



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

Dec 2014
211th 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 1.127
Net Asset	R.O 8.8 Million

Your Gateway to GCC Markets

	FMF	S&P GCC Comp.
MTD	-3.12%	-4.42%
1 Year	6.81%	-2.52%
3 year	46.65%	25.74%
5 year	50.96%	30.22%
Since Inception	317.69%	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%
2014	7.40%	3.05%	2.94%	4.48%	1.09%	-3.07%	4.69%	5.01%	-2.24%	-4.74%	-7.67%	-3.12%	6.81%

Market Review and Outlook

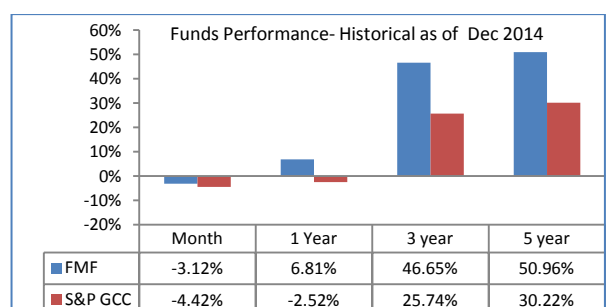
Review for December 2015 – The steep drop in oil prices continued during December'2014. Likewise, the GCC Index which saw a further drop of more than 4.4% in December, though it did rally a bit later in the month. Overall, the S&P GCC index closed at 115.6 for 2014, or a negative 2.5% for 2014. Some regional governments have announced budgets and as expected the policymakers are looking to rationalize expenditures. Notably, UAE has already announced some increase in electricity and water tariff rate while Bahrain and Oman have announced increase in natural gas prices for industrial use.

Outlook for January 2015

Post oil price collapse, the valuations have come down to reasonable levels. The composite GCC PE multiple equates to around 15x on 2014 earnings and 1.7x on a price to book value basis. The average dividend yield for the GCC region remains around 3.8%. Given that the fall in oil prices has been steep, it will require some period to consolidate before the damage can be fully repaired. Going forward, 2015 will likely witness the opening up of Saudi Arabian stockmarket to foreigners. This is likely to be a structural event and likely to buoy the regional stockmarkets.

Dividend

Financial Year ended	Cash	Stock
2013	10%	10%
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%
2005	10%	25%
2004	14%	14%



Fund Review for the 211th Month

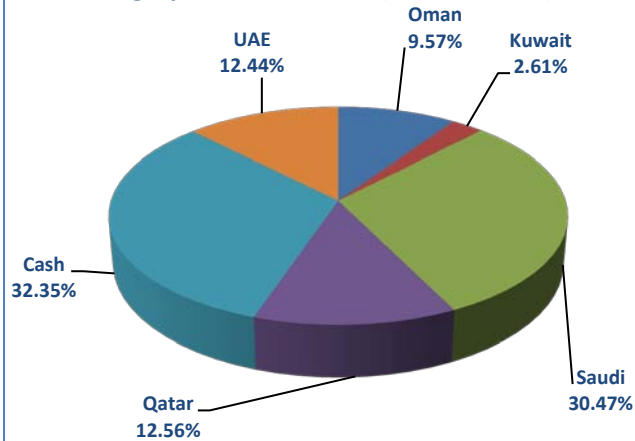
The NAV was RO 1.127 as at the end of Dec'14 and decreased by about 3.12% for the month as against S&P GCC Index which decreased by 4.42%. During the same period, the MSM Index was lower by 2.50%. The average NAV per unit during the month was **RO 1.128**.

TOP 5 Holdings	%
Air Arabia	5.05
Bank Muscat	3.96
SABIC	3.79
Qatar Electricity	3.68
Union Nat. Bank	3.34

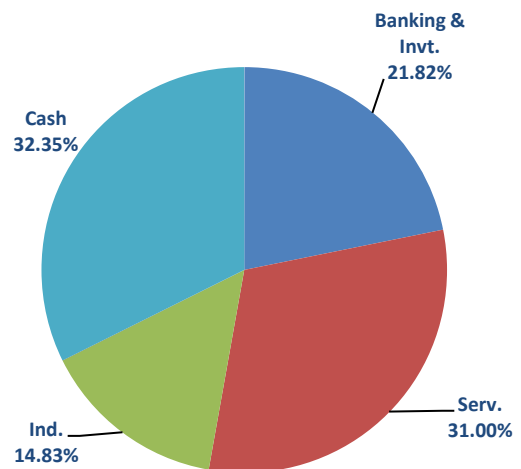
Comparison over the Past Five Years

Particulars	FMF	S&P GCC Comp.
Average Monthly Return	0.77%	0.53%
Monthly Maximum loss	-10.4%	-10.9%
Month of Maximum loss	May-10	Nov-14
Annualized Return	8.59%	5.4%
Annualized Volatility	13.8%	14.6%
% of winning months (against benchmark)	56.7%	na
% of gained months	60.0%	56.7%
YTD	6.81%	-2.52%
Beta	0.91	na
Sharpe (RF 4.5%)	0.30	0.06
Information ratio	0.23	na
Alpha	3.2%	na

Geographical Allocation (GCC & Oman)

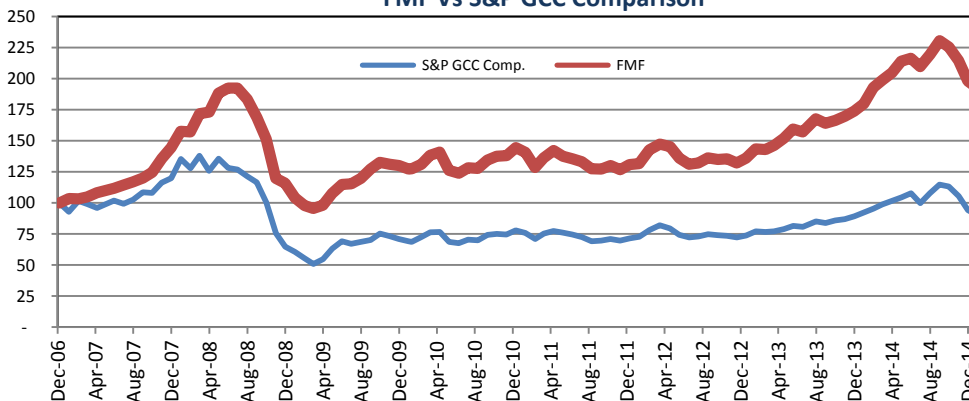


Sectoral Allocation (GCC & Oman)



Performance

FMF Vs S&P GCC Comparison



Contact Details:

Mr. Rohit Chawdhry
SVP- Asset Management
Tel: +968 24790 614 Ext – 526
Gsm: +968 94197314
Email: rohit@gbcmoman.net

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