



The First Mazoon Fund

The First Mazoon Fund JIA

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February 2009
141st 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 MSM, 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	Moore Stephens
Current Size	RO 3.22million
Units outstanding	3,659,922
Type	Open-ended
Subscription/redemption	Daily
Valuation date	Daily
Entry Fee	2%
Management fee	1.4% per annum
Performance fee	10%
Hurdle rate	10%
Redemption Fee	1% < 1 year
NAV/Unit	RO 0.879

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	-2.22%	-8.10%	0.83%
Ytd	-8.25%	-15.33%	-10.80%
1 year	-44.42%	-62.28%	-53.16%
3 year	1.58%	-72.64%	-7.81%
5 year	117.69%	na	66.62%
Since inception	107.91%	Na	28.61%

Dividend Paid

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

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%											-8.25%

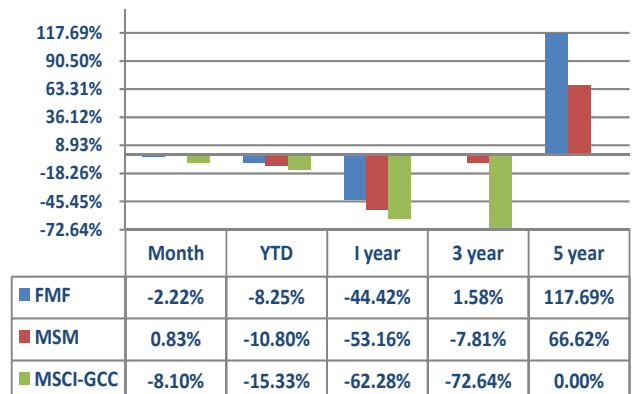
Market Review and Outlook

The month of February'09 was more volatile throughout the world and the region was no exception. However the Muscat Securities Market stood out owing to the activity of the newly incorporated Market Stabilization Fund. The MSM30 remained in the positive zone at about 0.83% return for the month vis-à-vis loss of 8% for the MSCI GCC index. The global markets continued to be jittery owing to the issues related to the financial services sector and the question on its viability going forward. With the flow of macroeconomic data from USA as well as the Euro region not so encouraging, the investors' sentiment is likely to remain weak in the coming weeks. Among the regional markets the sentiments will revolve around the prices of Oil and the dividend announcements. UAE is marred by the real estate issues and the quality of the books of the Banks. This impact reflects in the neighbouring markets as well. Kuwait continues to be weak as the stimulus package still hangs without any direction from the Government.

Meanwhile the crude has shown support at \$40 levels and is likely to remain firm to narrow the gap of the differentials of the spot and futures. This is likely to give comfort to the regional Governments in terms of their expenditure plan considering their accumulated reserves. While we have seen the financial results of bluechips companies in the region pretty much in line with the expectation, the fluid circumstances and lack of clarity of the 2009 top line will keep the valuation cheap for some more time.

In the forthcoming month the regional markets are likely to adjust to the dividend where the yields have improved to closer to 5%. We will remain invested in the defensive stocks with good dividend yield and rebalance the portfolio so as to capture the upside potential if and when the markets recover.

Funds Performance- Historical as of February 28, 2009



TOP 5 Holdings

	%
Omantel	15.42
Shell Oman Marketing	10.28
Bank Muscat	8.97
Raysut Cement	5.01
Sohar Power	4.82

Fund Review for the 141st Month

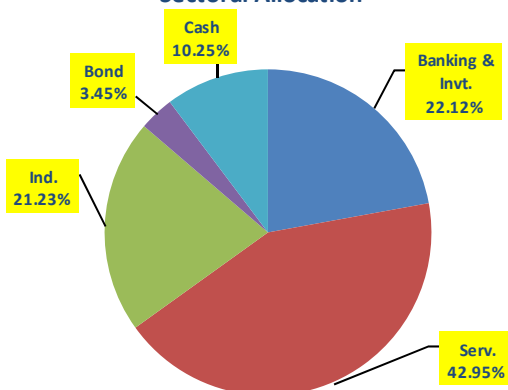
The NAV was RO 0.879 at the end of the month and was down 8.25% on YTD basis as against the MSM30 Index decline of 10.8% and regional markets represented by MSCI (GCC) return of -15.33%. The average NAV during the month was RO 0.896. No units were redeemed / subscribed during this month. The total number of units now stands at 3,659,922. The net asset has now decreased to RO 3,218,060 from the beginning of the year of RO 3,506,891.

Past Three years

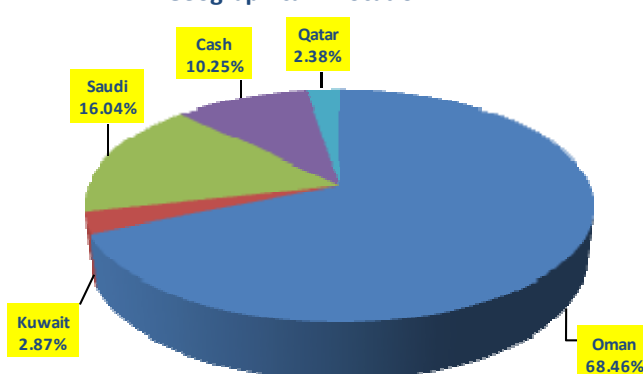
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.26%	0.11%	0.26%	-3.12%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	-0.8%	-3.2%	-0.8%	-32.1%
Annualized Volatility	22.4%	27.8%	22.4%	31.3%
% of winning months (against benchmark)	54.3%	na	82.9%	na
% of gained months	60.0%	62.9%	60.0%	40.0%
YTD	-8.2%	-10.8%	-8.2%	-15.3%
Beta	0.76	na	0.42	na
Sharpe (RF 4.5%)	(0.23)	(0.28)	(0.23)	(1.17)
Alpha	0.6%	na	10.1%	na

Asset Allocations:

Sectoral Allocation

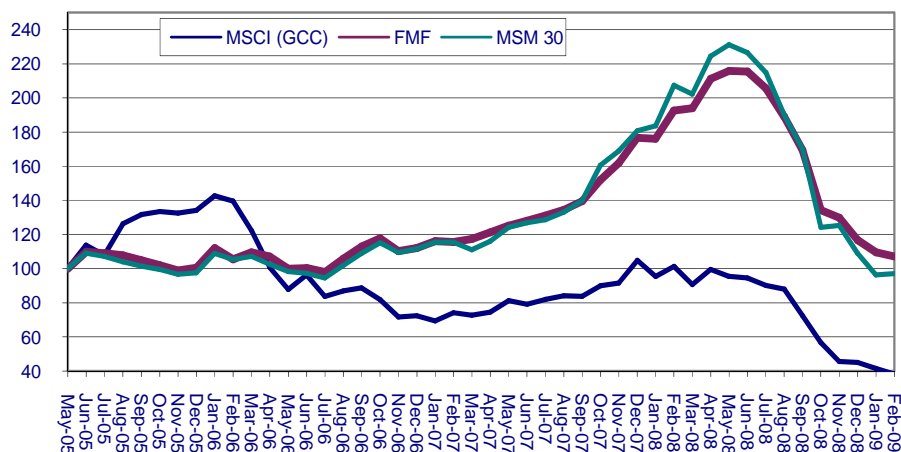


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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