



The First Mazoon Fund

The First Mazoon Fund JIA

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December 2013

199th 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	Gulf Custody Company
Launch Date	June 10, 1997
Auditors	Moorestephens
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 1.252

Your Gateway to GCC Markets

	FMF	S&P GCC Comp.
MTD	3.63%	3.38%
1 Year	32.51%	25.01%
3 year	24.79%	18.39%
5 year	72.98%	52.43%
Since Inception	291.96%	na

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%	-0.03%	2.19%	-2.53%	3.22%	-9.33%
2012	0.54%	8.37%	3.33%	-1.42%	-6.43%	-3.54%	0.76%	3.13%	-0.99%	0.36%	-2.37%	2.84%	3.86%
2013	5.47%	-0.39%	2.42%	3.87%	4.99%	-1.48%	6.63%	-2.03%	1.36%	2.00%	2.42%	3.59%	32.51%

Market Review and Outlook

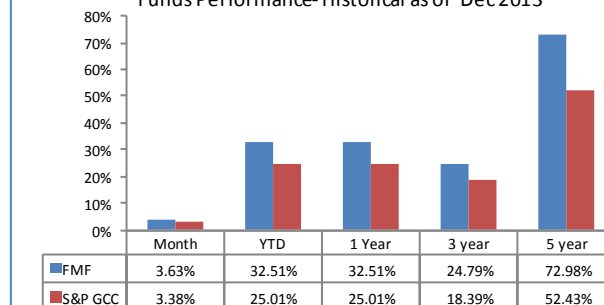
GCC markets continued to move higher during the last month of 2013, with the S&P GCC Index gaining by 3.4% to give a cumulative gain of 25% during 2013. During the month, US Fed finally announced an expected but lesser than anticipated reduction of \$10bn in its bond buying program - beginning 2014; resulting in a sustained positive momentum for the markets. Foreign investors across GCC continued to build further positions in liquid markets like Dubai and Abu Dhabi markets, which saw huge gains of 14.4% and 11.4% respectively, while other markets gained between 2-3%. Kuwait continued to be a laggard with a loss of 2.1%.

Outlook for January 2014 - The GCC stock markets has been largely correlated with the oil prices. A combination of increasing supply and subdued world economic growth in 2014 could entail high risk of subdued oil prices in the coming months. Hence, specific themes like capacity expansion, Qatar/UAE emerging status upgrade along with defensive plays like high dividend yields/low valuations could govern our portfolio composition in 2014. In the meanwhile, we would actively be looking forward to the yearly result and dividend plays in 2013 for short term gains.

Dividend

Financial Year ended	Cash	Stock
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%

Funds Performance- Historical as of Dec'2013



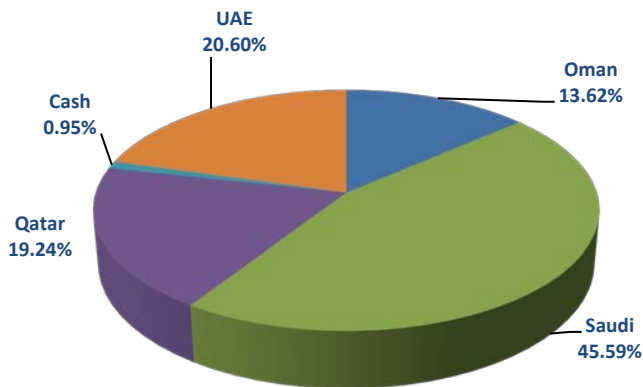
Fund Review for the 199th Month

The NAV was RO 1.252 as at the end of December '13 and increased by about 3.6% for the month as against the S&P GCC Composite Index which increased by 3.4%. The average NAV per unit during the month was **RO 1.229**. The fund has outperformed the S&P GCC by 7.5% thereby increasing the lead that it has established over years.

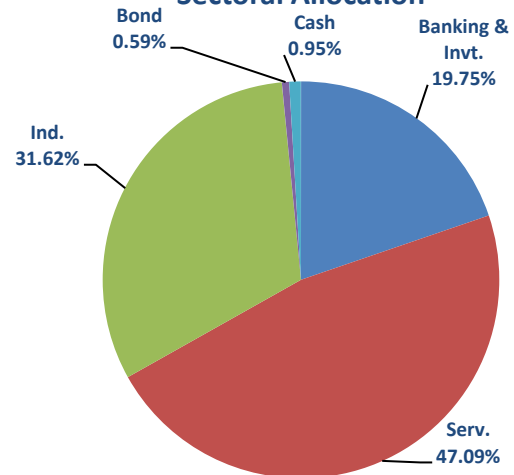
TOP 5 Holdings	%
SABIC	4.09
Qatar Navigation	3.91
Rak Ceramic	3.68
Emaar Properties	3.67
Etihad Etisalat	3.54

Particulars	FMF	S&P GCC Comp.
Average Monthly Return	1.00%	0.81%
Monthly Maximum loss	-10.4%	-10.6%
Month of Maximum loss	May-10	May-10
Annualized Return	11.58%	8.8%
Annualized Volatility	13.8%	15.9%
% of winning months (against benchmark)	58.3%	na
% of gained months	60.0%	55.9%
YTD	32.51%	25.01%
Beta	0.83	na
Sharpe (RF 4.5%)	0.51	0.27
Information ratio	0.20	na
Alpha	3.5%	na

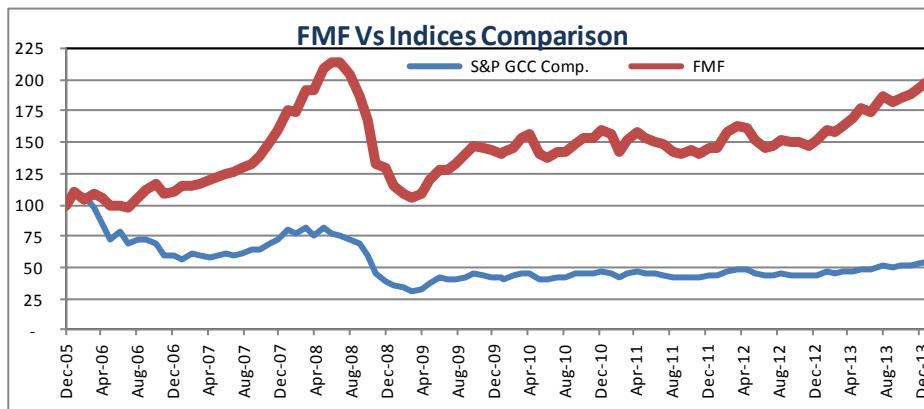
Geographical Allocation



Sectoral Allocation



Performance



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Investment Manager



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