



The First Mazoon Fund

The First Mazoon Fund JIA

P O Box 974, Ruwi, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790 612

April 2010
155th Month

Objectives

The primary objective of the fund is to achieve capital appreciation through a diversified portfolio of equity and Bond investments in public companies listed at GCC Markets and Mena region.

**Winner of
Lipper Fund Award
-2010**



Fund Details

| | |
|-------------------------|----------------------------------|
| Manager | Gulf Baader Capital Markets SAOC |
| Custodian | HSBC Bank Middle East, Oman |
| Launch Date | June 10, 1997 |
| Auditors | Horwath Mak Ghazali LLC |
| Current Size | RO 4.529 million |
| Units outstanding | 4,193,913 |
| Type | Open-ended |
| Subscription/redemption | Daily |
| Valuation date | Daily |
| Entry Fee | 2% |
| Management fee | 1.4% per annum |
| Performance fee | 10% |
| Hurdle rate | 10% |
| Redemption Fee | 1% < 1 year |
| NAV/Unit | RO 1.080 |

FMF –Winner of Lipper Fund Award – 5 Year GCC Equity

FMF –2nd Best Performer in 2009 among GCC Conventional Funds
(Source: Markaz)

FMF –Best Performer for 2009 in Oman among GCC Funds

FMF –Best Performer among 3 & 5 year category among GCC Funds
(Source: zawya)

| Performance | | | |
|-----------------|---------|------------|--------------|
| | FMF | MSCI (GCC) | MSM 30 Index |
| For the month | 1.79% | 0.56% | 1.98% |
| YTD | 10.71% | 13.25% | 7.25% |
| 1 year | 30.84% | 29.81% | 33.17% |
| 3 year | 30.16% | -18.52% | 17.86% |
| 5 year | 62.94% | na | 46.12% |
| Since inception | 206.38% | na | 80.99% |

Percentage Monthly Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|--------|--------|--------|
| 1997 | | | | | | | | | 21.0% | 3.1% | 1.2% | 3.8% | 22.9% |
| 1998 | 3.1% | -5.3% | -18.1% | -4.2% | -8.6% | -10.2% | -8.6% | -17.2% | 4.4% | -4.2% | -4.9% | -16.1% | -54.6% |
| 1999 | 16.7% | -10.2% | -8.5% | 13.6% | -4.4% | 8.8% | 16.2% | -1.6% | -2.5% | -4.7% | -3.6% | -5.1% | 7.9% |
| 2000 | 2.3% | -2.6% | 4.6% | -1.6% | -2.8% | -5.6% | -1.6% | -3.2% | 0.9% | -3.9% | 10.1% | -2.4% | -5.3% |
| 2001 | -2.9% | 2.1% | 3.8% | 0.0% | -0.7% | 0.7% | 1.5% | -0.2% | -3.2% | -1.3% | -1.6% | 1.8% | -0.2% |
| 2002 | 5.6% | -0.2% | 6.6% | 6.0% | 5.8% | 2.3% | -0.5% | -2.3% | -1.8% | 0.5% | 2.2% | 2.1% | 22.8% |
| 2003 | -0.7% | -0.3% | 4.6% | 7.0% | 0.6% | 3.7% | 7.0% | 0.8% | -0.1% | -0.1% | 1.9% | 1.6% | 23.9% |
| 2004 | 5.2% | 1.9% | 0.0% | 7.3% | 8.6% | 6.7% | 0.1% | -1.1% | 3.2% | 0.7% | -1.4% | 2.2% | 32.8% |
| 2005 | 6.7% | 1.7% | 15.7% | 9.6% | 2.9% | 8.8% | -0.7% | -1.1% | -2.4% | -2.42 | -2.78 | 1.87% | 42.1% |
| 2006 | 10.3% | -5.7% | 3.76% | -2.12% | -6.34% | 0.27% | -2.27% | 7.64% | 6.40% | 4.05% | -6.02% | 2.0% | 11% |
| 2007 | 2.93% | -0.32% | 1.44% | 3.34% | 3.23% | 2.33% | 2.27% | 2.61% | 3.89% | 8.91% | 6.48% | 9.12% | 57.6% |
| 2008 | -0.28% | 9.41% | 0.73% | 8.8% | 2.18% | -0.11% | -4.6% | -8.12% | -10.25% | -20.91% | -3.18% | -10.8% | -33.9% |
| 2009 | -6.16% | -2.22% | 2.73% | 9.63% | 6.77% | 0.38% | 3.77% | 6.27% | 4.36% | -1.15% | -0.83% | -2.26% | 22.09% |
| 2010 | 0.15% | 3.00% | 5.43% | 1.79% | | | | | | | | | 10.71% |

Market Review and Outlook

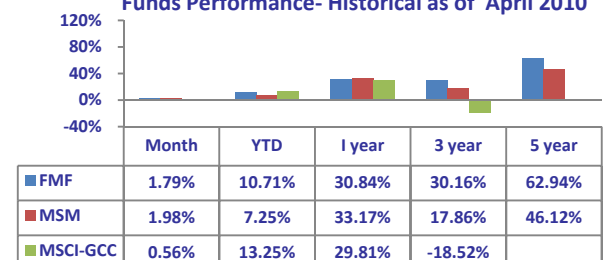
The Corporate sector results were in limelight during the month of April amidst worries in Eurozone. During the month MSCI GCC Index ended up by 0.56% with gains in Saudi, Qatar, Oman and Bahrain. UAE markets have remained volatile during April and lost some of its gains recorded in the previous month. On YTD basis, all GCC markets except UAE's DFM have ended with gains. Saudi equities have outperformed in the region with 12.2% gain (YTD) by end of April, followed by Bahrain with gain of 9.2%, Qatar with gain of 8.5% and Oman with gain of 7.3%.

Among earning releases, core performances of banking sector were seen stabilizing with marginal pickup in credit off take. In Industry, petrochemical sector got benefits of healthy realizations and activity were seen focused on companies with capacity addition plans. Corporate sector sentiments have improved in the region with strengthening of crude prices and improvement in demand conditions. With clarity from Q1 performances, portfolio adjustment is expected before the upcoming summer season. We remain positive on Saudi, Qatar and Oman equities which provide opportunities with attractive valuations and have a selective approach for Kuwait and UAE equities.

Dividend

| Financial Year ended | Cash | Stock |
|----------------------|------|-------|
| 2009 | 5% | 15% |
| 2007 | 10% | 15% |
| 2006 | 5% | 5% |
| 2005 | 10% | 25% |
| 2004 | 14% | 14% |

Funds Performance- Historical as of April 2010



Fund Review for the 155th Month

The NAV was RO 1.080 at the end of April' 10 and was up 10.71% on YTD basis as against the MSCI (GCC) return of 13.25% and MSM30 Index gain of 7.25%. The average NAV during the month was RO 1.075. A total of 46,349 units were subscribed and there were no redemption during the month. The total number of units now stands at 4,193,913. The net asset value now stands at RO 4,528,705 from the month's opening value of RO 4,400,034.

TOP 5 Holdings

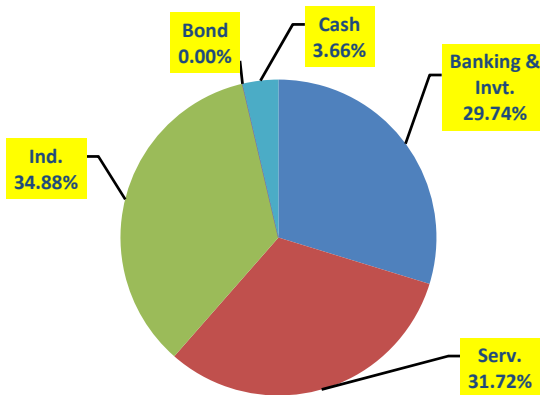
| TOP 5 Holdings | % |
|-----------------------|------|
| Bank Muscat | 8.46 |
| SABIC | 8.28 |
| Oman Cement | 6.43 |
| Renaissance Services | 5.91 |
| National Bank of Oman | 5.35 |

Past Three years

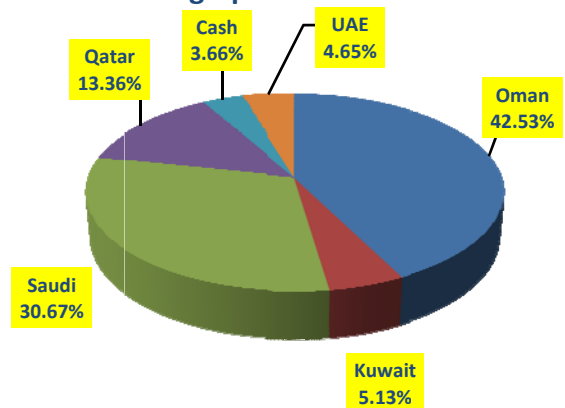
| | FMF | MSM | FMF | MSCI (GCC) |
|---|--------|--------|--------|------------|
| Average Monthly Return | 0.94% | 0.80% | 0.94% | -0.20% |
| Monthly Maximum loss | -20.9% | -26.9% | -20.9% | -21.9% |
| Month of Maximum loss | Oct-08 | Oct-08 | Oct-08 | Oct-08 |
| Annualized Return | 9.2% | 5.6% | 9.2% | -6.6% |
| Annualized Volatility | 22.2% | 28.1% | 22.2% | 29.5% |
| % of winning months (against benchmark) | 48.6% | na | 68.6% | na |
| % of gained months | 65.7% | 74.3% | 65.7% | 51.4% |
| YTD | 10.73% | 7.25% | 10.73% | 13.25% |
| Beta | 0.72 | na | 0.57 | na |
| Sharpe (RF 4.5%) | 0.21 | 0.04 | 0.21 | (0.38) |
| Information ratio | 0.16 | na | 0.71 | na |
| Alpha | 3.9% | na | 11.0% | na |

Asset Allocations:

Sectoral Allocation

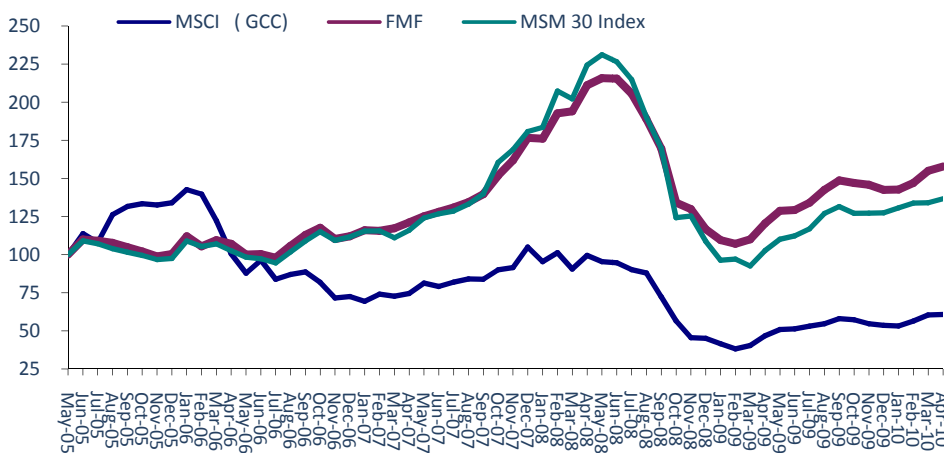


Geographical Allocation



Performance

FMF Vs Indices Comparison



Contact Details:

Mr. Sankar Kailasam
SVP- Asset Management
Tel: +968 24790 614 Ext – 526
Gsm: +968 99887207
Email: sankar@gbcmoman.net

Mr. Khalid Al Khatib
Asst. Manager-Asset Management
Tel: +968 24790 614 Ext – 539
Gsm: +968 99525218
Email:
Khalid.AIKhatib@gbcmoman.net

Mr. Raghavendran J.G
Manager-Fund Administration
Tel: +968 24790 614 Ext – 528
Gsm: +968 99898150
Email: raghu@gbcmoman.net

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Investment Manager



الخليجية بادر لأسواق المال ش.م.ع.م.
GULF BAADER CAPITAL MARKETS S.A.O.C.

P.O.Box 974, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790612

E-mail: invest@fmfoman.net