



The First Mazoon Fund

The First Mazoon Fund JIA

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February 2014
201th 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 1.383 |

Your Gateway to GCC Markets

| | FMF | S&P GCC Comp. |
|-----------------|---------|---------------|
| MTD | 3.05% | 3.65% |
| YTD | 10.67% | 7.17% |
| 1 Year | 39.27% | 29.05% |
| 3 year | 54.74% | 39.43% |
| 5 year | 108.18% | 94.76% |
| Since Inception | 332.81% | 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% | | | | | | | | | | | 10.67% |

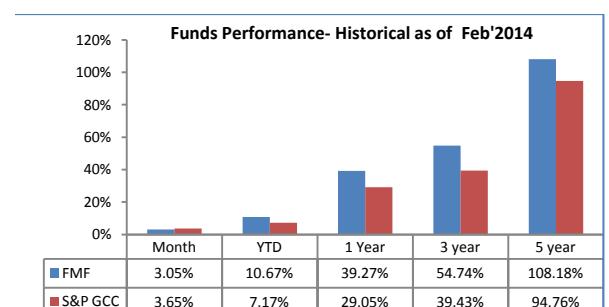
Market Review and Outlook

All the stocks markets in GCC gained during the month of February with the S&P GCC Index gaining by 3.65% to close at 127 levels. The new Fed chairman assuring investors that it's flexible in its bond purchase and rates should continue to stay low propped up markets during initial fortnight. However, with mixed set of 4Q'2013 numbers announced amongst GCC companies, markets like Saudi along with Bahrain & Abu Dhabi continued to improve throughout the month, while others stagnated. Overall, Dubai continued with another remarkable gain of 11.94% for the month, followed by Bahrain, Abudhabi, Qatar with 5% to 6% gain. Saudi came lower at 4%, while others remained around 1% mark.

Outlook for March 2014 - The markets could likely see increased volatility in coming weeks as dividend adjustments along with significant re-rating in certain markets could see profit-taking by retail investors. Moreover, external events like Russia approach towards Ukraine along with how quickly GCC countries resolve their differences with Qatar could likely affect investor sentiments in the coming month. On positive side, OPEC has forecasted an increased oil demand for the world economy on increasing supply in the initial two months of 2014. This could bode well for higher GDP growth rates amongst GCC nations and infrastructure related companies in particular. Hence, we will continuously monitor and rebalance our portfolio in the coming month.

Dividend

| Financial Year ended | Cash | Stock |
|----------------------|------|-------|
| 2013(sub-AGM) | 10% | 10% |
| 2010 | 5% | 5% |
| 2009 | 5% | 15% |
| 2007 | 10% | 15% |
| 2006 | 5% | 5% |
| 2005 | 10% | 25% |
| 2004 | 14% | 14% |



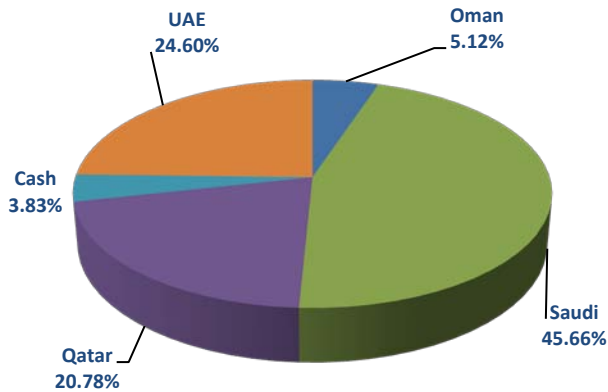
Fund Review for the 201th Month

The NAV was RO 1.383 as at the end of February '14 and increased by about 3.05% for the month as against the S&P GCC Composite Index which increased by 3.65%. During the same period, the MSM Index gained by 0.37%. The average NAV per unit during the month was RO 1.367.

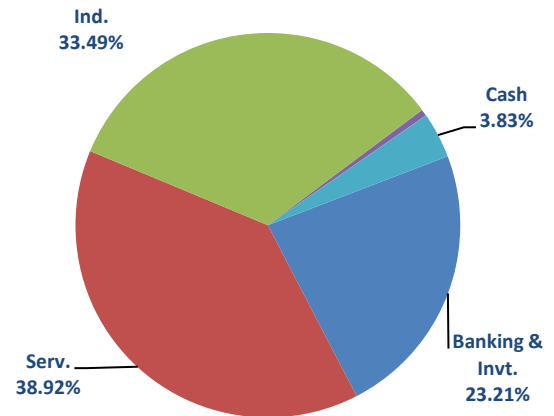
| TOP 5 Holdings | % |
|------------------|------|
| SABIC | 4.69 |
| Doha Bank | 4.03 |
| Petro Rabigh | 3.82 |
| Emaar Properties | 3.11 |
| Saudi Chemical | 2.98 |

| Particulars | FMF | S&P GCC Comp. |
|---|--------|---------------|
| Average Monthly Return | 1.31% | 1.21% |
| Monthly Maximum loss | -10.4% | -10.6% |
| Month of Maximum loss | May-10 | May-10 |
| Annualized Return | 15.79% | 14.26% |
| Annualized Volatility | 13.6% | 14.8% |
| % of winning months (against benchmark) | 56.7% | na |
| % of gained months | 63.3% | 59.3% |
| YTD | 10.67% | 7.17% |
| Beta | 0.85 | na |
| Sharpe (RF 4.5%) | 0.83 | 0.66 |
| Information ratio | 0.11 | na |
| Alpha | 3.0% | na |

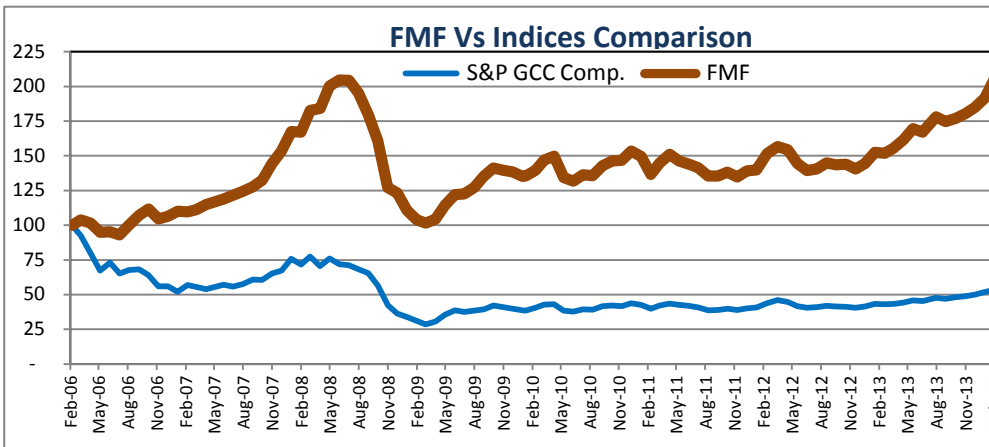
Geographical Allocation



Sectoral Allocation



Performance



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Investment Manager



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