



NBAD UAE Growth Fund

as at 26th January 2012

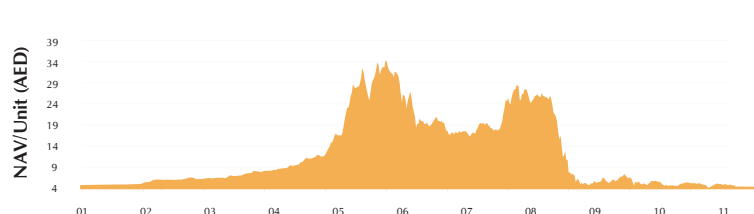
Fund Objective

The Fund's primary/main objective is to invest in a balanced portfolio of UAE Equities, whether listed on the Abu Dhabi or Dubai Financial Markets or, where appropriate, purchased through the 'over the counter' arrangements, and other related securities including third party collective investment schemes, with a view to achieving capital growth.

Fund Performance

	UGF	Benchmark	Relative
1 Month	2.48%	2.55%	-0.07%
3 Months	5.01%	-0.63%	5.64%
6 Months	-5.46%	-10.10%	4.64%
1 Year	-11.01%	-12.95%	1.94%
Year to Date	2.48%	2.55%	-0.07%

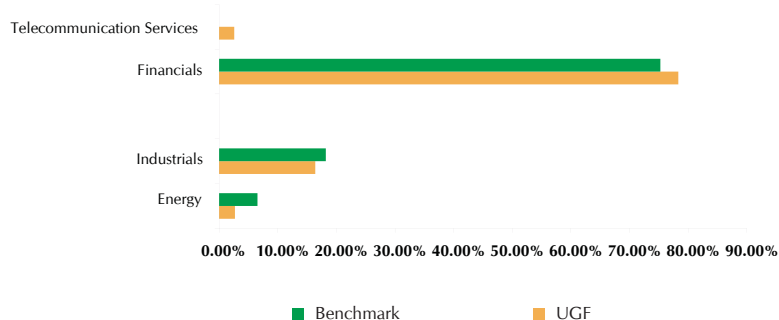
Growth since inception



Market Commentary

ECB expect euro area economic activity to recover, albeit very gradually, in the course of 2012 supported by developments in global demand, very low short-term interest rates and government measures taken to support the functioning of the financial sector. Substantial downside risk continues to exist in the euro area resolution of the Greek debt situation will be a crucial for market sentiment. FED announcement to hold low interest rates until 2014 aims to achieve its dual mandate of job creation and price stability. We believe a combination of easier monetary policy and improving growth prospects will continue to drive positive momentum. Quarterly data patterns point to a slightly stronger second half of the year as compared with the first half as forecasted annualized GDP is expected to rise from 1.9% in first half to 2.1% in the H2. Even so the pace of economic growth is below long term historical average. January witnessed a very strongest rally for Asian markets and the momentum for earnings cuts is decelerating for EM stocks. We believe H2 to be better as the market will start discounting expected earnings growth recovery in 2013 and beyond. Sentiment is likely to remain positive as inflation concerns subside and Central Bank's put interest rate hikes on hold or reverse earlier hikes. EM should continue to drive global demand for most commodity products and we see upside potential for precious and industrial metals. The risk to the upside remains for oil given the supply constraints, improving demand and geo-political tensions. WTI crude oil price remained flattish during the month (As of Jan 31, WTI crude stood at USD 98/bbl). MENA market started the year on positive note; Egypt continues to be the best performing market for the year up by close to 30% followed by Dubai and Saudi up by 9% & 5% respectively. Qatar continues to be laggard, but we continue to have an overall positive view as higher energy cost and strong fundamentals will continue to drive growth in the medium term. Qatar banking sector continues to witness strong loan, deposit and asset growth. In UAE, due to decline in deposits, net loans to deposits increased to 102% up from 98% in December 2010. Overall credit growth in the system is still missing. The decline in profitability of UAE banks was mainly due to higher provisioning. In Saudi, credit growth has gradually picked up particularly in the corporate sector and liquidity in the banking system remains high. We expect to see low double digit sector loan growth in 2012 given the current run rate. Q4 results for the petrochemical sector were below the market expectation. Lower chemical pricing during the quarter along with high feedstock costs were the main reason behind these weak results. For the real estate sector, January was an excellent month after a dismal performance in 2011. The real estate and construction sector across the region turned positive in the first month of 2012 supported by positive optimism created by recovery of global markets. Real estate and construction sectors stocks outperformed the broader Index in the region. UGF fund return for January was 2.48% against a return of 2.55% for the S&P UAE Large Mid Cap Index. The fund holds sector overweight positions in telecom, while having underweight positions in energy and financial sectors. During the month the fund was negatively impacted by Mashreq Bank, and ADCB, while underweight position in Dana Gas and Bank of Sharjah added positively to performance.

Sector Allocation



Fund Details

Fund type: Open ended

Currency: UAE Dirham

Benchmark: S&P UAE Composite Large Mid cap Index

Inception date: 31.10.2000

Manager: Asset Management Group - NBAD

Custodian: National Bank of Abu Dhabi

Auditors: KPMG

Issue price: AED 5, price adjusted to (2:1 split in April 6, 2006)

Minimum subscription: AED 10,000 & multiples of AED 1,000 thereafter

Management fees: 2% p.a.

Performance fees: 10% on the increase in the Fund's NAV above the "hurdle rate" of 2.5% per quarter over the last highest NAV of the Fund on which performance fees have been charged.

Fund Manager's Name: Mr. Saleem Khokhar

Inquiries: Call 02 - 410 5566/13, or visit www.nbad-amg.com

Top 5 Holdings (Listed Alphabetically)

DP World
Emaar Properties PJSC
First Gulf Bank PJSC
Mashreq Bank PSC
National Bank of Abu Dhabi PJSC

Total Assets & Unit Price

(in AED)	26 January 2012
Unit Price	4.6067
Total Assets (million)	111.25
Equity (million)	111.16

Disclaimer: A collective investment fund authorized by the Central Bank of the UAE. Past performance is not indicative of future performance. The value of investments can go down as well as up and the investor may not get back all of the initial investment. There is no guarantee for the performance during the investment period. It is recommended that every investor seeks independent financial advice about the risks involved before considering investing. NBAD is licensed by the Central Bank of the UAE.



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