



The First Mazoon Fund

The First Mazoon Fund JIA

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January 2008
128th Month

Objectives

The Fund provides investors with the opportunity to invest in a basket of predominantly blue-chip Omani equities in order to achieve substantial capital gains.

Performance

	FMF	MSM 30 Index
For the month	-0.28%	1.51%
YTD	-0.28%	1.51%
1 year	51.74%	58.96%
3 year	143.60%	156.68%
5 year	453.36%	368.87%
Since inception+	241.86%	143.04%

Dividend Paid

Financial Year ended	Cash	Stock
2004	14%	14%
2005	10%	25%
2006	5%	5%
2007(prop osed)	10%	15%

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 3.57 million
Units outstanding	: 2,039,732
Type	: Open-ended
Subscription/redemption	: Daily
Valuation date	: Daily
Entry Fee	: 2%
Management fee	: 1.4% per annum
Redemption Fee	: 1% < 1 year
NAV/Unit	: RO 1.753

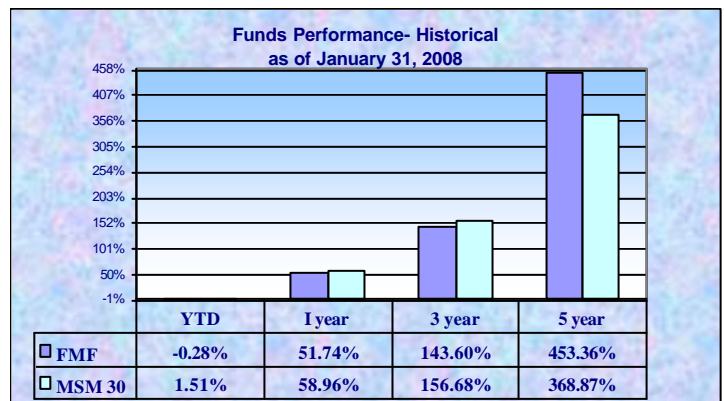
Percentage Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
2008	-0.28%											

Market Review and Outlook

The Muscat Securities Market the out performer in 2007 started the new-year on a positive note. In the first week of January, the Index touched a life time high of 9854.02 points. Expectations of healthy corporate results kept the market active. However, in the third week of January, gloom seen in the Global Equity Markets caught up with Oman as well, and the MSM Index plunged disastrously by 8.33% on a single day, wiping out all the gains attained then. Thereafter, the MSM recovered partially in the last few days of the month on the back of healthy corporate results for FY 2007. Overall the MSM Index ended the month of January 2008 at 9172.11 points with a return of 1.51%. A total of 423.050 million shares got traded during the month amounting to an aggregate turnover of RO 355.568 million. The Service & Insurance sector, with a return of 1.74%, outperformed the Industry and Banking sectors that returned 0.25% and -0.73% respectively. From among the regional markets, Kuwait was the out performer with a return of 7.49% for the month. Bahrain ended the month with a return of 1.66%. The rest of the GCC markets, i.e. Qatar, UAE and Saudi ended the month in the red with Saudi being the worst affected with a loss of 13.43%.

Moving forward, dividend declaration for the year 2007 is likely to keep the market active. From among the regional markets, we remain positive on Saudi and Kuwait markets.



TOP 5 Holdings

	%
Raysut Cement	12.17
Renaissance Services	11.82
National Bank of Oman	10.19
Oman Telecommunication	7.28
Shell Oman Marketing	6.81

Fund Review for the 128th Month

The NAV was RO 1.753 at the end of the month and was down 0.28% on YTD basis as against the MSM30 gain of 1.51% and regional markets return varying from -13% to 7.5%. The average NAV during the month was RO 1.822. A total of 13,712 units were redeemed during this month.

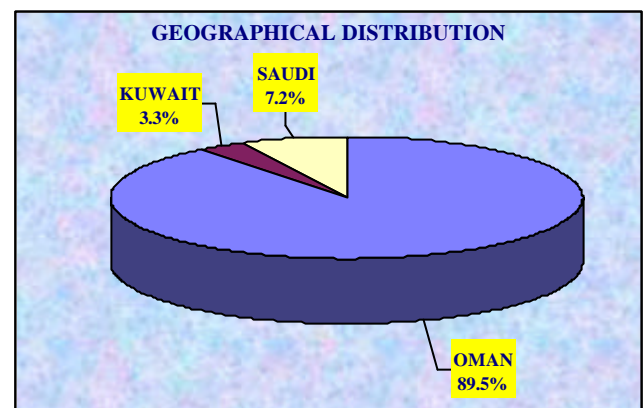
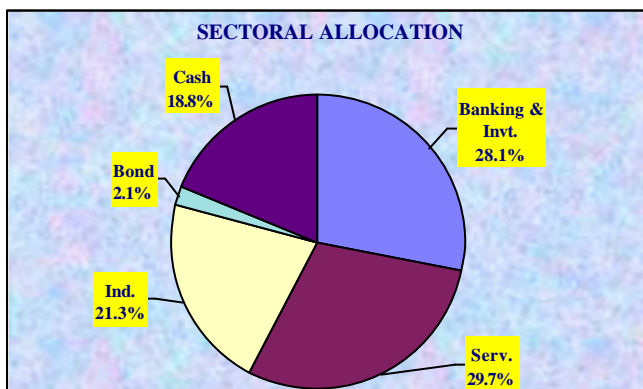
The Investor Committee Member's has proposed to distribute 25% dividend (10% Cash & 15% Stock) for the year ended 31 December 2007 to the Unit holders subject to their approval in the forthcoming Annual Unit holders meeting.

Past Five years

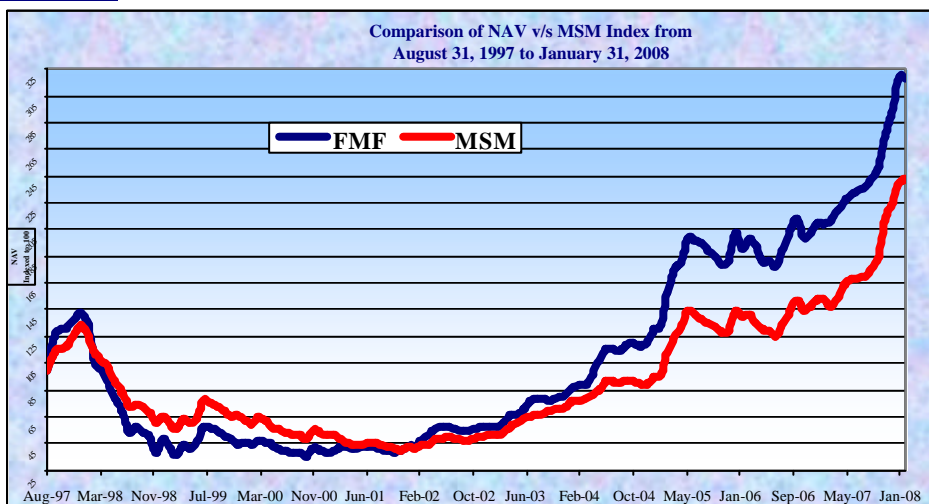
	FMF	MSM
Average Monthly return	3.0%	2.71%
Monthly maximum loss	-6.6%	-4.9%
Month of Maximum loss	May-06	Nov-06
Annualized Return	40.8%	36.2%
Annualized Volatility	16.8%	16.1%
% of winning months (against benchmark)	60.0%	n.a.
% of gained months	42.0%	42.0%
YTD	-0.28%	1.51%
Sharpe (RF 6%)	2.07	1.88

* FMF has a mandate to invest upto 50% in the other GCC Markets. Due to non-availability of an Index to benchmark with, we have used MSM30 where significant investments are made.

Asset Allocations:



Performance



Asset Management Team:

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Investment Manager



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