



The First Mazoon Fund

The First Mazoon Fund JIA

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Aug 2011
171st 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

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 3,969 million
Units outstanding	4,482,221
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 0.885

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
For the month	-4.32%	-4.68%	-0.70%
YTD	-11.78%	-11.33%	-14.62%
1 Year	-0.27%	-1.14%	-7.82%
3 year	-24.46%	-40.69%	-39.25%
5 year	34.90%	-42.89%	13.32%
Since inception	177.10%	na	52.82%

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%	5.25%	2.30%	0.43%	4.91%	13.91%
2011	-2.58%	-8.61%	6.06%	4.34%	-3.30%	-1.60%	-1.66%	-4.32%					-11.78%

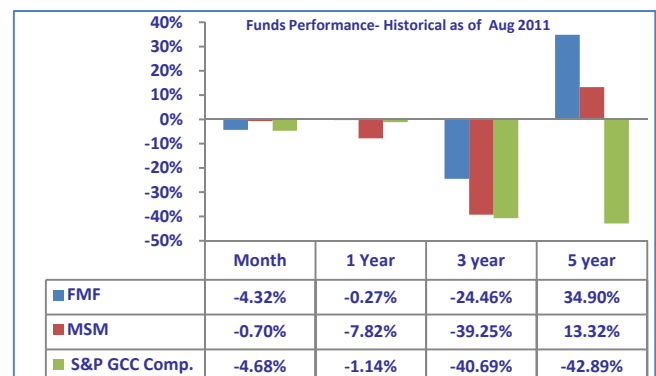
Market Review and Outlook

The month of Ramadan had its impact on the markets too, with lots of participants keeping a low profile, or abstaining from trading activities. Again, the turbulence that remained in Developed markets of Europe and North America had their ripples felt in Middle East, which made even the local/regional players stay away from the market for a while. Saudi was the worst performing market for the month with a decline of about 6.5% led by concerns of global recession and falling oil prices. Kuwait and Bahrain were down by about 4.0% and 2.6% respectively. UAE (DFM) closed lower by 1.7% for the month. The other markets UAE (ADX), Oman and Qatar too closed on a negative note declining by 0.1%, 0.7% and 0.6% respectively.

The heartening upward momentum that was witnessed towards the last few trading sessions in August could continue if institutional interest remains in index pivots which were battered down to very low valuations during the sell-off phase. However, world economy refuses to give any comfort for the region in terms of any fresh fund-flows or any debt crisis resolutions, which are eagerly awaited by investors. Though the fundamentals of the region remain intact the foreign investors risk aversion is likely to keep the market in check for short term.

Dividend

Financial Year ended	Cash	Stock
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%
2005	10%	25%
2004	14%	14%



Fund Review for the 171st Month

The NAV was RO 0.885 as at the end of Aug' 11 declined by 4.32% for the month as against the S&P GCC Composite Index loss of 4.7% and MSM30 Index loss of 0.7%. The average NAV per unit during the month was RO 0.888 after adjusting for dividends of 5% cash and 5% stock. There were no subscription or redemption for the month. The total number of units now stands at 4,482,221. The net asset value now stands at RO 4 mln from the month's opening value of RO 4.15 million.

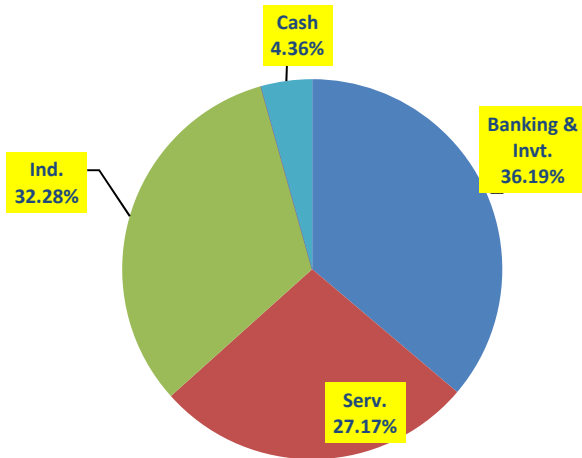
TOP 5 Holdings

	%
Saudi Basic Ind. corp	9.5
Bank Muscat	5.3
Al Rajhi Banking Corp	4.5
National Bank of Kuwait	4.1
National Bank of Oman	4.0

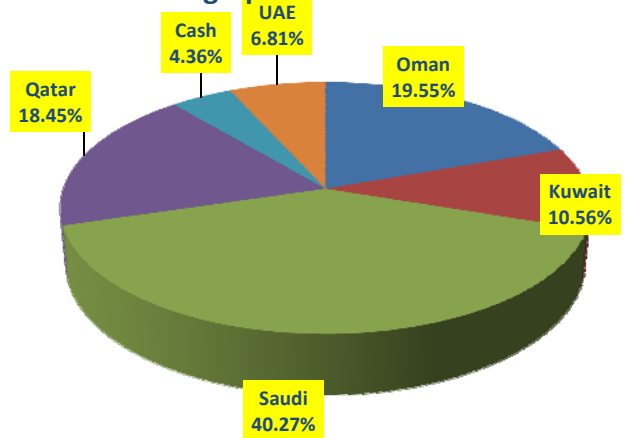
	Past Five years			
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.67%	0.45%	0.67%	-0.67%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	6.2%	2.5%	6.2%	-10.6%
Annualized Volatility	19.8%	23.6%	19.8%	24.7%
% of winning months (against benchmark)	49.2%	na	66.1%	na
% of gained months	61.0%	67.8%	61.0%	44.1%
YTD	-11.78%	-14.62%	-11.78%	-11.33%
Beta	0.76	na	0.63	na
Sharpe (RF 4.5%)	0.08	(0.08)	0.08	(0.61)
Information ratio	0.18	na	0.85	na
Alpha	3.2%	na	11.1%	na

Asset Allocations:

Sectoral Allocation

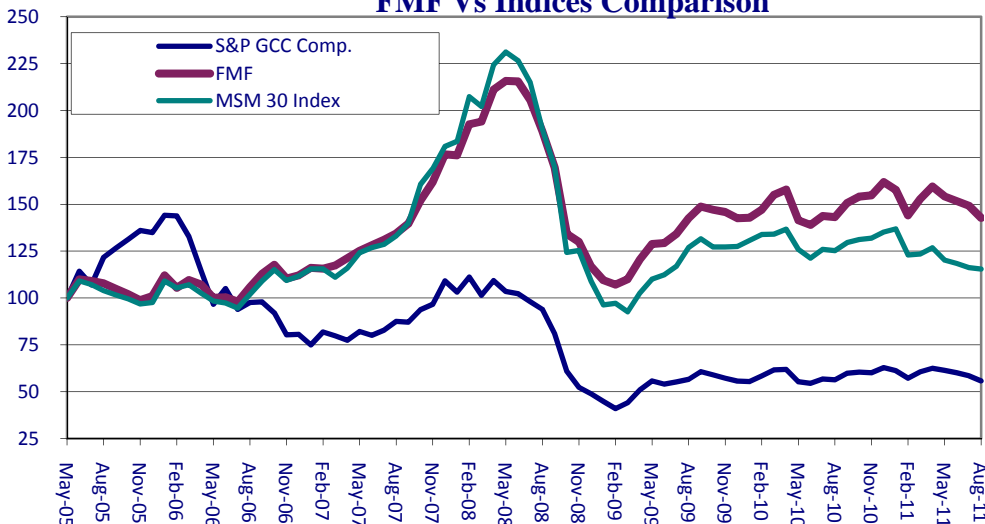


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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