



The First Mazoon Fund

# The First Mazoon Fund JIA

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**February 2010**

**153<sup>rd</sup> 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.

**FMF – Second Best Performer for 2009 in GCC among GCC Conventional Funds**  
(Source: Markaz)

**FMF – The Best Performer for 2009 in Oman among GCC Funds**

**FMF – The Best Performer among 3 year and 5 year category among GCC Funds**  
(Source: zawya)

## Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	3.00%	6.00%	2.41%
YTD	3.16%	5.21%	5.03%
1 year	37.32%	47.64%	37.82%
3 year	27.14%	-23.88%	15.87%
5 year	99.35%	NA	84.04%
Since inception	177.21%	NA	73.09%

## Dividend

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

## 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 4.352 million
Units outstanding	3,606,166
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 1.207

## Percentage Monthly Returns

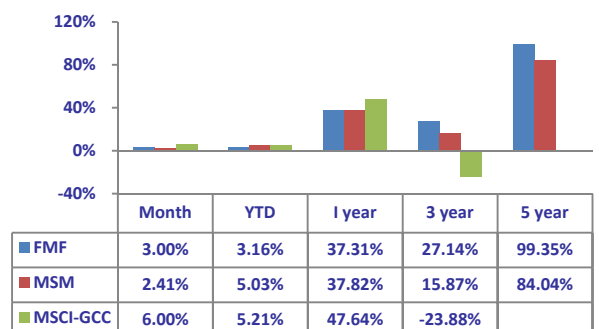
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1997									21.0%	3.1%	1.2%	3.8%	22.9%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-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%											3.16%

## Market Review and Outlook

After a mixed note in January 2010, regional equity markets have turned positive during the month of February 2010, on back of healthy dividend announcements, firm global markets and crude price. News on Zain divesting its African networks have helped Kuwaiti markets to register monthly gain of 5.03% while, attractive dividend payouts in Qatar have augmented monthly gain of 4.79%. Saudi and Omani equities posted monthly gain of 2.96% and 2.41% respectively. Meanwhile, Bahrain ended up by 2.69% during the same period.

We expect regional equity markets to witness dividend adjustments in the near period, before it builds in expectations on first quarter earnings announcements. On a positive note, credit markets in Saudi, Qatar and Oman is expected to pick up during the year, driving focus towards the Banking sector. With expected momentum in credit cycle, augmented by robust fiscal policies in these countries, corporate sector performance is bound to improve. While, Saudi, Qatar and Oman provide value driven opportunities, Kuwait and UAE provides momentum plays.

Funds Performance- Historical as of Feb 2010



## Fund Review for the 153<sup>rd</sup> Month

The NAV was RO 1.207 at the end of February'10 and was up 3% on YTD basis as against the MSCI (GCC) return of 6.00% and MSM30 Index gain of 2.41%. The average NAV during the month was RO 1.196. The total number of units now stands at 3,606,166. The net asset value now stands at RO 4,352,602 from the month's opening value of RO 4,225,672.

### TOP 5 Holdings

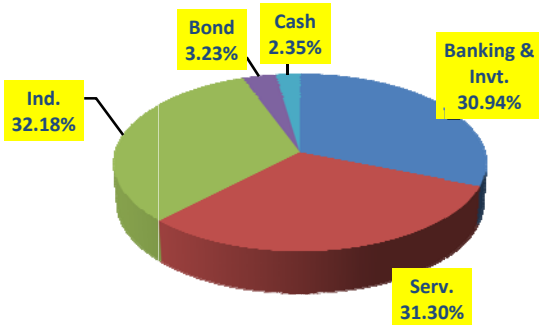
	%
Bank Muscat	9.10
Omantel	7.55
Oman Cement	7.32
Renaissance Services	6.43
SABIC	6.24

### Past Three years

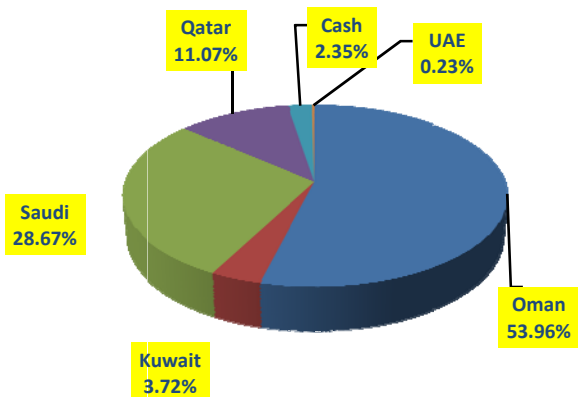
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.88%	0.76%	0.88%	-0.39%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	8.3%	5.0%	8.3%	-8.7%
Annualized Volatility	21.8%	27.9%	21.8%	29.1%
% of winning months (against benchmark)	48.6%	na	71.4%	na
% of gained months	65.7%	71.4%	65.7%	48.6%
YTD	3.16%	5.03%	3.16%	5.21%
Beta	0.71	na	0.57	na
Sharpe (RF 4.5%)	0.18	0.02	0.18	(0.45)
Information ratio	0.15	na	0.78	na
Alpha	3.5%	na	11.4%	na

### Asset Allocations:

#### Sectoral Allocation

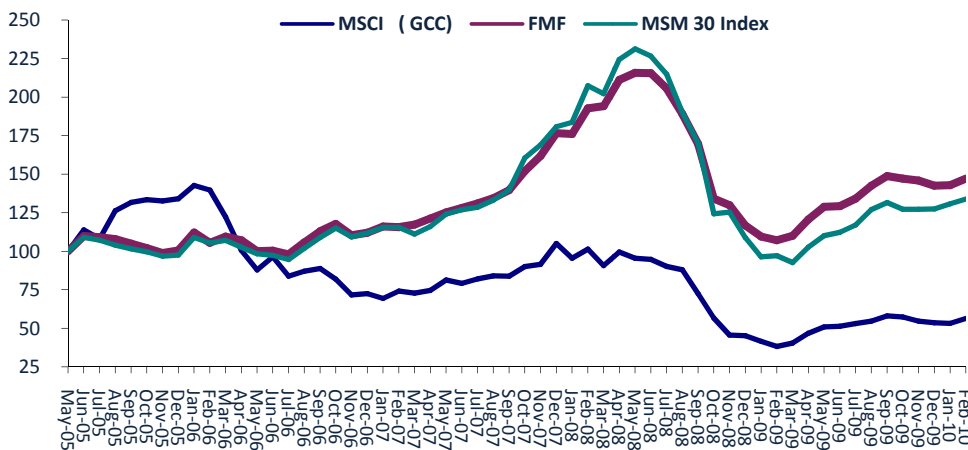


#### Geographical Allocation



### Performance

#### FMF Vs Indices Comparison



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#### Investment Manager



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