



The First Mazoon Fund

The First Mazoon Fund JIA

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Dec 2011
175th 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 4,284 million
Units outstanding	4,707,333
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 0.910

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
For the month	3.22%	2.83%	5.07%
YTD	-9.33%	-8.22%	-15.69%
3 year	25.70%	18.17%	4.67%
5 year	30.96%	-28.47%	2.03%
Since inception	184.82%	na	50.91%

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%

Market Review and Outlook

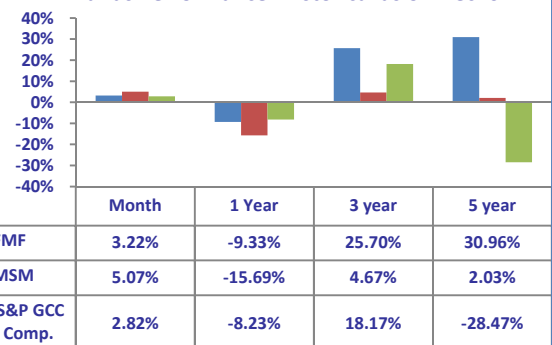
The hopes of potential approach towards a solution in Euro region, higher oil prices and dividend announcements in the month of December boosted the sentiments in the regional markets. The momentum pleasantly surprised market participants as domestic institutions played major role. The possible opening up of the Saudi market to the foreign investors was also one of the key factor to incite interest.

Outlook for 2012: Market momentum is expected to continue as we enter the results season during the later half of January. Region's expansionary budget, primarily towards infrastructure and social development is likely to augur well for the respective markets. The region is expected to grow by over 4% in real terms for the coming year despite possible slowdown in key developed economies. Such economic growth, combined with rise in employment, salaries, etc. should boost well for the regional corporate sector in the coming year. We opine that the aggregate corporate growth in 2012 is expected to be over 13% compared to less than 10% in 2011. The growth in the corporate earning coupled with opening up of the Saudi market to the foreigners and Qatar and UAE attaining emerging market status would be key drivers for attracting inflows into the regional markets.

Dividend

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

Funds Performance- Historical as of Dec2011



Fund Review for the 175th Month

The NAV was RO 0.910 as at the end of Dec' 11 increased by 3.2% for the month as against the S&P GCC Composite Index gain of 2.8% and MSM30 Index gain of 5.1%. The average NAV per unit during the month was RO 0.901 after adjusting for dividends of 5% cash and 5% stock. There were no subscription or redemption of units for the month. The total number of units now stands at 4,707,333. The net asset value stands higher at RO 4.28 mln.

TOP 5 Holdings

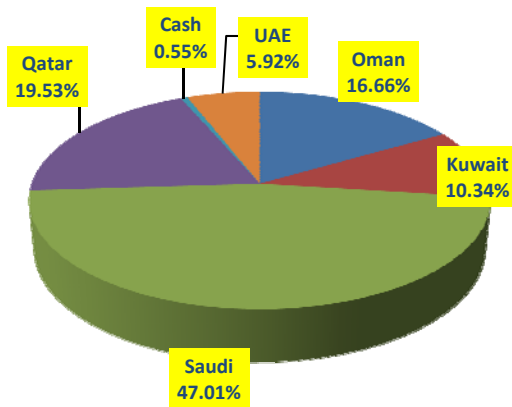
	%
Saudi Basic Ind. corp	9.17
Al Rajhi Banking Corp	5.79
Bank Muscat	5.36
Qatar National Bank	4.64
National Bank of Kuwait	3.93

Past Five years

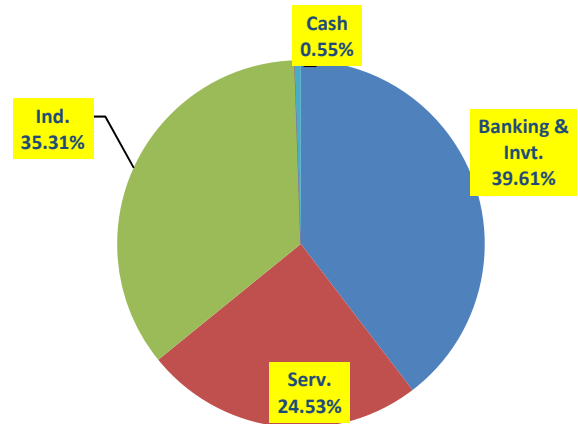
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.61%	0.27%	0.61%	-0.31%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	5.5%	0.4%	5.5%	-6.5%
Annualized Volatility	19.4%	23.3%	19.4%	24.0%
% of winning months (against benchmark)	54.2%	na	62.7%	na
% of gained months	59.3%	64.4%	59.3%	45.8%
YTD	-9.33%	-15.69%	-9.33%	-8.22%
Beta	0.75	na	0.66	na
Sharpe (RF 4.5%)	0.05	(0.18)	0.05	(0.46)
Information ratio	0.27	na	0.62	na
Alpha	4.1%	na	8.2%	na

Asset Allocations:

Geographical Allocation

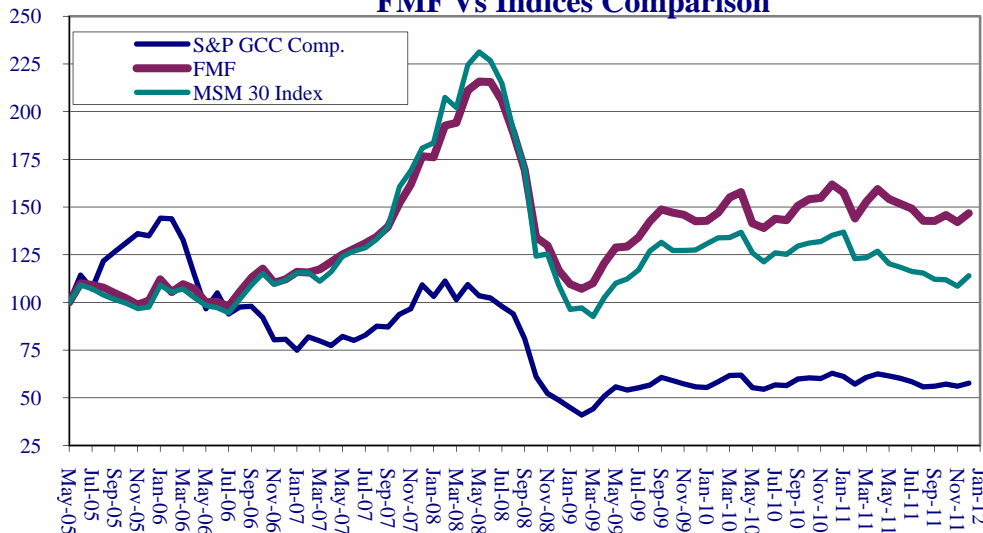


Sectoral Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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