



The First Mazoon Fund

The First Mazoon Fund JIA

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Aug 2010
159th 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 4.116 million
Units outstanding	4,202,739
Type	Open-ended
Subscription/redemption	Daily
Valuation date	Daily
Entry Fee	Upto 2%
Management fee	1.4% per annum
Performance fee	10%
Hurdle rate	10%
Redemption Fee	1% < 1 year
NAV/Unit	RO 0.979

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

FMF –Best Performer in risk adjusted return among GCC conventional funds for 3 year category. (source:Markaz)

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

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

Performance			
	FMF	MSCI (GCC)	MSM 30 Index
For the month	-0.44%	-0.20%	-0.60%
YTD	0.42%	2.26%	-1.76%
1 year	0.40%	0.36%	-1.39%
3 year	6.48%	-34.75%	-5.92%
5 year	32.76%	-56.55%	20.49%
Since inception	177.84%	na	65.79%

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%	-10.37%	-1.76%	3.44%	-0.44%					0.42%

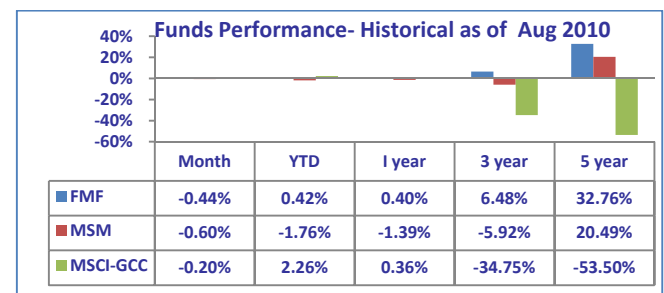
Market Review and Outlook

The month of August was marked by lackluster volumes all across the region. On the return front Qatar, Kuwait and Bahrain posted gains while Oman, Saudi and UAE posted losses. The MSCI (GCC) index declined by 0.2% amidst low participation from local as well as foreign investors. The regional market trend was marred by the international markets which showed signs of nervousness owing to lack of encouraging data from the USA and downgrades of European banks. China too posted declining trade volumes showing signs of slowdown.

On the regional front there were few disturbing news as that of Sovereign Downgrade of Bahrain by Moodys' and possible desperate selloff of Dubai world assets. We believe, the proposal of Dubai world would ultimately be accepted by the banks and investors would take a fresh look at their risk level to re-enter the market. Kuwait market was boosted by the news on a probable Government backing for a development plan loan. While the market posted smart gains on the news we feel there is still room for catchup with its peers. Oman is likely to witness the IPO of the second telecom provider Nawras with an issue size of RO 200 million. This may keep the market in check and might see fresh buying post issue. We continue to maintain our positive outlook on Saudi and Qatar equities, while remain selective on UAE, Oman and Kuwait.

Dividend

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



Fund Review for the 159th Month

The NAV was RO 0.979 at the end of Aug' 10 and is up 0.42% on YTD basis as against the MSCI (GCC) gain of 2.26% and MSM30 Index loss of -1.76%. The average NAV during the month was RO 0.985. A total of 81 units were redeemed and there were no subscription during the month. The total number of units now stands at 4,202,739. The net asset value now stands at RO 4,116,232 from the month's opening value of RO 4,134,611.

TOP 5 Holdings

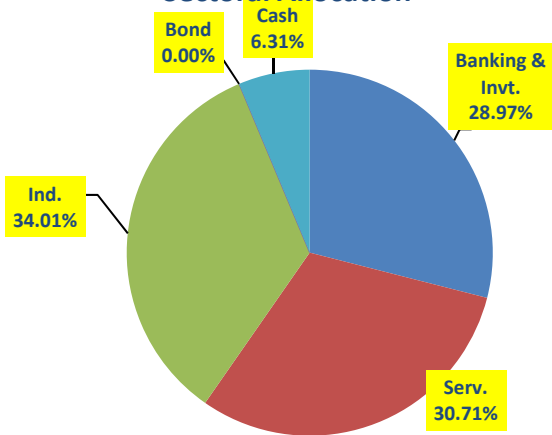
	%
Saudi Basic Ind. corp	9.45
National Bank of Oman	5.60
Bank Muscat	5.38
Renaissance Services	4.84
Al Rajhi Bank	4.77

Past Five years

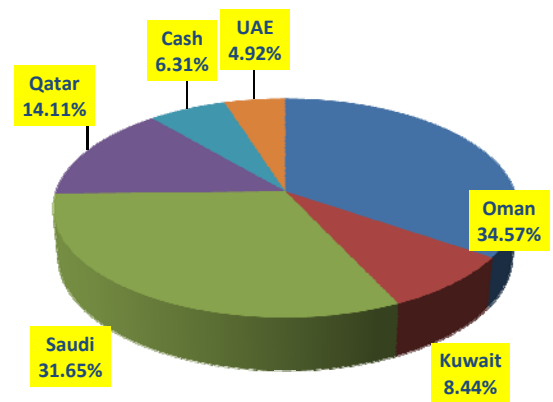
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.65%	0.56%	0.65%	-1.04%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	5.8%	3.8%	5.8%	-15.4%
Annualized Volatility	20.3%	24.0%	20.3%	28.1%
% of winning months (against benchmark)	45.8%	na	66.1%	na
% of gained months	59.3%	62.7%	59.3%	49.2%
YTD	0.42%	-1.76%	0.42%	2.26%
Beta	0.78	na	0.47	na
Sharpe (RF 4.5%)	0.07	(0.03)	0.07	(0.71)
Information ratio	0.10	na	1.04	na
Alpha	1.9%	na	10.7%	na

Asset Allocations:

Sectoral Allocation

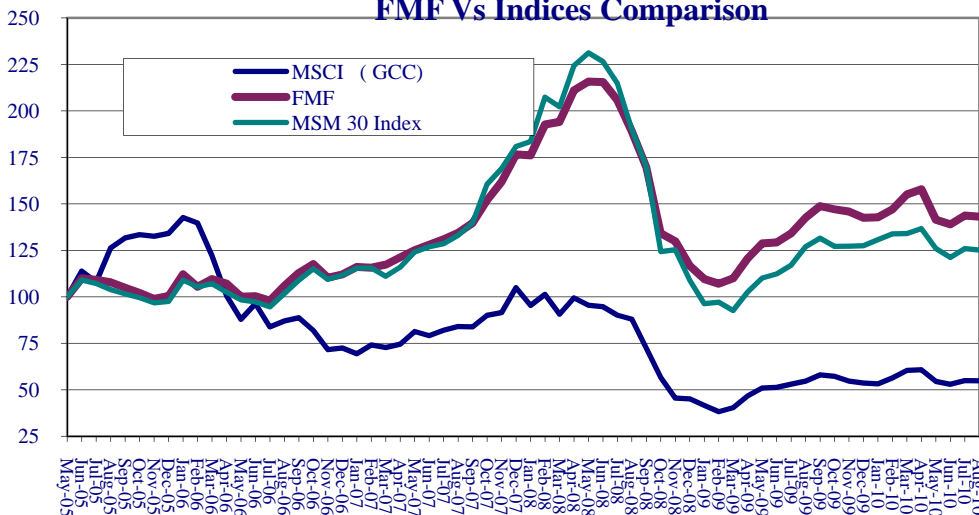


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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