



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

**August 2009**  
**147<sup>th</sup> 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.

## Fund Details

<b>Manager</b>	Gulf Baader Capital Markets SAOC
<b>Custodian</b>	HSBC Bank Middle East, Oman
<b>Launch Date</b>	June 10, 1997
<b>Auditors</b>	Horwath Mak Ghazali LLC
<b>Current Size</b>	RO 4.25million
<b>Units outstanding</b>	3,638,637
<b>Type</b>	Open-ended
<b>Subscription/redemption</b>	Daily
<b>Valuation date</b>	Daily
<b>Entry Fee</b>	2%
<b>Management fee</b>	1.4% per annum
<b>Performance fee</b>	10%
<b>Hurdle rate</b>	10%
<b>Redemption Fee</b>	1% < 1 year
<b>NAV/Unit</b>	RO 1.170

## Performance

	FMF	MSCI (GCC)	MSM 30 Index
<b>For the month</b>	6.27%	3.01%	8.53%
<b>YTD</b>	22.13%	21.07%	16.61%
<b>1 year</b>	-24.56%	-37.90%	-33.17%
<b>3 year</b>	34.72%	-37.19%	24.67%
<b>5 year</b>	124.74%	na	85.84%
<b>Since inception</b>	176.73%	na	68.13%

## Dividend Paid

Financial Year ended	Cash	Stock
<b>2004</b>	14%	14%
<b>2005</b>	10%	25%
<b>2006</b>	5%	5%
<b>2007</b>	10%	15%

## Percentage Monthly Returns

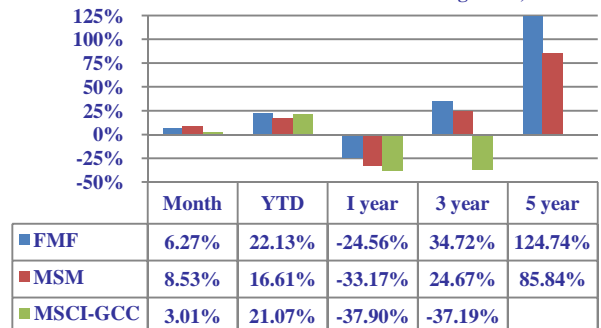
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>1997</b>									21.0%	3.1%	1.2%	3.8%	22.9%
<b>1998</b>	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
<b>1999</b>	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
<b>2000</b>	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%	-2.4%	-5.3%
<b>2001</b>	-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%
<b>2002</b>	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%
<b>2003</b>	-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%
<b>2004</b>	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%
<b>2005</b>	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%
<b>2006</b>	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%
<b>2007</b>	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%
<b>2008</b>	-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%
<b>2009</b>	-6.16%	-2.22%	2.73%	9.63%	6.77%	0.38%	3.77%	6.27%					22.13%

## Market Review and Outlook

The global markets were upbeat with the emergence of signals of economic recovery. The positive sentiments led to entry of investors with increased risk appetite to enter the regional markets. This lifted most of the regional indices for the month of August'09. The Saudi Arabian Tadawul was the lone loser this month owing to summer impact and the fear of fall out on the Al Gosaibi – Saad Dispute. Oman led the region with a gain of 8.5% followed by Qatar and UAE of 6.1% and 5.3% respectively. Kuwait and Bahrain though witnessed low volume gained by a nominal 3% and 1% respectively. The later part of the month saw nervousness in the markets across the globe owing to China taking measures to check the pace of growth in credit market. This impacted the commodity markets particularly Oil. October contract of Brent Crude lost 3.5% for the month.

Going forward the expectation of the 3rd quarter results are going to play the key role. The industry sector is likely to find its favour among investors where the topline risk is beginning to diminish. Select banking stocks are likely to stand out as the lending pace has started increasing in few markets in the GCC region. Qatar and Saudi Arabian markets are likely to outperform the other markets owing to certain event triggers that are awaited.

Funds Performance- Historical as of August 31, 2009



## TOP 5 Holdings

	%
Bank Muscat	8.66
Omantel	8.21
Oman Cement	7.80
Renaissance Services	5.43
Saudi Basic Industries Corp. (SABIC)	4.92

## Fund Review for the 147<sup>th</sup> Month

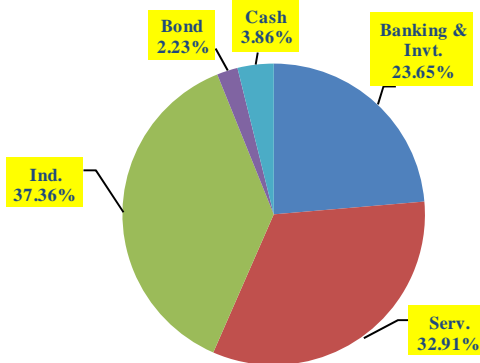
The NAV was RO 1.170 at the end of the month and was up 22.13% on YTD basis as against the MSM30 Index gain of 16.61% and regional markets represented by MSCI (GCC) return of 21.07%. The average NAV during the month was RO 1.139. A total of 51,580 units were subscribed and 16,577 units were redeemed during the month. The total number of units now stands at 3,638,637. The net asset has now improved to RO 4,257,811 from the beginning of the month of RO 3,967,548.

### Past Three years

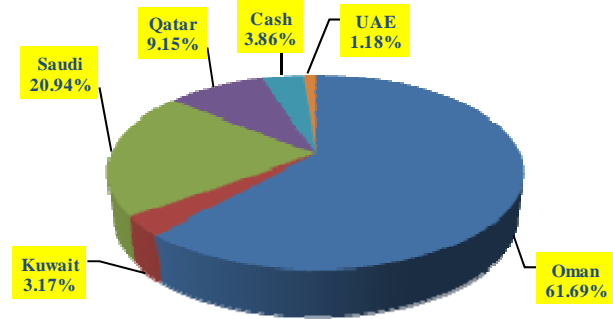
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	1.05%	0.97%	<b>1.05%</b>	-0.90%
Monthly Maximum loss	-20.9%	-26.9%	<b>-20.9%</b>	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	8.1%	5.2%	<b>8.1%</b>	-14.9%
Annualized Volatility	22.6%	28.7%	<b>22.6%</b>	30.2%
% of winning months (against benchmark)	42.9%	na	<b>77.1%</b>	na
% of gained months	68.6%	71.4%	<b>68.6%</b>	51.4%
YTD	22.1%	16.6%	<b>22.1%</b>	21.1%
Beta	0.72	na	<b>0.52</b>	na
Sharpe (RF 4.5%)	0.16	0.03	0.16	(0.64)
Information ratio	0.13	na	1.02	na
Alpha	3.1%	na	<b>13.7%</b>	na

### Asset Allocations:

#### Sectoral Allocation

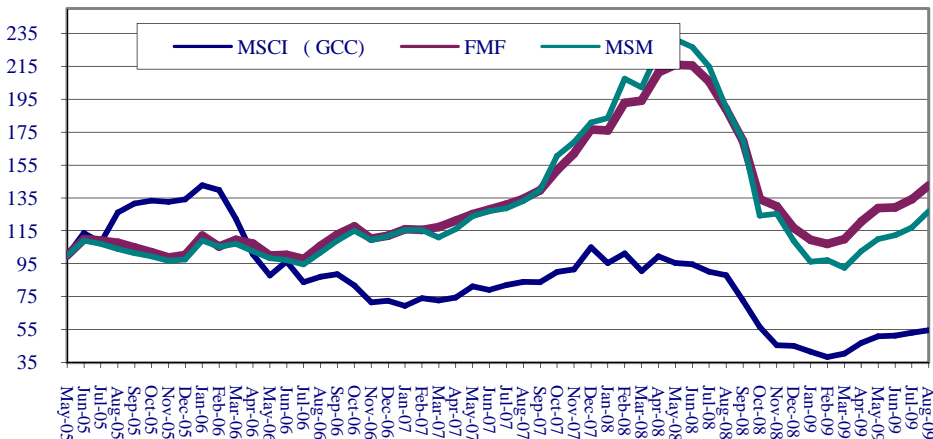


#### Geographical Allocation



### 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](mailto: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](mailto:Khalid.AIKhatib@gbcmoman.net)

Mr. P.P.A.Venkateshwaran  
Manager-Fund Administration  
Tel: +968 24790 614 Ext – 528  
Gsm: +968 99811248  
Email: [venkat@gbcmoman.net](mailto:venkat@gbcmoman.net)

Disclaimer: This document has been prepared and issued for informational and illustration purpose only on the basis of publicly available information, internally developed data and other sources believed to be reliable. While all care has been taken to ensure that the facts stated are accurate and the opinions given are reasonable, neither Gulf Baader Capital Markets S.A.O.C nor any employee shall be in anyway responsible for the contents of this report. Past performance of the Fund as illustrated herein is not a guarantee of future returns. This is not an offer to buy or sell the investments referred therein.

#### 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: [fmf@gbcmoman.net](mailto:fmf@gbcmoman.net)