



The First Mazon Fund

The First Mazon Fund JIA

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January 2009
140th 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 3.29 million
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 0.899

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	-6.2%	-7.9%	-11.5%
1 year	-37.8%	-56.4%	-47.5%
3 year	-2.3%	-70.8%	11.6%
5 year	128.0%	na	65.24%
Since inception	97.8%	na	27.5%

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%												-6.16%

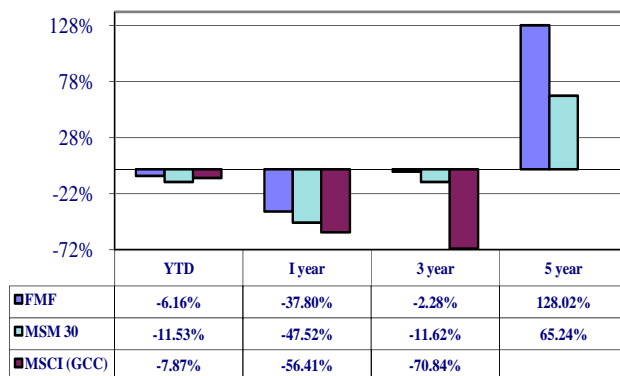
Market Review and Outlook

The negative sentiment of 2008 was carried over to the year 2009 as the month of January saw a decline of 7.87% in the benchmark MSCI GCC index. The global markets continued to be jittery owing to the lower than expected results posted by the Global Banks like Citi Group and RBS. With the flow of macroeconomic data from USA also not being encouraging, the investors' sentiment further deteriorated resulting in worldwide correction in the indices. Among the regional markets with the exception of Saudi Arabia all the other markets ended in deep red. While Saudi Arabia closed flat, Qatar was the worst performer owing to lack of support from Qatar Investment Authority (QIA) that supported the market in the month of December. Kuwait was looming under the political issues surrounding the Government and was left in lurch by the investors.

The banking and real estate sectors continued to be hit as the tight liquidity situation and lack of new investors dragged the sectors. Though the Federal Bank has maintained low interest regime for some more time, the local banking system continues to be faced with liquidity pressure. The risk aversion has also kept the credit growth at bay as we step into 2009. Meanwhile the crude has also remained modest at \$40/brl lower than the budgeted figures of the regional Government.

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. The dividend distribution of regional companies including Omani companies is likely to be subdued. In the forthcoming month the regional markets are likely to remain range bound and would provide good trading opportunity.

Funds Performance- Historical
as of January 31, 2009



TOP 5 Holdings

	%
Omantel	14.68
Bank Muscat	11.24
Shell Oman Marketing	8.53
Almarai Company	4.30
Sohar Power	4.09

Fund Review for the 140th Month

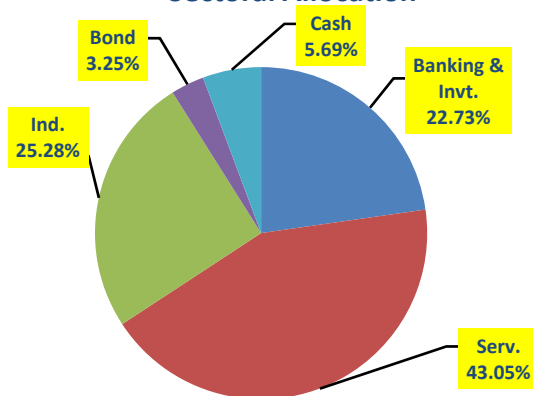
The NAV was RO 0.899 at the end of the month and was down 6.16% on YTD basis as against the MSM30 Index decline of 11.53% and regional markets represented by MSCI (GCC) return of -7.14%. The average NAV during the month was RO 0.917. No units were redeemed / subscribed during this month. The total number of units now stands at 3,659,922. The net asset has now decreased to RO 3,291,610.036 from the beginning of the year of RO 3,506,890.029

Past Three years

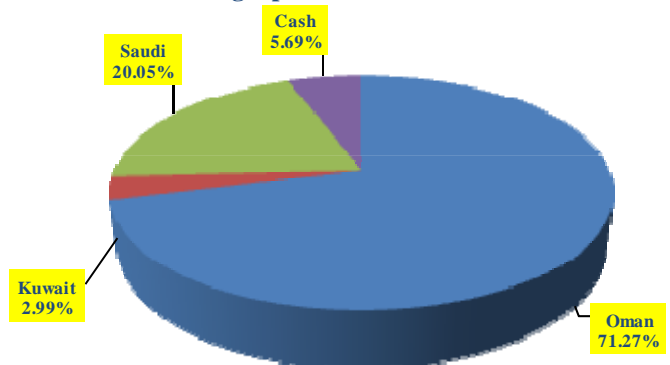
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.15%	-0.01%	0.15%	-2.70%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	1.3%	-2.9%	1.3%	-33.2%
Annualized Volatility	22.6%	27.9%	22.6%	31.1%
% of winning months (against benchmark)	54.3%	na	80.0%	na
% of gained months	60.0%	60.0%	60.0%	40.0%
YTD	-6.2%	-11.5%	-6.2%	-7.9%
Beta	0.77	na	0.43	na
Sharpe (RF 4.5%)	(0.14)	(0.27)	(0.14)	(1.21)
Alpha	2.5%	na	12.9%	na

Asset Allocations:

Sectoral Allocation

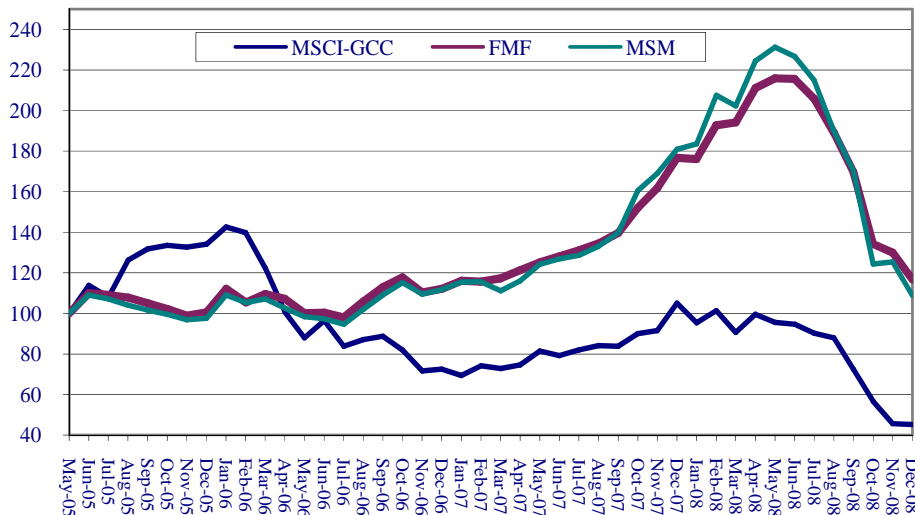


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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