



Bank Muscat Al Tharwa Fund

Frequently Asked Questions (FAQs)

What is Bank Muscat Al Tharwa Fund?

A new, open-ended mutual fund registered with the Financial Services Authority (FSA) of Oman. The primary objective of the Fund is to generate regular income and capital appreciation by investing in a diversified portfolio of equity and fixed income instruments in the GCC and international markets.

- The Fund is managed by the Bank Muscat Asset Management team, which has a track record of almost 30 years in managing equity and fixed income investments.

How does the Fund operate?

- The fund raises money from multiple investors and then invests the total amount as per the investment objectives of the fund in various equity and fixed income securities as per the desired asset allocation plan. The returns generated through these investments are shared with the investors in the form of regular dividends and capital appreciation reflected in the value of their holdings in the fund.
- The fund is open for subscription by investors from 1st of September 2024 to 12th of September 2024 i.e. the initial subscription period at a price of 101 baiza per unit (including 1 baiza per unit as issue expenses). Thereafter, the fund shall remain open for receiving regular subscriptions from 26th of September 2024 onwards, however, the value per unit may change based on the performance of the underlying investment portfolio of the fund thereafter.
- The value of each unit of the Fund (i.e., net asset value) shall be published daily on the websites of the Muscat Stock Exchange and Bank Muscat, effective 26th September 2024. Investors in the Fund with Bank Muscat accounts may also track the value of their investments through the Bank Muscat Internet Banking platform.

What are the benefits of investing in this Fund?

- Equity and Fixed Income; The Fund is unique and first of its kind offering in the Sultanate where it provides a comprehensive solution to investors through a single offering with the objectives of capital growth and regular income distribution.
- Diversification & reduced volatility Exposure to equity securities provides growth component in the portfolio while fixed income securities generate regular income by way of coupons.
- The design of the fund enables regular rebalancing of the allocation to equities and fixed income securities, and provides an inbuilt advantage of diversification for investors during changing market conditions.
- Regular distributions of dividends will provide investors with steady cashflows.
- Convenience and low cost: Investors can invest small amounts of money, either as a lumpsum amount or as monthly instalments during the continuous offer period. Mutual funds are cost-effective as they remove trading costs resulting from frequent rebalancing of positions.



What are the benefits of investing during the initial subscription period?

- Investors subscribing during the initial offering period (i.e. 1st of September – 12th of September 2024) benefit from investing at a NAV of 101 baiza per unit, including the initial issue expenses of 1 baiza per unit.
- Investors who decide to invest after the initial offer period may purchase units at the prevailing NAVs, which could change depending on market conditions. Additionally, a subscription fee of 1% will apply to investments after the initial offer period.

What should I consider when choosing this Fund?

- Investment in the Bank Muscat Al Tharwa Fund should be based on medium to long-term horizon and form a portion of your investment corpus, depending on your investment goals.
- Evaluation of your investment decision based on the amount of risk you are willing to take, the period of time you plan to invest, and when you intend to withdraw the amount.
- Please refer to the Fund's Prospectus for further details.

Which index is the fund benchmarked to?

- The benchmark for the Fund is an equal combination of the MSCI World Index & the Bloomberg Global Aggregate Bond Index.
- The Fund is benchmarked to a combination of these two indices as the portfolio will have exposure to both equity and fixed income asset classes.

What are the returns?

An investor can expect to benefit from the following:

- The initial amount invested grows over time leading to capital appreciation.
- Regular dividends on the investment.

As this is a new fund, historic performance is not yet available.

*Please note that returns are not guaranteed and that past performance is not necessarily indicative of future performance.

What is the allocation to each asset class?

The maximum limits for allocation to various asset classes are given in the table below:

Equity Securities or equivalent	Up to 75%
Fixed Income Securities or equivalent	Up to 75%
Cash and Cash equivalents	Up to 25%



When can I invest and when can I get the value of my investment back?

- The Fund is open-ended, and an investment can be made on any business day during the offer period and post commencement of the continuous offer period. Being an open-ended fund, investors may redeem their units anytime through Internet Banking or by the forms to the nearest branch, during the continuous offer period which would commence post allotment of units to investors. There is no redemption fee for the fund withdrawals.

What is the minimum amount I can invest?

- The minimum investment required is OMR 50 and in multiples of OMR 50 thereafter.

What is a Systematic Investment Plan (SIP)?

- The SIP is a method of monthly investments in the Fund through a fixed standing order. The minimum amount of investment is OMR 50 per month. For monthly standing orders, the customer can choose either the 1st or the 15th of every calendar month for making a subscription through the SIP. The SIP option will be available during the continuous offer period.

What is the fee structure of the Fund?

- The Fund carries the following fees:

Management Fee	1.25% per annum.
Performance Fee	10% above a hurdle rate of 7% in a calendar year.
Subscription Fee	1% payable on invested amount during the Continuous Offer Period.
Redemption Fee	None.

Do I need to have an account with Bank Muscat to invest in this Fund?

- Having a Bank Muscat account is not a prerequisite condition to invest in the bank's mutual funds.
- Non-Bank Muscat customers can invest in the Fund by submitting a physical application form with the subscription amount (through account transfer), KYC documents, and bank statements for the prior 6 months.
- For SIP, you can set up a monthly standing order from your bank account to transfer the funds to the Fund accounts*. Bear in mind that your bank may charge you for the standing orders. Hence it is advisable to open an account with Bank Muscat to avoid these fees.

What do I need to start investing?

- Initial offer period subscriptions in the Fund are available through Internet Banking only for Bank Muscat customers. For other customers, please visit your nearest Bank Muscat / Meethaq branch and submit the form along the amount (through account transfer).
- A completed Fund Subscription Form in case of SIP mode of subscription (during the continuous offer period only).
- A copy of the National ID card in case of Omani investors, and a copy of the resident ID and passport in case of non-Omani investors.



What are the conditions of subscriptions and redemptions?

Subscription can be done during the initial offer period as stated above. During the continuous offer period, subscriptions and redemptions are available every business day, subject to the following:

- If we receive your application before 11 am, the investor shall receive the NAV for that Business Day. Please note that this NAV will be published only the next day.
- For applications received after 11 am, the next Business Day's NAV will be applied.
- Redemption requests can be made during the continuous offer period (i.e. after 26th September 2024) onwards through Internet Banking for Bank Muscat customers or by submitting a completed form at the nearest Bank Muscat branch.

What does NAV stand for?

- NAV stands for Net Asset Value, the value of each unit in the Fund. The NAV determines the value of your investment. NAV is calculated after the closure of markets each day.
- NAV is calculated on a daily basis and is published the following business day by 10 am. You can find the latest information on the Fund's NAV either through Bank Muscat and the MSX websites.

We are available to help you further with any questions you may still have. Please feel free to visit your nearest branch or [click here](#) for details of the fund. Interested investors can also contact us at: assetmanagement@bankmuscat.com

Disclaimer: This document is for information purposes only and does not constitute an offer or solicitation to purchase or sell units in the Bank Muscat Al Tharwa Fund. Past performance is not necessarily indicative of future performance. Investment in mutual funds is subject to market risks. Investors should carefully read and understand details mentioned in the prospectus before investing.