primarily aided by growth in non-oil GDP (5.3% in FY14)

#### Gross domestic product, constant prices





#### Strong recovery post financial crisis

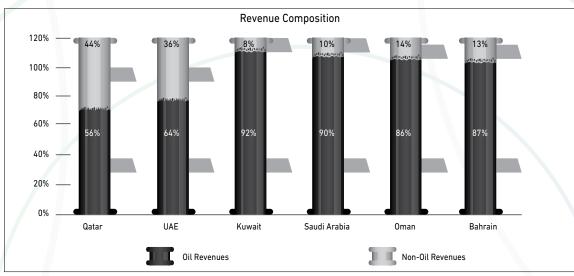
GCC countries have outperformed the global peers post the global financial crisis. The GCC economies (real GDP) grew at an average of 4.5%, supported by robust oil revenues. Brent oil price during the period increased from USD 44 per barrel in 2008 to a high of USD 113 in 2011 per barrel, which in turn helped the gulf economies to generate high fiscal surpluses.

Over the last 2 years, the oil price have fallen from its highs to USD 37 per barrel, this phenomenon has led to slow growth and have increased the need of diversification. GCC countries account for 52 per cent of the total OPEC oil reserves and 49 per cent of the total crude oil production. For GCC countries, oil and gas sector represents approximately 73 per cent of total export earnings, 63 per cent of government's revenues and 41 per cent of its GDP.

#### Non-oil sector growth to aid the overall GCC growth

The oil reserves accumulated over the years are being deployed on various capital investments which aid the economic diversification. Since the Arab spring, GCC governments are further focusing on higher public spending in order to improve the infrastructural facilities, educational facilities, hospitals and other basic amenities, which in turn would benefit the future generations and economic growth.

The contribution of non-oil GDP to the overall GDP has grown significantly over the past two decades across the GCC region. Despite undertaking the diversification process, the GCC countries are highly resilient to Oil revenues. Apart from Qatar and UAE, the contributions of non-oil public revenue from other GCC countries are comparatively low.



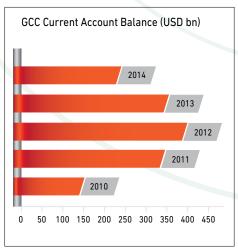
Source: National Statistical Departments, EIU

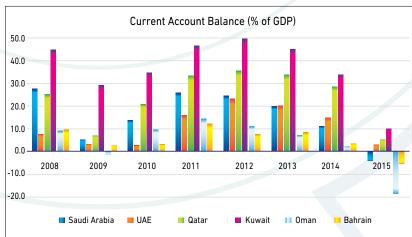
#### Current account remains sensitive to oil prices

Current account balances continue to remain dependent on oil prices and this highlights the need for diversification. GCC current account surpluses declined to USD 243bn (17.3% of GDP) in 2014 from USD 349bn in 2013, mainly due to decline in oil prices and production.

A drop in energy prices does have significant implications for the region's economy over medium to long term. The drop in oil price is both a challenge, as well as, blessing.

Comfortable Oil price for the regional economies has historically been a major funding source for domestic infrastructure development (physical and social) and a major engine in propelling domestic non-hydrocarbon sector aggregate demand. As the governments adjust their fiscal policy in the current environment of low oil prices era in light of rising deficits and public debt burden, a new opportunity exists wherein the role of government as key player would be gradually give rise to a slew of policies initiatives such as Privatization and Greater efficiency in public spending leading to better capital allocation. This is a long term positive for equity markets with investors benefitting from a wider representation of sectorial growth opportunities in the region.





Source: IMF, National Statistical Departments



#### Private sector and foreign direct investments are being encouraged

The various government initiatives that are undertaken in order to diversify the economy are encouraging private sector and foreign direct investments across the GCC. Governments view private sector as the subordinate partner for the developments. Efforts to further improve business environment are being undertaken with a view to promote transparency, reduce red tape and improve corporate governance.

	Ease of Doing Business Rank
Saudi Arabia	82
UAE	31
Bahrain	65
Qatar	68
Oman	70
Kuwait	101

	Global Compaetitiveness
Saudi Arabia	25
UAE	17
Bahrain	39
Qatar	14
Oman	62
Kuwait	34

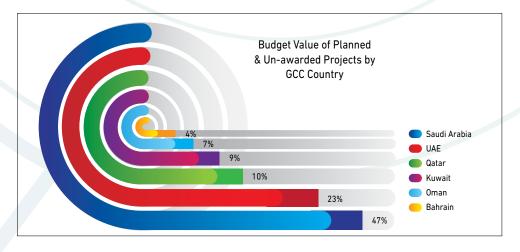
Source: World Bank Ease of Doing Business, Global Competitiveness Report

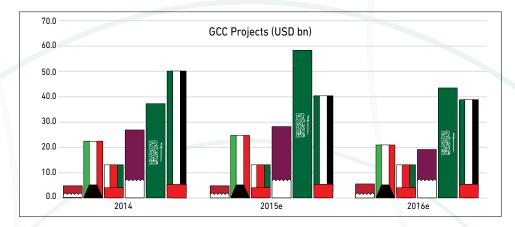
#### GCC Projects: Aimed at diversification

The substantial buffers built over the years owing to high oil prices and increased oil & gas production enables GCC countries in diversifying their economies and creating pockets for growth. The sizeable part of the wealth created over the years is being deployed to finance large projects that aid in diversification from the oil concentration. A significant part of the investments are going towards infrastructure projects such as the building of new cities, transport networks, real estate and power & water stations. The projects undertaken cater to the region's growing population and enable the private sector to play a bigger role in the economy.

Over the last two years the economic growth has slowed on the back of falling oil prices. According to MEED Projects, GCC GDP growth is expected to slow from 3.4% in 2014 to 3.2% in 2015 and 2.7% in 2016e. Falling government revenues are putting pressure on the governments to make savings and slow down on the speed of spending that was witnessed couple of years back.

Regional growth drivers to be aided on the back of government fiscal reserves, stable budgets, demographic growth, political commitment to invest in domestic infrastructure and upcoming Dubai Expo 2020 and FIFA World Cup 2022. According to MEED, the budget value of projects planned or underway is valued over USD 1.52tn. Saudi Arabia and UAE account for more than 70 per cent of the total GCC project pipeline.

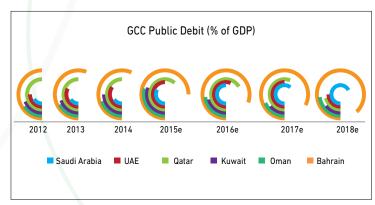


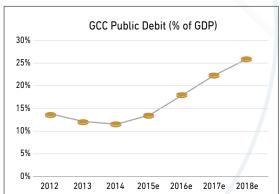


GCC countries are undertaking the developments based on their long term national vision. Overall, capital expenditure will continue to gather momentum throughout the GCC albeit at a slower pace in order to increase the growth in the non-oil income. This should support the process of diversification and moving towards a sustainable growth model in accordance with the national visions of each respective country.

#### **Public Debt**

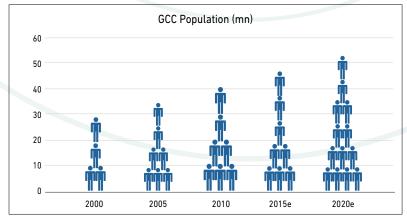
GCC countries generally have low public debt as compared to advanced economies. According to IMF, the public debt to real GDP is expected to increase from 12% in 2014 to 26% in 2018e. Amongst the GCC countries, Bahrain and Qatar had the highest Debt to GDP of 43.8% and 31.7%, respectively. Saudi Arabia's debt to GDP is expected to increase to 25.8% in 2018e from 6.7% in 2015e.





#### Demographics both an opportunity and challenge

GCC has one of the fastest growing population in the world. According to EIU, the population in GCC is expected to increase to 53.5mn by 2020, indicating 3%CAGR growth during the period. Growing domestic population along with increasing expat population augurs well for strong domestic demand. Going forward governments will have increased responsibility in creating jobs, increasing public spending; which in turn is expected add to economic growth.



Source: IMF, EIU



#### GCC Equity markets witnessing increased foreign interest

GCC markets are witnessing increased attention from global investors. The upgradation of both UAE and Qatar to MSCI Emerging Market status from MSCI Frontier Market status reflects the healthy market fundamentals and improved corporate governance standards.

In June 2015, Saudi Arabia opened up its stock market to Qualified Foreign Institutional Investors. Opening up of the Saudi Market is expected to attract investments ranging from USD 20bn to USD 50bn towards the Saudi equities. It is also expected to expedite Saudi Arabia's inclusion in the MSCI emerging market index to as early as 2017.

With more foreign institutional investors focusing on the GCC markets would help to keep the capital flows more stable. The institutional investors tend to be more long-term investors as compared to retail investors. MSCI and S&P upgradation of both UAE and Qatar markets to emerging market status is expected to increase the activity and financial disclosures in the region.

#### Opportunities and Challenges

The fund sees opportunities as the government across the region undertakes policy measures to face the challenge of volatile Oil prices. Government's cut back in allocations to developing social and physical infrastructure will open the space of private enterprises. The Middle East has one of the world youngest population. The regional countries is blessed with political stability, rule of law and ease of doing business will be attractive opportunities for foreign investors. The opening of "public sector" such as hospitals, roads, ports, utilities, banking, insurance, etc. for private investment will provide opportunity for local private businesses who can execute effectively the philosophy of Vision Focused Middle East Fund ('VFF') is to identify these opportunities and domestic companies that will seize these opportunities early.

In addition to the GCC region, the fund will also maintain the flexibility of allocating capital to blue chip listed equities in Iran, Egypt and Morocco. Iran, Egypt and Morocco are much larger economies than any single GCC member (except KSA).

## Middle Eastern economies in a transformational cusp Egypt:

A significant economic challenge facing the Egyptian economy has been the sharp currency devaluation which has led to a current account deficit besides soaring food and energy inflation in the country. However, the fall in oil prices over the past 18 months, as well as, return of some political stability in the country brings some respite as well as some new opportunities in the long run.

	2014	2015	2016e	2017e
GDP growth, real	2.2%	4.2%	3.3%	4.2%
Inflation (CPI)	10.1%	10.9%	9.8%	9.5%
Fiscal deficit/GDP	-12.2%	-11.5%	-11.3%	-9.8%
Current account/GDP	-0.9%	-3.7%	-4.6%	-4.6%

(Source: World Bank, spring 2016 country report)

Egyptian Pound (EGP) has devalued about 48% relative to USD between 2012 and 2016, leading to severe repercussions on local inflation trend. However, we believe, that post the recent devaluation and drop on oil prices -Egypt's major import, the trend for both EGP and domestic inflation is now on a recovery path.

#### Iran:

Iran is one of the top five producers and exporters of oil and has one of the largest proven gas reserves. However, inspite of its abundant mineral wealth, the country has been severely affected by a more than a decade of economic



sanctions hemorrhaging Iran true economic potential. A gradual lifting of economic sanctions would benefit the entire nation especially in the industrial sector where replenishment of obsolete equipment is pressing demand. Opening of its economy to foreigners, is expected to drive a major capex cycle at large Iranian firms.

Iran has seen a significant deceleration in its inflation rate over the past five year. We expect the decelerating trend in inflation with high real interest rates, makes a strong argument for the appreciation of Iranian riyal in 2016 and 2017.

	2014	2015	2016e	2017e
GDP growth, real	3.0%	0.5%	4.2%	4.6%
Inflation (CPI)	30.0%	15.0%	6.8%	
Fiscal deficit/GDP	-1.2%	-2.7%	-1.8%	-1.0%
Current account/GDP	3.8%	0.6%		

(Source: World Bank, spring 2016 country report, tradingeconomics.com, central bank of Iran)

#### Morocco:

Since the financial crisis, Morocco has made some impressive progress in strengthening its macro-economic structure. These include, improving its business climate, improved private sector investments especially in high value added manufacturing industries. Programs to balance geographic inequality and success in bringing down its persistently high current account deficit with minimalist impact on its domestic economy.

	2014	2015	2016e	2017e
GDP growth, real	2.4%	4.5%	1.7%	3.4%
Inflation (CPI)	0.4%	1.6%	1.5%	2.0%
Fiscal deficit/GDP	-4.9%	-4.3%	-3.6%	-3.0%
Current account/GDP	-5.8%	-2.3%	-1.4%	-1.7%

All three economies have potential for attractive long term GDP growth rate. In many ways, these countries share similar geopolitical, social and demographic risks as the GCC region, but they are different in other ways. For example, the GCC and these countries all have very young populations with more than half of their respective populations under the age of 35, making job creation and labor productivity pressing issues for all of them. On the other hand, whilst the GCC region is net exporter of energy, Egypt and Morocco are net importers of energy. The implication of which is monetary factors such as inflation and trade deficit trends will exhibit low to negative correlation between the GCC and Egypt/Morocco. Moreover, Iran, Egypt and Morocco all have a floating currency whilst the GCC has fixed currency pegged to the dollar. For its part, Iran is poised for a rising role on global stage after years of isolation. The decade long sanctions have created tremendous pent up demand for capital replenishment and modernization. Stable inflation, rising international trade and domestic demand will generate many years of accelerated economic growth which will hopefully be reflected in stock prices in that country. The ability to invest in Iran, Egypt and Morocco along with core allocations to the GCC region, will provide a very strong opportunity set to diversify systemic risks in the portfolio, offering investors in the fund to earn more efficient returns than would be possible investing exclusively in the GCC region.





#### **Investment Objective**

Vision Focused Fund aims to pursue long-term capital growth by investing in a concentrated set of select stocks in the Middle East equity market sphere.

#### **Investment Strategy**

Vision Focused Fund aims to provide an investment vehicle to investors who wish to focus their exposure in the Middle East equity market sphere. The Fund will follow a dynamic, market and theme driven asset allocation methodology with investments spread across GCC region.

The Fund aims to provide regional as well as international players, an opportunity to participate in the growth story of the Middle East by leveraging on the proven investment management acumen of Vision.

The historical performance of the existing Funds under management endorses the investment acumen and experience of Vision Investment Services Co SAOC, as an Investment Manager.

Applying a top-down strategy to identify investment opportunities, the fund will focus on investment opportunities expected to produce better returns with measured risks, over the medium to long term.

Vision Focused Fund purports to approach investments with a distinct, well developed philosophy, which relies on in-depth research and analysis.

#### **Investment Policy**

The fund aims to provide investment vehicle for investors who want to focus their attention on a group of selected stocks (between 10 to 12 companies) and the number of stocks will not exceed 15 companies at any time. The Fund may invest in companies that are headquartered in countries of the Middle East and North Africa and included in other global markets. The Fund will follow a dynamic asset allocation methodology focuses on the business market in all the GCC countries in particular and MENA markets in general.

The Fund shall primarily invest in Middle East equity and fixed income securities such as Bonds and other fixed income instruments.

S. No.	Asset Class	Investment (%)	Remarks
1.	Equity and Equity related securities	50-100	Listed and pre-IPO securities in the Middle East region
2.	Fixed Income and related securities	0-50	Fixed income securities in the Middle East region

The Investment Manager will have the ability to move substantially into cash and cash equivalents in the short to medium term, as an interim investment strategy, if the circumstances so warrant, subject to CMA guidelines.

However, under no circumstances will the Investment Manager have the option to borrow for any purpose in relation to the daily operations of the fund.

The Investment Manager will be allowed to borrow amounts, subject to the restrictions detailed in Chapter 8, for the Fund as a temporary arrangement, such that the total borrowing by the Fund does not exceed 10% of the net asset value of the Fund at the time the borrowing is made, to meet the expenses of the Fund and dividend payments if any. The Investment Manager may, for the purpose of the borrowing, pledge the assets of the Fund. However, under no circumstances will the Investment Manager have the option to borrow for purchasing assets for the fund.





- (a) The fund shall invest at least 75% of its capital to achieve its main investment objects.
- (b) The fund shall comply with following rules:
  - 1. The fund shall not hold more than 10% of the outstanding securities of any issuer.
  - 2. The fund's investments in any securities issued by any single issuer shall not exceed 10% of the net asset value of the fund (NAV).
  - 3. The investment fund shall not borrow more than 10% of its net asset value.





## Management of the Fund

The fund shall be managed and supervised by the Fund's Management Body elected by the general meeting in accordance with the provisions of the articles of association. There shall be three members and no more than seven members in the Fund's Management Body including the chairman and vice chairman. The chairman or his deputy shall represent the fund in courts and in its relations with third parties.

The articles of association shall determine the term of office of the Fund's Management Body provided it shall not be more than five years from the date of formation.

The first Management Body shall be appointed by the Investment Manager in coordination with the sponsors, provided its term shall not be more than the prescribed year's as per the regulations of CMA from the date of its registration in the funds' register.

#### Members of the Fund's Management Body

#### Mohammed Abdul Hafiez

Mohammed is the Chief Financial Officer for Vision Investment Services. He is a Certified Public Accountant from the Arab Society of Certified Accountant. He has over 15 years of experience in the field of finance. Mohammed has been with Vision since inception and is one of the key member of the Vision team. Mohammed has been instrumental in launching Vision's listed funds.

#### Abbas Muslemi

Abbas has been with Vision since April 2008 first tracking listed Omani equities in the capacity of a Buy-Side research analyst and then being promoted to fund manager in charge of managing Omani discretionary portfolios In March 2012. A business management graduate having specialized in finance and international finance, he is a CFA and FRM charter holder. Prior to joining Vision, Abbas was an NASD certified Sell-Side analyst, heading a team of four and working with Thomas Weisel (a NASDAQ listed Investment bank) out of their Mumbai office. Prior to the two years he spent with Thomas Weisel, he was employed with JP Morgan, India in their business intelligence group.

#### Muntadhar Hassan Al-Lawati

Muntadhar is associated with Vision since 2005. After serving Vision Investments and Vision Capital, Abu Dhabi, he recently got promoted to Assistant Fund Manager. He holds a Bachelor's degree in Finance from Sultan Qaboos University and he is a CFA level II candidate.

#### Meetings of the Fund's Management Body

- a) Meetings of the Fund's Management Body shall observe the following:
- 1. The number of attending members shall not be less than two third of the total strength
- 2. The members shall not take part in discussions and/or voting on matters if he or his spouse or relatives up to second degree have interest
- 3. Approval of resolutions shall need support from majority of the members
- 4. Objection by a member to any resolution shall be recorded in the minutes of the meeting
- 5. The Fund's Management Body shall meet at least four times per year with a maximum time gap of four months between any two consecutive meetings



#### Appointment of Members

The members of the Fund's Management Body shall satisfy the following criteria:

- (a) Having good conduct and sound reputation
- (b) Not convicted in any crime or an offence involving honesty of breach of trust or a crime stipulated in the Capital Market Law, Commercial Companies Law or Commercial Law unless rehabilitated
- (c) Not declared as bankrupt

#### Vacation of Office

Where any member's position falls vacant prior to the end of the term, the other members may co-opt member as replacement until the end of the term.

#### Responsibilities of the Fund's Management Body

Members of the Fund's Management Body are liable to the investors and CMA, to supervise and oversee the Investment Manager and other service providers and to safeguard the interests of the fund and investors in accordance with the law.

## The Fund's Management Body shall carry out oversight and supervision of the fund's business and shall undertake the following:

- (a) Evaluation of the fund's investment performance compared to similar funds or any other bench mark taking into account investment objectives of the fund
- (b) Ensure the fund's compliance with the prospectus, articles of association and statutory requirements
- (c) Evaluation of the performance of Investment Manager and other service providers
- (d) Ensure adequacy of the fund's systems to safeguard its assets and ensuring that adequate accounting controls are in place
- (e) Ensure the Investment Manager's system and controls are adequate to ensure compliance with the interests of the fund and investors
- (f) Avoidance of conflicts of interest and ensuring that adequate measures are in place to resolve any conflict of interest in the best interest of the fund and investors
- (g) Ensure segregation of function when one company is acting as provider of more than one service to the fund
- (h) Approve the transactions with related parties and disclose the same
- (i) Approve the annual report, financial statements and other information and disclose to the public and investors to ensure that disclosure is fair, timely, transparent and not misleading
- (j) Appointment and removal of service providers and determining their fees
- (k) Take resolutions pertaining to distribution of dividends

#### Remuneration of Members

Member of the Fund's Management Body are not entitled for any fees at present. It could be changed in the future by General Meeting of the unit holders.

#### Revoke Fund Management Body Resolution

Investors who hold at least 5% of the investment units may request the Fund's Management Body to cancel any resolution adopted by it or in the general meeting as the case may be, if such resolution is detrimental to the fund or investors. The request shall be referred to the same body which has issued the resolution, to decide on it.





## Service Providers

#### Custodian

National Bank of Oman has been appointed as Custodian of the Fund. A copy of the Custodian Agreement is available for inspection at the office of the Investment Manager. As per this agreement, fees amounting to 0.3% of the NAV shall be calculated daily and payable monthly to the Custodian.

Assets of the fund will be kept with the custodian whose principal place of business is within the Sultanate. They may be kept outside the Sultanate with sub custodian to facilitate transactions abroad. The custodian may appoint sub-custodian/(s) to keep the fund assets located outside the Sultanate of Oman. Appointment of sub-custodian/(s) shall not exonerate the custodian of any of its obligations.

Written consent of the Fund's Management Body shall be obtained for all the contracts concluded with the subcustodian and such contracts shall provide adequate protection for the assets on terms and conditions consistent with the contract with the main custodian.

#### All contracts concluded with the main custodian or sub-custodian shall cover:

- (a) Requirements that enable the fund to exercise all the rights pertaining to the assets kept with the subcustodian
- (b) Requirements pertaining to the location where the fund's assets are kept
- (c) Method of holding the assets
- (d) Review and compliance reports
- (e) Fees, method of payment and timing of payment

No contract concluded with the main custodian or sub-custodian shall provide for creation of any encumbrance on the assets of the fund, except for claims of payment of fees and charges to the custodian or the sub-custodian for acting in such capacities. The contracts shall not contain any provision that would require the payment of fees or expenses to the custodian or sub-custodian in the form of transfer of ownership of assets belonging to the fund.

The assets of the fund may be registered in the name of the custodian or sub-custodian/s or their respective nominee with an account number or other designation in the records of the custodian or sub-custodian/s or the nominee, to establish that the ownership of the assets is vested with the fund.

The custodian or sub-custodian shall exercise due diligence in keeping the assets of the fund and shall protect the interests of the fund in every act, and they shall be liable for any loss to the fund's assets resulting from any omission or wrongful act by them or their respective employees, directors or managers.

#### **Custodian Fees**

The custodian and sub custodian charges for the Fund will not exceed 0.30% of the total NAV of the fund.

The fund will also pay RO 10 Rials for each transaction executed.

#### Administrator / Transfer Agent

Vision Investment Services Co SAOC has been appointed as Administrator of the Fund. A copy of the Administration Agreement is available for inspection at the office of the Investment Manager. As per this agreement, fees amounting to 0.65% of the NAV shall be calculated daily and payable monthly to the Administrator.

#### The duties of the Administrator include the following:

- (a) Receive subscription requests from investors and redemption requests from Unit-holders and maintain records of the documents
- (b) Maintain record of all Unit-holders of the Fund
- (c) Notify the Investment Manager, as per agreed schedule, of all subscription and redemption requests received by the Administrator
- (d) Maintain accounts of the Fund
- (e) Deliver and /or fax to the Investment Manager statements of account at the end of each day
- (f) Notify the Investment Manager of all notices, reports and other financial information relating to the Fund property when only received by the Administrator
- (g) Calculate the NAV of the Fund and provide the Fund with its NAV statement on each business day
- (h) Provide the Auditor, upon receiving a written request from the Fund to that effect and within a reasonable time from its receipt of such request but at all times no later than the date reasonably requested by the Fund to provide such information as requested, an audit confirmation with respect to the Fund
- (i) Provide the Investment Manager a confirmation of the year-end position
- (j) Transmit electronically or in any other acceptable form to the Fund, as the Fund will require a list, as at the date of such list, of all Outstanding Contributions in the Fund
- (k) Maintain accounts for different purposes as may be advised by the Investment Manager and a record of all transactions under such accounts to be presented to the Fund on its request
- (I) Send allotment/refund advices to Unit-holders
- (m) Send subscription/redemption advices to Unit-holders
- (n) Intimate the Investment Manager and Custodian of all subscription amounts to be received by the Fund
- (o) Intimate the Investment Manager and Custodian to remit the redemption proceeds to Unit-holders
- (p) Arrange for the publication of NAV as per the regulations of CMA
- (g) Arrange for the publication of accounts as per the regulations of CMA.
- (r) Shall, when requested to do so by any regulator body, supply the regulatory body with such information in respect of the administrator's administration of the fund as is specified by such regulatory body.
- (s) Prepare un-audited interim financial statements for first, second and third quarters of the financial year and disclose the same immediately after approval by the board of directors and within not more than thirty (30) days from the end of the quarter.
- (t) Disclose the initial annual un-audited financial results immediately after preparation, within the periods as specified in the CMA regulations
- (u) Prepare audited annual financial statements and disclose the same immediately, after approval by the board of directors.
- (v) Disclose audited and un-audited financial statements and initial results for the year through the electronic transmission system of MSM in Arabic and English within the statutory time limits.
- (w) Publish statements including the balance sheet, income statement and an adequate summary of the most important events that affected the company's performance and its financial position in respect of un-audited quarterly financial statements and adequate summary of the directors' report in respect of audited annual financial statements.
- (x) Publication shall be in two daily newspapers, at least one being Arabic immediately after filing it through the electronic transmission system and no later than five days after the regulatory deadline for filing the statements.
- (y) The Administrator shall make the financial statements available both in Arabic and English through the head office during business hours and by posting the statements on the issuer's web site.



#### Issue Manager & Distributor

Vision Investment Services Co SAOC has been appointed as "Issue Manager & Distributor" of the Fund. A copy of the Issue & Distribution Agreement is available for inspection at the office of the Investment Manager. As per this agreement, fees up to 2.0% of the Initial Subscription shall be payable to the Issuer. In case of subsequent subscriptions, 100% of the Subscription Fees collected from the investors, shall be payable to the Distributor, within 30 (Thirty) business days from the date of subscription. The issue manager will be responsible for issuing the initial units of the Fund in accordance with Article (13) of the Regulations.

## The Distributor shall be responsible for promotion of the Fund and duties of the Issuer & Distributor include the following:

- (a) Promote and introduce the sale of the Fund to investors, institutions and entities
- (b) Conduct such travelling as shall be reasonably necessary to promote the Fund, at its own expense, unless it has received prior written agreement from the Fund regarding specific expenses
- (c) Carry out its duties in good faith and in a proper and efficient manner
- (d) Observe and perform the requirements of the Fund issued from time to time in relation to presentation of the Fund
- (e) Not have an authority to bind the Fund in any way and shall not hold itself out either by words or by conduct as being the agent of the Fund
- (f) Not misrepresent the Fund to any person
- (g) Shall at all times comply with the laws, rules and regulations of any country in which it promotes and markets the Fund
- (h) Shall seek sub-intermediaries who may not sign direct intermediary contracts with the Fund or its associated companies.

#### **External Auditors**

Moore Stephens LLC has been appointed as an External Auditor of the Fund. The fees shall be paid according to the Letter of Engagement signed by the Fund Management Body and Auditor.

The auditor shall have the right to access the books of the fund and request any statements or notes verify the assets and liabilities and submit its report to the fund's management body.

#### Legal Advisor

Rajab Al-Khathiri and Associates (Lawyers & Legal Consultants), has been appointed as legal adviser to the Fund for the purpose of establishment of the Fund and also for any business consultation in regards to adhering of compliance as per the regulations of Capital Market Authority, Oman.

As per the regulations, the Legal adviser has reviewed the prospectus, Articles of Association, Investment Management Agreement, and Custodian Agreement.

#### Investment Manager

The Fund's Management Body has appointed Vision Investment Services Co SAOC as the Investment Manager of the Fund vide an Investment Management Agreement between the Fund's Management Body and the Investment Manager.

Vision Investment Services SAOC, is a closed joint stock company incorporated in the Sultanate of Oman in 1998 and holds a valid license from the Capital Market Authority of the Sultanate of Oman to provide a wide range of investment management and financial advisory services. The Company has a paid-up capital of RO 10.5 million (approx. USD 27 million).

Vision, a full-fledged financial investment services company, has experience and track record in:

- Asset Management
- Investment Advisory
- Corporate Finance & Advisory Services and Issue Management

In addition, the company with a view to offering the whole gamut of financial services, gathers under its umbrella a number of associate companies operating in different sectors such as brokerage, general & life insurance and real estate in collaboration with established and well reputed regional players.

#### Vision's Asset Management Division

Vision's Asset Management division follows a professional, stable, transparent and highly personalized approach that is built on integrity, close contact and broad based in-depth research.

Under its umbrella of services provided in the Asset Management Division, Vision offers:

#### 1. Mutual Funds

#### I) Vision Emerging GCC Fund (VEGF)

- a) The Fund was launched in May 2005
- b) The primary objective of Vision Emerging GCC Fund (VEGF) is to maximize the risk adjusted returns, as measured by Sharpe Ratio. It follows a flexible asset allocation policy with investments spread across a diversified range of investment options including alternative investments
- c) Vision Emerging GCC Fund (VEGF) has achieved "Silver Fund Grading" from Standard & Poor's
- d) As per the grading provided by Standard & Poor's, our fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives
- e) Zawya Fund Ranking System rates Vision Emerging GCC Fund as "The Second Best GCC Equity Fund" for 2013

#### II) Vision Emerging Oman Fund (VEOF)

- a) The Fund was launched in August 2007
- b) The primary objective of the Fund is to achieve growth through capital appreciation and dividend income by investing in equities listed and /or to be listed on the Muscat Securities Market ("MSM")
- c) Vision Emerging Oman Fund (VEOF) has achieved "Silver Fund Grading" from Standard & Poor's
- d) Zawya Fund Ranking System rates Vision Emerging Oman Fund as "The Best Oman Equity Fund" in 2013

#### III) Vision Real Economy GCC Fund (VREGF)

- a) The Fund was launched in April 2010
- b) The objective of the Fund is to achieve capital appreciation and income generation by providing its investors the opportunity to participate in the growth of Real Economy Sectors of GCC
- c) Vision Real Economy GCC Fund (VREGF) has achieved "Silver Fund Grading" from Standard & Poor's

#### IV) Vision Al Khair GCC Fund (VAKGF)

- a) The Fund was launched in May 2013
- b) The objective of the Fund is to achieve capital appreciation and income generation by providing its unit holders opportunity to invest in the listed securities in the GCC economies that are compliant to Shariah principles. The Fund will follow a dynamic allocation policy with investments spread across a diversified range of industries in the GCC



#### 2. Managed Accounts

Vision's managed accounts is based on a highly client specific, tailor-made approach; focused on client's specific investment needs, risk tolerance levels and investment time horizons.

- a) Managed Accounts for Muscat Securities Market
   Over a period of eight years, the MSM portfolios have been outperforming the benchmark index every single year.
- b) Managed Accounts for GCC

Vision has recently extended its managed accounts services for the GCC markets.

As of 30th June 2016, the assets under management including mutual funds and advisory & discretionary management stood at USD 276 million.

#### Investment philosophy and approach followed at Vision

Vision's stock picking is based on rigorous fundamental analysis and identification of companies in sound business and which can offer total return from strong earnings growth and dividends. Investments are made with a goal of having a successful ownership cycle in the securities of these companies and maximizing the total risk-adjusted returns.

The Buying and Selling of investments in Vision follow a disciplined approach. A Buy decision is typically based on the factors like-rigorous fundamental analysis of the investment, close management contact, emphasis on well-established and well managed companies in good business, emphasis on the valuation, etc. Similarly, a Sell decision would typically take into account factors like-overvaluation, deteriorating fundamentals, stock volatility, macro-economic factors, etc.

#### Vision Funds Performance

The table below highlights the track record of Vision Emerging GCC Fund, Vision Emerging Oman Fund, Vision Real Economy GCC Fund and Vision Al Khair GCC Fund as on June 30, 2016.

In addition to asset management in MSM, Vision has a successful track record in providing investment advisory services to its clients for the GCC and other international stock markets. The company relies on its internal resources and its wide network of relationship with brokerage and investment companies, businessmen and large investors to provide the investment advisory services.

Year of Inception	Mutual Fund	Performance (Returns)						A	Chd	Channa
		June 2013	YED 2016	2015	3 Years	5 Years	Since Inception	Ann. Return	Std. Deviation	Sharpe Ratio
May, 2005	Vision Emerging GCC Fund*	1.00%	0.32%	-19.94%	15.09%	42.81%	108.18%	6.78%	17.11%	0.22
	S&P GCC Composite Index	1.10%	-4.27%	-17.43%	-11.91%	-4.69%	-43.93%	-5.05%	19.97%	-0.33
August, 2007	Vision Emerging Oman Fund*	-0.66%	-6.19%	-7.92%	4.90%	25.14%	27.40%	2.75%	15.55%	-0.01
	MSM 30 Index	-0.58%	-6.86%	-14.77%	-8.85%	-2.35%	10.86%-	-1.28%	16.42%	-0.21
April, 2010	Vision Real Economy GCC Fund*	1.00%	1.22%	-11.80%	-16.91%	46.56%	66.33%	8.53%	12.31%	0.31
May, 2013	Vision Al Khair GCC Fund*	-0.76%	-1.86%	-13.33%	3.14%	NA	2.20%	0.70%	12.68%	-0.10
	S&P GCC Sbariab Index	1.21%	-1.12%	-17.56%	-12.2%	NA	-10.98%	-3.65%	14.88%	-0.35



#### **Asset Management Team**

The asset management team of Vision is comprised of the following personnel:

#### Mr. Ali Mohammed Juma is the Co-Founder and Chief Executive of Vision Investments Services,

Mr. Ali Mohammed Juma is the Co-Founder and Chief Executive of Vision Investments Services, one of the leading investment advisory & asset management companies in the Sultanate of Oman. Ali is a Mathematics and Computing graduate and has completed several advanced courses in management and finance from leading European & American Business Schools. He is the Chairman of MJS Group of Companies (A holding company with subsidiaries in Trading, Real Estate and Hospitality sectors), Vision Insurance Company and Al Osool Real Estate Company (ERA Oman).

#### Mr. Mustafa Ahmed Jaffer will be the Investment Advisor for the Vision Focused Fund

Mr. Mustafa Ahmed Jaffer is one of the Co-Founders and the Executive Director of Vision Investment Services Co SAOC. A finance graduate from USA, Mustafa has close to 25 years of experience in the field of finance, investment and insurance which includes eight years of experience in PDO as Head of Financial Support for Government Gas projects. With over 15 years of experience in the regional markets, he is the main driver behind the growth of the assets under management (that includes mutual funds and managed accounts) and the excellent long term performance record that Vision enjoys can be mainly attributed to him. As an Advisor to Vision Emerging GCC Fund, he has made immense contribution that has resulted in it being one of the top performing funds in the region for two consecutive years (2012 & 2013) according to Zawya.

#### Mr. Ammar Moosa Ibrahim will be the Fund Manager for the Vision Focused Fund

Ammar has over 13 years of experience in corporate finance and assets management. At Vision, he is heading GCC Assets Management & Advisory Brokerage Services Department, where he is involved in managing institutional and HNI portfolios in GCC markets and overseeing investment advisory business. He was a key member of the team that launched Vision Funds. Ammar is an Affiliate of ACCA (Association of Chartered Certified Accountant), UK, Chartered Portfolio Manager (International Academy of Financial Management) and holds a High Diploma in Accounting from the University, Salford, UK.

#### Mr. Ali Redha Al-Khabouri - Investment Advisor

Ali started his career with National Investment Funds (NIFCO) in 2002 as an accountant handling accounts of the company and its related funds. He has worked as an Analyst with Arab Monetary Fund (AMF) in their Arab Capital Markets Division during 2003-2007. His role was focused towards analyzing markets performance, gather information on new developments in the market, and writing various reports about different sectors, preparing the capital markets and financial outlook for the Unified Arabic Economic Report. Ali has joined Vision in 2008 as an Investment Advisor. He holds a bachelor degree in Banking and Finance from Al-Yarmouk University, Jordan

#### Mr. Mufaddal Jariwala - Investment Analyst

Mufaddal Jariwala has been with Vision since April 2010 tracking the listed companies in Saudi Arabia and UAE. He is a Post Graduate in Finance (MS-Finance) from ICFAI University, India and CAIA Level II candidate. He has 5 years of experience in the areas of Equity Research and Fund Management. He has worked as an Assistant Fund Manager & Equity Research Analyst with Sahara Mutual Fund Pvt. Ltd., India. Additionally, he worked as an Equity Research Analyst with Asian Markets Securities Pvt. Ltd., India covering sectors like Power, Infrastructure, Construction and Real Estate.

#### Mr. Krishna Chandramowlee, CFA - Investment Analyst

Krishna has been with Vision since August 2010 tracking the listed companies in Qatar and Oman. He is a CFA charter holder and a member of the CFA Society Emirates. Krishna has graduated in Chemical Engineering and a post-graduation in Finance. He has a work experience of over ten years in financial services industry. His immediate past assignment was with BDO Consulting, Oman, as a Senior Business Financial Consultant. He has also been associated with BA Continuum Solutions Pvt. Ltd, Mumbai, India (A Non-Banking subsidiary of Bank of America) in the corporate finance department specializing in the areas of financial modelling and business analysis.



#### Mr. Siraj Presswala - Investment Analyst

Siraj started his career with an independent research outsourcing firm in Mumbai, India before moving to HSBC Middle East Bank in Bahrain where he last served as a sole analyst to the a team of three senior relationship managers in the Global Banking division. Siraj has been with Vision as Equity analyst overseeing mainly UAE market over the past 2 years. Additionally, Siraj also covers global macro-economic developments and writes about implications on regional asset prices of changing global political and economic landscape. Siraj is a post-graduate from NISM, India. Member of the CFA Society and holds CAIA Charter.

#### Mr. Jijo Thomas Scaria - Investment Analyst

Jijo has over 7 years of combined experience in the areas of Equity research, Equity product development, Investment banking as well as Portfolio management. His earlier employment was with Bank Muscat wherein his profile included primary focus on the Saudi market amongst the GCC markets. Additionally, Sector exposure spanned across non-banking in Saudi and banking in Qatar. Jijo holds an MBA in Finance.

#### Mr. Rajiv Sagar - Head of Fund Services

Rajiv carries with him financial market experience over 15 years. His prior stints included with Northern Trust, SSNC GlobeOp Financial Services, Syntel State Street Corporation and HDFC Bank. Has more than 8 years of Fund Administration and 4 years of experience in Investment Banking Industry which included Equities, Derivatives and Fixed Income. Also has hands on experience on various financial products including Hedge Funds, Mutual Funds, 401(k) pension funds, UCITS, QIF and AML&KYC compliance related to the Fund industry across MENA, US and European markets. He is also an alumni of Welingkars Institute of Management Studies, Mumbai, India and level 2 student of CMA, U.S.

#### Mr. Mohammed Mustafa Ahmed Gouda - Compliance Officer

Mohammed Gouda has been working with Vision Investment Services since 2008 and since 2007 he has been working in the capacity of a Compliance Officer. He is a qualified Finance Professional with experience in the field of auditing, accounting and finance. He has in-depth knowledge of Accounts, Equities, Derivatives, Investment Banking and Asset Management including Equity Settlements in Gulf Markets. As a Compliance Officer, he plays a key role in identifying potential areas of compliance vulnerability and risk; develops/implements corrective action plans for resolution on critical issues.

#### Duties and Responsibilities of the Investment Manager

The fund shall entrust the management of its investment to the Investment Manager.

Investment Manager shall undertake the following:

- (a) Manage the portfolio of the fund in the best interest of the investment objectives of the fund as stipulated in the articles of association
- (b) Take all investment decision or other decisions in the best interest of the fund and investors
- (c) Accurately record all purchase and sale transactions undertaken in favour of the fund and in keeping with their time sequence
- (d) Shall have an accounting system to classify, monitor and check all transactions in the fund's portfolio which are entered into the system and adjust to the cash and securities accounts opened in the name of the fund with the custodian
- (e) Provide liquidity for the fund to discharge any obligations
- (f) Safeguard the fund from any unnecessary investment risks



## Charges, Fees and Taxation

#### Issue Expenses and Setting-Up Costs:

The Fund is expected to incur the following expenses:

Regulatory fees	0.05% of the nominal value of the Units or OMR 2,000 whichever is higher					
Legal and other advisory fees	OMR 3,500					
Distributor's commission (approx)	1% of the nominal value of the Units;					
Collecting Bank's fees (approx)	OMR 5,000					
Issue Manager's fees	1% of the nominal value of the units or OMR 20,000 whichever is higher					
Total (appox.)	Rial 35,000					

The Fund intends to appoint Distribution Agents for the distribution and marketing of the Fund and will bear the commission expenses payable to such Distributors. However, the total Issue and setting up costs is not expected to exceed 2% of the Initial Issue. Should the Initial Issue and Setting up cost exceed 2% of the Initial Issue, Vision Investment Services Co SAOC will bear the costs in excess of 2% of the Initial Issue.

#### Management Fees

As per the terms of the Investment Management Agreement between the Fund's Management Body and the Investment Manager, the Investment Manager shall be entitled to receive from the Fund a Management fee equivalent to 1.5% per annum of the Net Assets of the Fund. The Management fee shall be accrued on each Business day and paid monthly in arrears.

#### Performance Fees

The Investment Manager shall be entitled to a performance fee of 15% of excess annual return above 10%, accrued and accounted on daily basis for the purpose of accounting.

The Fund will account and pay the performance fees on yearly basis.

In case if first year is not a complete year then the performance will be annualized for the purpose of calculating performance fees.

In case of redemption during the year, the Portfolio appraisal of the investor will be annualized for the purpose of calculating performance fees. The performance fees accrued and accounted till date of redemption of investor will be transferred to the Investment Manager.



The performance fees accrued and accounted as stated in all the above scenarios will be paid annually to the Investment Manager.

#### Other Fees

In addition to the management fee and the performance fee payable if any, the Fund will also incur the following recurring expenses:

- (a) The fee of the Custodian including any sub-custodians is not expected to exceed 0.30% of the Net Asset Value per annum with minimum fees of OMR 6,000.
- (b) The fee of the Administrator is not expected to exceed 0.65% of the Net Asset Value per annum
- (c) The Fund shall incur leverage costs, if applicable, payable to concerned credit lending institutions
- (d) Expenses incurred for maintaining accounting records
- (e) audit fees
- (f) Brokerage commission payable on purchase and sale of securities and other investments and any other technical, legal or consultancy fees payable relating to the assets of the Fund
- (g) Taxes payable, if any
- (h) Cost of publishing periodical NAVs and accounts
- (i) Printing and distribution expenses related to annual accounts and Unit holders meetings
- (j) Any losses incurred as a result of dealing in securities held on behalf of the Fund
- (k) Any other expenses directly related to the Fund

The expenses of running the Fund may be charged against, income and/or capital at the discretion of the Fund's Management Body in accordance with International Accounting Standards and the treatment may alter at any time and from time to time in accordance with those standards.

#### Taxation

#### The Fund

As per the, Royal Decree No. 47/81 (as amended), the income of funds such as the Vision Focused Fund set up as joint investment accounts and registered with the CMA are exempt from income tax. The income earned by the Fund is therefore exempt from Omani taxation (but may be subject to local taxation to the extent income is derived from other jurisdictions).

#### **Investors**

Investors should consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, transferring or redeeming of Units under the laws of their country of citizenship, domicile, residence or incorporation.



# Chapter 11: Accounting Accounts & Accounting Policies of the Fund

#### A. General Policies

- a) The Fund shall have a financial liability independent from the Investment Manager and the Fund's Management Body. A separate Bank Account in the name of the fund shall be maintained for the purpose of financial transactions on behalf of the Fund;
- b) An independent and separate bank account for the Fund shall be maintained by the Custodian in Oman and also where necessary outside Oman, for the purpose of making withdrawals and deposits on behalf of the Fund;
- c) The Fund shall be treated, in respect of all sales and purchases and other transactions, as an independent entity and shall be credited in the case of sales and debited in the case of purchases. All costs related to the Fund shall be directly paid from the assets of the Funds;
- d) Accounting records for the Fund shall be maintained independently from the records of the Investment Manager and shall be audited by the independent auditors approved or nominated by the Fund's Management Body. The Fund's Management Body has the power to remove or change the Auditors of the Fund during the life of the Fund. The appointment of Auditors will be notified to the CMA;
- e) The Fund's financial year will be from 1 January to 31 December in each year. However, the first financial year of the Fund will start from the registration date of the Fund and will end on 31 December 2017;

#### B. Accounting Policy

The accounts of the Fund shall comply with the International Financial Reporting Standards and as required by CMA and Omani law.

#### C. Revenues and Expenditure of the Fund

#### 1. Revenues

Revenues of the Fund shall consist of:

- a) Profits earned as a result of dealing in securities held on behalf of the Fund
- b) Income received from assets of the Fund
- c) Interest credited to the accounts of the Fund
- d) Any other revenue, directly linked to the Fund and resulting from the investment of the assets of the Fund

#### 2. Expenditure

Expenditure of the Fund shall consist of:

- a) The initial set up costs of the Fund
- b) The fees to the Investment Manager
- c) The fees to the Fund Administrator
- d) Fees paid to Custodian and sub-custodian if any
- e) Leverage costs paid to the concerned banks, if any



- f) The fees of the CMA and any other licensing and listing fees or similar charges and expenses
- g) Expenses in respect of accounting records and auditing fees
- h) Customary brokerage commission and banking fees paid in connection with the sale and purchase of securities held on behalf of the Fund and any other technical, legal or consultancy fees relating to the acquisition, maintenance and disposal of assets of the Fund
- i) All liabilities of the Fund in relation to taxation, whether due on the assets or income of the Fund
- j) Any expenditure related to the exercise of rights and duties in respect of the assets of the Fund
- k) The cost of preparing, printing, publishing and distributing public notices, annual and interim reports, valuations, accounts and price lists and such other reports or documents as may be allowed or required under the applicable laws or regulations of Oman and any other communications to Unit holders
- l) Costs of printing any certificates or proxies
- m) Any losses incurred as a result of dealing in securities held on behalf of the Fund
- n) The cost of maintaining accounts
- o) The cost of preparing and filing all official documents concerning the Fund, including registration statements and offering circulars with all authorities having jurisdiction over the Fund or the offering of Units
- p) The cost of holding any meeting of Unit holders
- q) Legal fees
- r) The fees of the Fund's Management Body; and
- s) Any other expenditure directly related to the Fund

#### D. Reports and Accounts

The Fund's financial year will be from 1 January to 31 December in each year. However, the first financial year of the Fund will start from the registration date of the Fund and will end on 31 December' 2017. The Investment Manager will within 60 days of the closing of each financial year prepare the Balance sheet and Profit and loss accounts and further statements detailing the main items of revenues and expenditures duly audited by an independent auditor. Audited accounts will be sent to Unit holders by mail within 60 days of the closing of each financial year. Quarterly financial statements will be filed with the MSM information centre within 30 days of the end of the relevant quarter and also published in two daily newspapers in Oman, one in Arabic and one in English. The financial statement of the fund will be prepared in accordance to International Financial Reporting Standards (IFRS).



# Net Asset Value and Net Realized Value

- I. The calculation of the Net Asset Value (NAV) and NRV will be carried as per the terms prescribed in the articles of association, shall be carried out and disclosed immediately, at least once in a week. The calculation of NAV is the responsibility of the Administrator and is to be effected at the close of the business on every Business Day.
- II. NAV shall be calculated and stated in the same way it was calculated and stated in the financial statements.
- III. The NAV will be calculated by the Administrator (after taking advice from the Investment Managers and other appropriate experts) as the value of the assets attributable to the Fund (including accrued income) less the attributed liabilities (including accrued charges and expenses and provisions for contingent liabilities (if any) where appropriate).
- IV. If the net realizable value of the investment units is less than the net asset value that is calculated on the basis of the redemption value, the net assets value must not discount more than 10%, this does not apply in the case of redemption at the liquidation of the Fund.
- V. All investments, as defined by CMA, shall be valued as per IFRS. The NAV per Unit will be calculated by dividing the NAV of the Fund by the total number of Units outstanding on the relevant Valuation Day.
- VI. The Front end load and Back end Load which may be charged to investors at the time of issue or redemption of units will not be entered while calculating the Net Asset Value or NRV.
- VII. Each purchase or sale of securities made by the investment fund shall be reflected in the first calculation of NAV following the transaction.
- VIII. Issue and redemption of investment unit shall be reflected in the first calculation of NAV of the fund made after the issue or redemption.
- IX. The memorandum of article of the fund must include the way the fund evaluates listed securities or non-listed or other non-traded assets that are not traded during the twenty business days prior to the valuation day. It should also be determined the way illiquid securities evaluated in net asset value and net realizable value calculation.

#### **Publication**

NAV per Unit will be published, as per the guidelines of CMA





## Terms of the Offer and Subscriptions

This Prospectus constitutes an invitation to investors to subscribe to Units in Vision Focused Fund. This Prospectus describes the terms and conditions governing the Issue and Subscription to Units in, and the subsequent management and operation of the Vision Focused Fund.

#### Eligibility for investment in the Fund

The Fund is open for subscription to both Omani and non-Omani investors including individuals, companies, institutions, Pension Funds, Government and semi-Government organizations.

#### Prohibitions with regard to the applications for subscription

The subscribers to the Units issued as mentioned hereunder shall not be permitted to participate in the subscription:

 a) Applications made under joint names, including the applications made in the name of legal heirs - Whereas, they or their legal attorney would be required to apply in their personal names.

#### Initial Subscription

The Initial Subscription Period shall commence on 9th November 2016 exactly at 8.00 am (GMT +04:00), and end on the day of 8th December 2016 at the closure of the bank's normal working hours.

The Prospectus and Subscription Forms for initial subscription can be obtained from the branches of the collecting banks or from the office of the Issue Manager.

The Initial Subscription Price is Rial 1.000 plus Subscription Fee of 20 Baisas per Unit.

In case of initial subscription, the subscribers shall be responsible for submission of their Subscription Forms to one of the banks receiving the initial subscription before closing of the Initial Subscription Period. In this regard, the bank shall have the right not to accept any application for subscription that reaches after the official working hours on closing date of the Initial Subscription Period.

#### Minimum Fund size for Initial Subscription

The Fund will not be established and all applications received for initial subscription shall be refunded unless valid subscriptions are received for a minimum of 2,000,000 (two million) Units during the Initial Subscription Period.

#### Minimum and Additional Subscription for Investors

The minimum subscription into the Fund shall be 1000 Units for each subscriber and in multiples of OMR100 thereafter.

As per the current regulations of CMA, there is no maximum limit on the Unit-holding by a single investor.

#### Refund of the sums pertaining to the rejected applications

In case of initial subscription, the Issue Manager undertakes to refund the sums covered under the applications for the subscription that are rejected, through the banks receiving the subscription by transferring them to the

bank account numbers provided for in the Subscription Forms, within 15 (fifteen) Business days from the Closing date upon the allotment of Units. However, if the Issue Manager fails to refund the funds, he shall undertake to pay penalty in the form of interest as per the rates applicable to the Bank Deposits for the total period of delay until the date of transfer.

#### Subscription on behalf of minor children

Any person of an age less than 18 years as on the date of subscription shall be treated as minor.

Only father may subscribe on behalf of his minor children.

If the subscription is made on behalf of a minor by any person other than the father, he/she shall be required to attach a valid legal Power of Attorney issued by the competent authorities authorizing him/her to deal in the funds of the minor through sale, purchase and investment.

#### Receiving Initial Subscriptions

The Subscription Forms for the initial subscription shall be accepted by one of the following banks during their official working hours only:

National Bank of Oman SAOG

Ahli Bank SAOG

Bank Sohar SAOG

#### Subsequent Subscription Procedure

The subsequent subscription shall commence after publication of the first NAV of the Fund. After the closure of the Initial Subscription Period, the Prospectus and Subscription Forms for subsequent subscription shall be available at the Office of Fund Administrator.

On all subsequent subscriptions, the Units will be available for subscription at NAV per Unit on the relevant Subscription day, plus a Subscription Fee up to 2%, which may be waived in whole or in part at the discretion of the Investment Manager. The subscription fees will be paid to the Distributor of the Fund.

For any given Valuation Day, Capital Contributions must be wired and credited to the Fund's account along with the submission of relevant subscription form & kyc docs to the Fund Administrator before the subscription cut off day.

A "Subscription Cut-Off Day" applicable to a Valuation Day is Three Business Day preceding such Valuation Day

For any given Valuation Day, Subscription application shall be received by the Fund Administrator and the subscription amount shall be received by the Fund custodian three (3) business days before the valuation day.

The trade confirmation will be sent to the unit holder within 3 Business days after the allotment of units. (Except during any period when the calculation of the NAV is temporarily suspended).

The Investment Manager in its sole discretion may reject any subscription, in whole or in part, for any reason or no reason.

#### Particulars of the Bank Account

- Subscribers shall be required to furnish the particulars of their bank account (registered in the name of the applicant). The subscriber shall not use the bank account number of any other person except in case of minor children only (only Father).
- 2. Subscribers shall be required to submit a document in evidence of correctness of the bank account particulars as provided for in the application. This can be done by submitting any document from the bank of the subscriber furnishing therein account number and name of the account holder like the upper portion of the Account Statement issued by the bank containing these particulars only or a letter or any document issued by the said bank containing the said information. The subscriber shall ensure that the evidence submitted is clearly readable, contains account number and full name of the account holder.



3. The application for subscription containing the bank account number of a person other than the Subscriber shall be rejected, with the exception of the applications made on behalf of minor children that contain bank accounts particulars of their father.

#### Documentation required for the purpose of KYC & AML at time of subscription and redemption:

- 1. Nature of Business / Source of Income
- 2. Submission of a document confirming correctness of the bank account number as provided for in the application for subscription
- 3. Copy of Resident / Civil card for all GCC Nationals
- 4. Copy of Passport for verification of Person and his /her signature
- 5. Copy of driving license for verification of address if different from the passport
- 6. Copy of a valid Power of Attorney duly endorsed by the competent legal authorities, in the event the subscription is on behalf of another person (except in case of the subscription made by a father on behalf of his minor children)
- 7. In case of Non Individual, Copy of Commercial Registration certificate; Board Resolution (if any); list of authorized signatories and their passport and resident copy.
- 8. Any other documents that may be deemed Administration Manager/ Fund Bank or may be requested by the authorities concerned.

#### Refund of the sums pertaining to the rejected applications

In case of subsequent subscription, the Administrator undertakes to refund the sums covered under the applications for the subscription that are rejected, within three (3) Business days from the relevant Subscription day. However, if the Administrator fails to refund the funds, he shall undertake to pay penalty in the form of interest as per the rates applicable to the Bank Deposits for the total period of delay until the date of transfer.

#### Mode of Subscription

- 1. The subscribers shall be responsible for furnishing all their particulars, ensuring correctness and validity of the information provided for in the subscription application forms
- 2. The subscribers shall be required, before filling the application form, to peruse the Prospectus and read the conditions and procedures governing the subscription with total care and importance
- 3. The subscribers shall be required to fill in the complete subscription form and furnish all their particulars as required in the form, including the civil status number, date of birth in case of minor children, Commercial Registration number in case of companies, etc.
- 4. The subscribers applying for Units during the Initial Subscription Period shall be required to submit the Subscription Forms for initial subscription to one of the banks receiving the subscriptions (as referred to in the Prospectus) and make payment towards the Units as specified in the Prospectus; ensuring that the documents in support of the information furnished referred to above are enclosed
- 5. The subscribers applying for Units subsequent to the Initial Subscription Period, shall be required to submit the Subscription Form for such subsequent subscription to the Fund Administrator as referred to in the Prospectus and make payment towards the Units; ensuring that the documents in support of the information furnished referred to above are enclosed
- 6. In case of payment of the value of the subscription by cheque/demand draft, it shall be in favour of "Vision Focused Fund".

The Banks receiving the initial subscriptions and the Fund Administrator in case of subsequent subscriptions shall be required to accept the Subscription Forms after confirmation of compliance with the procedure and subject matter, in line with the requirements as provided for in the Prospectus. Hence, the bank/the Fund Administrator as the case may be, shall instruct the subscribers to comply and fulfill any requirement that may appear in the application submitted.

In case of subsequent subscriptions, the subscribers shall be responsible for submission of their Subscription Forms to the Fund Administrator during its official working hours on Business days. In this regard, the Fund Administrator shall have the right not to accept any application for subscription that reaches its office after the official working hours on any given Business day or at any time on a day, which is not Business day.

The Fund Administrator may also choose to accept such Subscription Form; however, the same shall be treated as officially received by the Fund Administrator at the start of the official working hours on the following Business day.

### Acceptance of the applications for subscription

The banks receiving the initial subscription and the Fund Administrator receiving the subsequent subscriptions shall neither receive nor accept the applications for subscription under the following circumstances:

- If Source of Fund is not mentioned on the application or found any noncompliance to Source of Funds / Nature of Business
- 2. If the Subscription Form does not bear the signature of the subscriber
- 3. In case of failure to pay the full value of the Units subscribed in accordance with the conditions provided for in the Prospectus
- 4. If the value of the Units subscribed is paid through cheque and if the same is dishonored for whatever be the reason
- 5. If the Subscription Forms are submitted under joint names
- 6. If the subscriber is a Trust Account
- 7. If the subscriber has subscribed through more than one Subscription Form in the same name
- 8. If the supporting documents referred to in the Prospectus are not enclosed with the a Subscription Form
- 9. If the application does not contain all the particulars of the bank account of the subscriber
- 10. If any particulars of the bank account held by the subscriber as provided for in the Subscription Form are noted to be incorrect
- 11. If the particulars of the bank account provided for in the application are found to be not relevant to the subscriber, with the exception of the applications submitted in the name of minor children, who are allowed to make use of the particulars of the bank accounts held by their father
- 12. In case of failure to have the Power of Attorney attached with the application as provided for in this Prospectus in respect of the person who subscribes and signs on behalf of another person (with the exception of a father who subscribes on behalf of his minor children)
- 13. If the application has not complied with the legal and organizational requirements as provided for in the Prospectus

#### Promoter's Commitment

The promoters "Vision Investment Services Co SAOC" have committed to participate in the fund by subscribing to 5% of its initial units, and have also committed not to redeem any units for 3 years from the initial opening date of the fund.



## Refusal of subscription applications

In case of initial subscription, if the subscription bank observes, after receipt of the application and before expiry of the time schedule prescribed for handing over of the applications in a final manner to the Issue Manager, that the application has not complied with the legal requirements as provided for in the Prospectus, due effort would be taken for contacting the Subscriber so as to correct the mistake detected. In case of failure to have the mistake corrected within the period referred to, the bank receiving the subscription shall be required to return the application for the subscription to the subscriber, together with the subscription value before expiry of the period specified for handing over of the applications to the Issue Manager.

In case of initial subscriptions, the Issue Manager may reject the subscription applications under any of the conditions referred to above, after securing the approval of CMA and submission of a comprehensive report furnishing the details of the subscription applications that are required to be rejected and reasons behind such rejection.

If, in case of initial subscriptions, it is observed by the Issue Manager that there are subscription applications that bear the same civil status number or the same bank account number (with the exception of minor children) all such applications shall be rejected treating them as repeated and given back to same Unit-holder.

## **Enquiry & Complaints**

In case of initial subscription, the subscribers who intend to seek clarification or file complaints with regard to the issues related to the allotment or rejected applications; may contact the branch of the bank where the subscription was made. In case of absence of any response from the branch, the subscriber may contact the person concerned as hereunder:

	National Bank of Oman	Vision Investment Services	
Persons to be contacted:.	Venkateshwaran P.P.A	Venkateshwaran P.P.A Rajiv Sagar	
E-mail:	venkat@nbo.co.om	rajiv.s@investvis.com	
Phone No:	+968 2477 8625	+968 2472 6020	
Fax No:	+968 2481 6763	+968 2472 6010	
	Bank Sohar	Ahli Bank	
Persons to be contacted:	Ali Abdul Hossain Mohamed	Amin Al Balushi	
E-mail:	Ali.mohamed@banksohar.net	amin.albalushi@ahlibank.om	
Phone No:	+968 2476 1800	+968 2457 7830	
Fax No:	+968 2473 0275	+968 2479 0466	

If the bank receiving the initial subscription fails to arrive at a solution or settlement with the person who has subscribed, it shall refer the subject matter to the Issue Manager, and keep the subscriber posted of the progress and development in respect of the subject matter of the dispute. The subscriber shall also keep in touch with the bank receiving the subscription to know the decisions arrived at.

In case of subsequent subscriptions, the subscribers who intend to seek clarification or file complaints with regard to the Units issued/rejected applications or redemption requests or refund of their funds, may contact the person named hereunder, at the Fund Administrator of the Fund:

Mr. Rajiv Sagar

Tel: (968) 2472 6020, Fax: (968) 2472 6010, E-mail: rajiv.s@investvis.com

# Notice regarding allotment

In case of initial subscriptions, the Issue Manager will issue allotment advice to the investors within 15 (fifteen) days from the Closing date upon the allotment of Units. The Issue Manager shall send notices with regard to the allotment to all the subscribers concerned, by post, as per the addresses specified in the Subscription Form, immediately on receipt of the approval of CMA concerning the allotment.

In case of subsequent subscriptions, the Fund Administrator will issue allotment notification within two (2) Business days from the relevant Valuation day.

## Expected time schedule for completion of the initial subscription procedures:

Procedure	Date
Approval of Prospectus by CMA	19th Oct' 2016
Commencement of Initial Subscription	09th Nov' 2016
Closing of Initial subscription	8th Dec' 2016
Due date for the Issue Manager to receive the subscription applications from collecting banks	15th Dec' 2016
Notifying CMA of the outcome of the subscription and proposal with regard to the allotment	19th Dec' 2016
Approval of CMA with regard to the proposal for the allotment	20th Dec' 2016
Completion of the allotment procedures and refund of the money received on applications rejected	25th Dec' 2016

## Responsibilities & Obligations

The Issue Manager, the banks receiving the initial subscription and the Fund Administrator, shall abide by the responsibilities and functions specified pursuant to the instructions and regulations laid down by CMA. The said bodies shall also abide by any other responsibilities that are provided for in the agreements entered into between them and the body issuing the Securities.

The parties concerned shall be required to take remedial measures with regard to the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. The Issue Manager shall be the body responsible before the Surveillance Authorities in taking suitable steps and measures for repairing such damages.





# Redemption of Units

Every Unit-holder has the right to require the Fund to redeem its Units on any Valuation Day (except during any period when the calculation of the NAV is temporarily suspended), at the Net Asset Value of the units of the Fund less redemption fee.

The maximum Redemption, on each business day, may be limited to 10% of the Net Asset Value of the Fund (Article 226) or such lesser amount as the Investment Manager may determine from time to time.

#### General

Units may be redeemed on each Business day. Redemption requests should be addressed to the Fund Administrator. Redemption requests may be given in writing or by tele-fax (if the Fund has previously received a completed indemnity from the client in original with respect to faxed instruction) at the office of Fund Administrator. To be effective, the request must refer to the Fund and contain full registration details, the number of Units to be redeemed and bank details for the payment of the Redemption proceeds.

If the fund determines that its requirements for redemption have not been satisfied, the fund shall notify the investor who has given the redemption order, by the end of the business day following the receipt of the redemption order, that its requirements have not been satisfied and further specify the procedures that would have to be completed or the documents which are needed to be submitted by the investor.

For any given Valuation Day, Redemption Application should be received by the Fund Administrator before 2:00 P.M. (GMT+4:00) on the applicable Redemption Cut-Off Day.

A "Redemption Cut-Off Day" applicable to a Valuation Day is Three Business Day preceding such Valuation Day

The trade confirmation will be sent to the unit holder within 3 Business days after the redemption of units and the redemption proceeds will be sent within 5 Business Days from the valuation day. (Except during any period when the calculation of the NAV is temporarily suspended).

## Limit on Redemption

Normally, no more than 10% of the Net Asset Value of the Fund may be redeemed in a day. If the Fund receives Redemption requests for more than 10% of the Fund for any day, applications will be reduced and satisfied prorata amongst those requesting Redemption. Redemption requests not discharged, unless revoked by the Unitholder with the consent of the Fund, will be carried forward to the next Business day, when they will take priority over later Redemption requests subject always to the overall limit for Redemptions in any day. This limit may be waived off by the Fund.

The fund shall pay the price of redeemed units to the investor after deducting the charges (exit load), on or before the third business day after the date of calculation of the NAV which was used in establishing the redemption price.

## Redemption Fee

Redemption of any Units held by a Unit holder will be subject to deduction of a redemption fee upto 2% of NAV. The redemption fees will be charged as below:

The level of the fee may be amended at the discretion of Investment Manager and any such redemption fee charged will be transferred to the Distributor at the end of every month.



## Suspension of Investor Rights

The fund may not suspend the right of the investor to redeem the value of his units except:

- 1. For any period during which trading is suspended on securities representing at least 51% of the total assets of the fund.
- 2. In accordance with any limits or provisions clearly stated in the articles of association of the fund.
- 3. In exceptional circumstances approved by CMA

# No Redemption "in-specie"

Units may only be redeemed for cash and there will be no Redemption in exchange for the transfer of interests in the securities and other assets of the Fund.

#### Settlements

Settlements will normally be made by electronic bank transfer. Payment will normally be made within five (3) Business days from the relevant valuation day only to the unit holder's Bank account. In case of any noncompliance to the AML/KYC procedures by the Investor, the fund holds right not to pay to the investor and report to CMA and also Fund hold no obligation in case of delay of redemption proceeds due to incorrect bank account number provided by the investor or for any reason delay from the Banks / Correspondent banks. Settlement amounts may be subject to bank charges levied by the Unit-holders' own (or a correspondent)bank.





The Fund's Management Body shall recommend to the extraordinary general meeting to dissolve and liquidate the fund for any reason including:

- a) Expiration of its term
- b) Accomplishment of the objective for which the fund was established pursuant to the articles of association and the prospectus.
- c) Reduction of the net asset value (NAV) of the fund to less than RO 500,000
- d) The fund stops carrying out its business without legitimate reason.
- e) Reduction in the net asset value (NAV) to the extent that expenses incurred by the investors are unreasonably high.
- f) On recommendation by the Investment Manager.
- g) On request by CMA.

The general meeting shall issue the resolution to dissolve and liquidate the fund including appointment of liquidator, setting its fees and the liquidation process. The powers of the Fund's Management Body and service providers shall end immediately on appointment of the liquidator.

The proceeds of the liquidation shall be used to discharge the due and payable obligations of the fund, after payment of dissolution and liquidation expenses. The balance shall be distributed to investors on pro rata basis according to their holdings.



# Unit Holders' Rights

The Unit holders jointly hold the assets of the Fund, each holding an indivisible proportionate share, the proportion being equal to the proportion of the total number of Units in issue that is represented by the number of Units each holds.

# All Unit holders shall have the following rights inherent in the ownership of the Units, namely:

- a) The right to receive such profits after expenses as may be derived from the investment activities of the Fund and as may be, within discretion of the Fund's Management Body, distributed to Unit holders from time to time;
- b) The right to share in the distribution of the Fund's assets upon liquidation of the Fund;
- c) The right to inspect the annual balance sheet, profit and loss statement and cash flow statement and the other financial books of accounts and records relating to the Fund;
- d) The right to receive notice of and the right to participate and vote in any meeting of the Unit holders;
- e) The right to apply for the annulment of any decision by a meeting of the Unit holders or the Fund's Management Body or the Investment Manager which is contrary to the law of the Sultanate of Oman or this Prospectus;
- f) The right to institute actions against the Fund's Management Body, the Investment Manager or the Auditors of the Fund on behalf of the Unit holders.
- g) The right to request quarterly, half yearly and yearly financial accounts of the Fund.

Investors who holds at least 5% of the investment units may request the Fund's Management Body to cancel any resolution adopted by the funds management or in the general meeting as the case may be, if such resolution is detrimental to the fund or investors. The request shall be referred to the same body which has issued the resolution, to decide on it.

#### Limit of Liability

Once the issue price has been paid in full, a Unit holder has no further financial liability to any party in respect of the Units or the liabilities of the Fund.

### **Voting Rights**

Each Unit holder has a right to exercise a vote at any meeting of Unit holders. Each Unit will represent one vote.

#### **Accounts and Reports**

The Investment Manager shall, within 60 days of the closing of each financial year, prepare the balance sheet and profit and loss accounts and further statement detailing the main items of revenues and expenditures duly audited by the Independent Auditor. These statements of accounts and reports shall be sent by ordinary mail to each Unit holder within 60 days of the close of each financial year. Quarterly and annually financial statements will be filed with the MSM information centre within 30 days of the end of the relevant quarter and also published in two daily newspapers in Oman, one in Arabic and one in English.



# Register of Unit holders

The Administrator will maintain the Unit holders' Register.

### **Profits & Dividend Distributions**

The Unit holders are entitled to the net returns (profits) realized by the Fund after deducting all liabilities, including fees, expenses and tax. However, the Investment Manager has the discretion to distribute the profits as dividend or reinvest such profits without distributing them to the Unit holders.

The Fund's Management Body may declare dividends, in respect of any financial period, to be paid to Unit holders as per the guidelines of CMA:

## **Dividend Announcements and Payment**

Dividend and distribution announcements will be published in two daily newspapers in Oman, one in English and one in Arabic. The payment will be made within 15 days from the ex date of dividend. Holders of Units may elect in writing to receive a dividend or distribution by cheque or payment by electronic bank transfer, net of bank charges. Unless specified otherwise, payment will normally be made in RO. If requested, payment may be made in any other major currency freely convertible into RO at the prevailing rate of exchange in the local bank in Oman, subject to any applicable charges.



# **General Meeting**

## General Meeting:

- a) The general meeting is the supreme authority of the fund and shall comprise of all unit holders.
- b) Every unit holder or his proxy carrying a written authorization may attend the general meeting and shall have one vote for every investment unit held by him.
- c) The general meeting shall be held in accordance with the articles of association. The extraordinary general meeting may be held if the fund's interest so requires or in accordance with the law or regulation or on request by an investor or more who hold 10% or more of the fund's capital. However, in case of all of the following issues, the extraordinary general meeting shall be convened to consider:
  - 1. Amendment to the articles of association.
  - 2. Change of main investment objectives of the fund.
  - 3. Change in the frequency of calculation of NAV.
  - 4. Reducing the frequency or limits on redemption.
  - 5. Change of the funds status such as a merger, spinoff or conversion or other.
  - 6. Dissolution and liquidation of the fund.
- d) Where the Fund's Management Body fails to convene the general meeting the Investment Manager shall convene it. Notice to attend the general meeting shall not be valid unless it also includes the agenda. Notice to attend the general meeting shall be published, after approval by CMA, in at least two daily newspapers for two consecutive days. The notice shall be sent to the investor by ordinary post or delivered by hand or to his representative after recording his signature, at least two weeks prior to the date of the meeting together with authorization form, agenda, memos and documents to be discussed by the meeting.
- e) The Fund's Management Body shall establish the agenda of the general meeting or it may be established by Investment Manager if the meeting is convened by the Investment Manager. The agenda shall also include proposals by any investor who holds at least 5% of the capital, at least two weeks prior to the date of sending the notice to the unit-holders to attend the meeting.
- f) The general meeting shall not consider any issues that are not included in the agenda.
- g) Investors and proxies who hold all the units of the fund may hold a general meeting without regard to the rules stipulated for such meeting. The meeting may adopt any resolutions within the authority of the general meeting.
- h) The general meeting shall be valid if attended by investors or proxies representing at least 50% of the investment units in case of an ordinary general meeting and at least 60% for extraordinary general meetings. Where the required quorum is not present, a second general meeting shall be called within one month from the date of the first meeting. The notice shall be published in the daily newspapers at least one week prior to the date of the meeting. The second ordinary general meeting shall be valid regardless of the percentage of attendance. The second extraordinary general meeting shall require attendance by investors holding at least 50% of the investment units.



- i) Resolutions of the ordinary general meeting and extraordinary general meetings shall be adopted by absolute majority unless the articles of association of the funds provides for a higher percentage.
- j) The general meeting shall be chaired by the chairman of the Fund's Management Body or its vice chairman and by the Investment Manager if it has called for the general meeting but the chairman and vice chairman are absent. The meeting shall appoint a secretary to record the minutes including deliberations, resolutions and votes. Every investor shall have the right to access the minutes.
- k) CMA may send an observer to attend all general meetings, supervise its procedures and ensure that resolutions are adopted in accordance with the law. The minutes signed by the secretary and approved by the chairman of the meeting, auditor and the legal advisor, shall be filed with CMA within fifteen days from the date of the meeting.



Investor's attention is invited to the following risks which should be considered before arriving at an investment decision in the Fund.

#### Market Risk

The Fund investments are subject to market fluctuations and to the risks inherent in all investments. Therefore, the price of Units may go down as well as up and the value of an investor's investment may be subject to sudden and substantial falls and rises.

However, the Fund will strive to minimize this risk by diversifying its investment across different asset classes and geographical regions.

#### Historical Track Record

The Fund is newly formed and therefore has no operating history or track record. Neither the past performance of Vision's discretionary portfolios, nor the investment performance of the Investment Manager, nor the past performance of the GCC and Regional stock markets may be construed as an indication of the future results of an investment in the Fund and its Units.

However, Vision has substantial experience in investment management and investment advisory services in the local and international markets. Vision has been managing substantial investments for its clients since the last ten years.

#### Political and Economic Risks

The value of Units and the income generated by the Fund may be affected by uncertainties such as political developments, changes in government policies, taxation and interest rates, currency repatriation and other political and economic developments in law and regulations and, in particular, the risks of expropriation, nationalization and confiscation of assets and changes in legislation relating to the level of foreign ownership.

However, Vision will be considering the above risk factors while arriving at an investment decision for the Fund.

#### Illiquidity of Investments

GCC and the regional markets are relatively less liquid when compared with developed markets.

However, the Fund will attempt to focus on the more liquid stocks in these markets, but there can be no guarantee that this objective can be achieved at all times. Furthermore, overall liquidity has improved dramatically in the regional markets over the last few years due to the shift in focus to regional markets from the international markets.

#### **Accounting Practice**

Accounting standards in the countries where the Fund may invest may not correspond to International Financial Reporting Standards in all material respects. In addition, auditing requirements and standards in those countries may differ from those generally accepted in the international capital markets and consequently information which would be available to investors in developed capital markets is not always obtainable in respect of companies in the relevant jurisdictions.

However, the Fund will strive to obtain maximum information before deciding on any investment.



### Legal Risk

The rate of legislative change in certain of the countries where the Fund may invest is extremely rapid and the impact of the proposed legislation when eventually adopted into law is difficult or impossible to predict. Such proposed legislation may have an adverse effect on foreign investment. It is similarly difficult to anticipate the impact of legislative reforms on securities in which the Fund will invest.

However, given the recent positive measures taken by the regional governments to encourage private and international investment, any adverse change in the regulation seems unlikely.

#### **Taxation**

Tax law and practice in countries in which the Fund may invest is not as clearly established as that of the developed nations. It is possible therefore that the current interpretation of the law or understanding of practice may change or, indeed, that the law may be changed with retrospective effect. Accordingly, it is possible that the Fund could become subject to taxation in the countries in which the Fund may invest that is not anticipated when investments are made, valued or disposed off.

## **Exchange and Currency Risk**

The Fund expects to invest primarily in securities denominated in RO or currencies whose value will not fluctuate against the RO but some investments will be denominated in other currencies. Accordingly, a change in the value of the RO against the relevant currencies can result in a corresponding change in the Net Asset Value. Changes in exchange control regulations and economic or monetary policies can also impact the Net Asset Value. The Fund's Management Body does not intend to hedge foreign exchange risk and, accordingly, investors will bear the risk of any adverse movements in the local currencies/foreign exchange rate.

However, since most of the regional currencies are under a fixed rate peg vis-à-vis the US dollar, the intercurrency fluctuation risk is minimized.

#### **Custody and Foreign Investor Regulations**

The Fund may be unable to obtain direct exposure to securities in certain of the target countries (other than Oman) or be able to obtain direct exposure only at a cost that the Fund's Management Body considers unreasonable in light of the costs of indirect exposure. In such circumstances the Fund may obtain exposure through a debt or other liability of a bank or financial institution (which may include the Custodian) the size of which will depend on the value of an identified portfolio of securities. In these circumstances the Fund may be at risk in the event of the insolvency of the bank or financial institution.

However, the Investment Manager and the Fund's Management Body will take this factor into account when considering whether to approve any such arrangement for indirect exposure to securities.

## Borrowing

The Fund's Management Body has the power to borrow, subject to the restrictions in Chapter 6, under unforeseen circumstances and as a temporary arrangement, not more than 10 percent of the Net Asset Value of the Fund, to meet expenses and dividend payments. The use of borrowing creates special risks and may materially increase the Fund's investment risk. Interest costs decrease gains and increase losses. The use of borrowings increases the Fund's exposure to market fluctuations and creates the possibility that where the investments depreciate the Fund's overall loss may be greater than the sum invested (net of borrowings). In the event of an extreme and rapid fall in the market prices of the investments in the Fund's portfolio, the financial covenants in the agreements under which the Fund is borrowing money may be triggered, which could result in the Fund being required to sell investments in a falling market to meet its obligations to its lenders, with one result being a potentially rapid fall in the Net Asset Value and the realizable value of the Units.

However, since the fund proposes to resort to borrowing only as a temporary arrangement, it is not envisaged that it will hold the borrowing for long and is expected to repay the borrowing at the earliest possible opportunity.



## I. Vision Focused Fund(Under Formation)

The members of the Fund Management Body of Vision Focused Fund (under formation) jointly and severally hereby confirm that:

- 1. The information provided in this Prospectus is complete, correct and sound and reasonable. Care has been taken so as to avoid omission of any important facts or information that would have made the expressions in the Prospectus misleading
- 2. To abide by all the provisions set out in the Capital Market Law and the applicable regulations. On behalf of the Fund Management Body:

	Name	Signature
1.	Mohammed Abdul Hafiez	
2.	Muntadhar Hassan Al-Lawati	



# II. Issue Manager: Vision Investment Services Co. SAOC

Pursuant to our responsibilities under the Capital Market Law, the executive regulations thereof, and the directives issued by CMA, we have reviewed all the relevant documents and other material required for the preparation of the Prospectus.

The Sponsor shall bear the responsibility with regard to correctness of the information contained in the Prospectus, and it has confirmed not to have omitted any material information from it, omission of which would have made the Prospectus misleading.

We confirm that we have taken the due diligence required by our profession with regards to the Prospectus which was prepared under our supervision. Based on the reviews and discussion with the Sponsor we confirm the following:

- 1. We have taken reasonable due diligence to ensure the information given to us by the Sponsor and included in the Prospectus is conformant with the facts in the documents and other material of the offering.
- 2. To the best of our knowledge and from the available information, the Sponsor had not omitted any material information, the omission of which would render the Prospectus misleading.
- 3. The Prospectus and the offering to which it relates is conformant with all the rules and terms of disclosure stipulated for in the Capital Market Law as amended, the Executive Regulation of the Capital Market Law and they conform to the Commercial Companies Law and the directives and decisions issued in this regard.
- 4. The information contained in this Prospectus in Arabic (and the unofficial translation into English thereof) is true, sound and adequate to assist the investor to take the decision as to whether or not to invest in the securities offered.

Sd/-

Issue Manager

Vision Investment Services Co. SAOC



# III. Legal Advisor

The legal advisor whose name appears below, hereby confirms that all the procedures taken for the offering of the Fund's units referred to in the prospectus are in line with the laws and legislations related to the activities of the Fund, the Capital Market Law and the regulation and directives issued pursuant to them and the Articles of Association of the Fund, and that the Fund has obtained all the consents and approvals of the official authorities required to carry out the activities the subject matter of the Prospectus.

Sd/-Legal Advisor Rajab Al-Kathiri & Associates