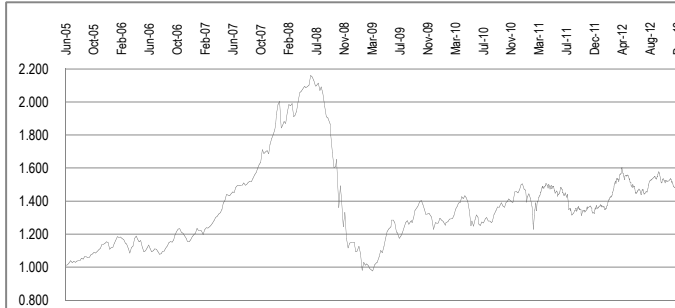


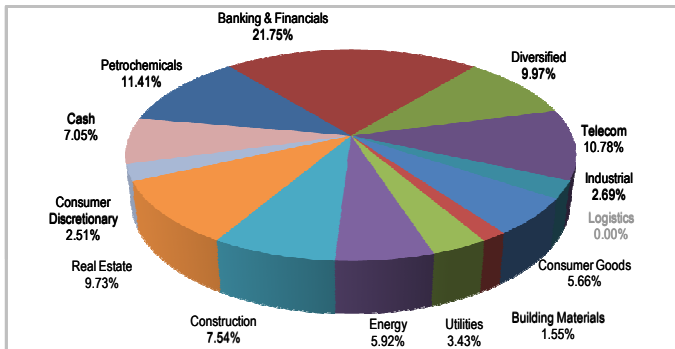
**Fund Objective**

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.

**NAV Chart**



**Sector Holding**

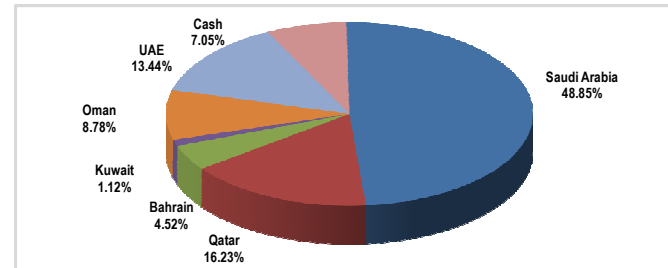


NAV: RO. 0.831	{ 2.16 USD}
<b>** Adjusted NAV: RO. 1.531</b>	<b>{ 3.98 USD}</b>
(** Adjusted for bonus & dividends, assuming dividends are reinvested)	

**Fund Information**

Fund type	Open Ended
Lipper ID	65044199
Bloomberg ID	VSEMGCC OM
Global Custodian	National Bank Of Oman
Administrator	Vision Investment Services Co. SAOC
Auditors	PricewaterhouseCoopers
Date of Inception	May 19, 2005
YTD Returns	11.52%
Annualized Sharpe Ratio	0.17
Annualized Standard Deviation	17.94%
Highest Monthly Return	10.86% (December 2007)
Least Monthly Return	-24.75% (October 2008)
Dividend Paid For 2006	8.00% (April 2006)
Dividend Paid For 2007	8.00% (March 2007)
Bonus Paid For 2008	60% (March 2008)

**Countrywise Allocation**



	Sharpe Ratio	Standard Deviation	Returns since 2-Jun-05	Returns YTD 2012	December 2012 Returns
VEGF	0.17	17.94%	51.30%	11.52%	3.21%
S & P GCC	-0.38	22.40%	-41.80%	3.18%	2.20%
S & P KWT	-0.16	23.41%	-17.97%	-3.03%	-2.26%
S & P Oman	0.01	20.82%	17.20%	-4.28%	4.38%
S & P Qatar	-0.05	25.34%	-3.81%	-1.99%	-0.62%
S & P UAE	-0.36	32.09%	-62.94%	23.77%	1.43%
S & P Bahrain	#N/A	#N/A	-49.83%	-4.30%	4.41%
S & P Saudi	-0.23	29.95%	-43.18%	4.39%	3.90%

**Top 5 Holdings**

Scrip	Country	% Exposure
Qatar Fuel Co	Qatar	5.92%
Etihad Etisalat	Saudi Arabia	5.05%
STC	Saudi Arabia	4.19%
Saudi Basic Industries	Saudi Arabia	4.12%
Industries Qatar	Qatar	3.83%

**VEGF Historical Performance**

1 Year	3 Year	Since Inception
11.52%	20.76%	51.30%

**Manager Report**

The global markets were stable in the month of December compared to an otherwise volatile 11 month period ending November 2012. The month started on a positive note with the manufacturing PMI Index of China continuing to remain over and above the 50 mark level for November. The global markets were optimistic on the US lawmakers to agree on a deal to handle the Fiscal Cliff. Additional steps for extending liquidity to Greece kept the global markets afloat. The Fund witnessed a positive return of 11.5% in 2012.

The global markets ended the year 2012 on a positive note with most of the major indices posting double-digit annual growth rate. Central banks continued to provide support with low interest rates and increasingly innovative quantitative easing measures. The US ended the year on a positive note compared to other developed countries despite the GDP growing below the market expectation at 2.2%. Brent Crude was stable and range-bound throughout the year while Gold was up 7.1%. During the month, Brent Crude ended the month flat at USD 111.1 per barrel while Light sweet crude gained 2.6%. Brent crude, on an average traded at USD 108.7 a barrel. Gold declined by 2.3% during the month but was up 9.7% in 2012.

The regional bourses were mixed during the month with Saudi and Oman surging by 4.1%. The regional heavy weight, Saudi Tadawul All Share Index was one of the best performing markets in the region. All the 15 sectors witnessed positive movement with market heavyweights, Petrochemicals and Banking sectors gaining 5.3% and 1.7% respectively. Multi Investment and Media & Publishing sectors witnessed the highest upside movement of 12.9% and 8.4% respectively while Agriculture & Food Industries sector, Insurance and banking sectors were laggards in the Tadawul index with a positive return of 0.1%, 1.7% and 1.7% respectively. The Saudi index was up 6.0% in 2012.

The Qatar exchange dropped for the second consecutive month in December. The DSM market fell 0.5% in December after falling 0.1% and 1.4% in November. Insurance sector rose by 2.27% while Industrial sector was up by 1.1%. Banking & Financial Services fell the most by 1.6% while Transportation sector dropped 1.1%. The Qatar Exchange dropped 4.8% for the year 2012 after posting positive returns of 1.1% in 2011.

In December, the UAE indices were mixed as Abu Dhabi declined by 1.6% while Dubai was up by 0.9%. The Dubai index continued to be the best performing market in the region for the year 2012, up by 19.9%. Abu Dhabi index was up 9.5% in 2012. In Abu Dhabi, Energy, Banking and Investment & Financial Services sectors were the best performing sectors, up by 6.5%, 3.8% and 2.3% respectively while the other sectors traded negative. The Kuwait Index fell by 0.16% in December after surging 3.1% in November. Oman's MSM 30 Index rose by 4.1% on attractive valuation and positive outlook on 2013 Annual budget. Bahrain was up 1.6% for the month and down by 6.8% during the year.

The outlook for the GCC economies remains positive in the long term. Leveraging on high oil price to fund infrastructure development and social welfare schemes is expected to create more jobs and further improve economic activities in the short and medium term. We opine the expansionary budget in the past couple of years in the form of social welfare schemes and subsidies will bear fruits and spur growth in the coming years. The slowdown in the developed economies especially in the Euro region shall decelerate the growth momentum in the emerging markets including the GCC bourses. The Fund wishes its investors a very Happy and Prosperous 2013. The Fund continues to follow a research driven policy of investing and remains optimistic on the way forward.