



The First Mazoon Fund

The First Mazoon Fund JIA

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January 2010

152nd 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	HSBC Bank Middle East, Oman
Launch Date	June 10, 1997
Auditors	Horwath Mak Ghazali LLC
Current Size	RO 4.226 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 1.172

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	0.17%	-0.75%	2.57%
1 year	30.37%	27.99%	35.70%
3 year	23.05%	-23.27%	13.21%
5 year	97.53%	na	82.80%
Since inception	177.21%	na	73.09%

Dividend Paid

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

Percentage Monthly Returns

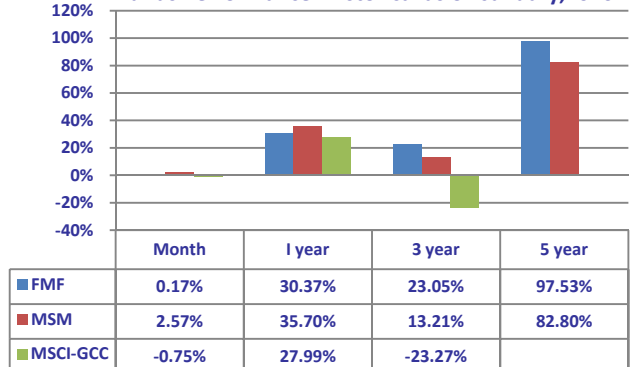
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1997									21.0%	3.1%	1.2%	3.8%	22.9%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-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	0.17%												0.17%

Market Review and Outlook

The year 2010 started on a mixed note. While Oman and Saudi Arabia posted gains exceeding 2%, Qatar and UAE posted losses for the month of January 2010. The previous quarter impact continued to linger on UAE which saw fresh selling from foreign investors. The lack of clarity on the Dubai debt issue affected the investor sentiments leading to lack of any fresh interest in the market. The fear of other sovereign risks in the world including Greece, Spain and Portugal impacted the global sentiments and regional sentiments. This was reflected in the volumes that dried up significantly in the region as new money still stood in sidelines though cash dividend announcements were good in Qatar and Oman. The corporate results so far showed signs of recovery with the banking sector showing improved margins on the core front and industry sector showing sequential improvement in the topline. However the Provision impact in the Banking sector resulted in subdued growth of the banking sector profits. The industry sector continued to show improved margins on the back of cost control and higher realizations. The higher commodity prices and replenishment of inventories by the user industry has shown improvement in the results. However we have to wait for two more quarters to see if the demand is maintainable.

The dividend expectations in Oman and Qatar could augur well for the near term, while Saudi could catch up for earning potential. UAE and Kuwait could still take some more time for any reasonable pickup.

Funds Performance- Historical as of January,2010



TOP 5 Holdings

	%
Bank Muscat	9.96
Oman Cement	7.54
Omantel	7.47
Renaissance Services	6.48
SABIC	6.30

Fund Review for the 152nd Month

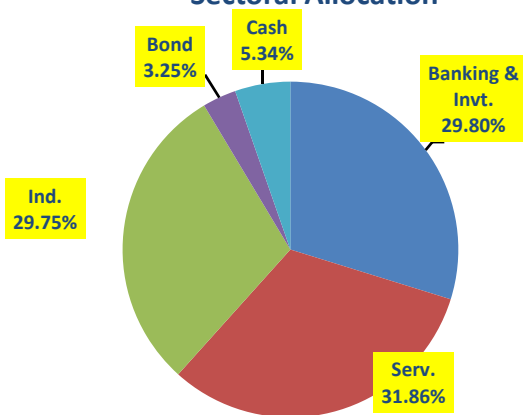
The NAV was RO 1.172 at the end of January'10 and was up 0.17% on YTD basis as against the MSCI (GCC) return of -0.75% and MSM30 Index gain of 2.57%. The average NAV during the month was RO 1.183. The total number of units now stands at 3,606,166. The net asset value now stands at RO 4,225,672 from the beginning of the year of RO 4,234,536.

Past Three years

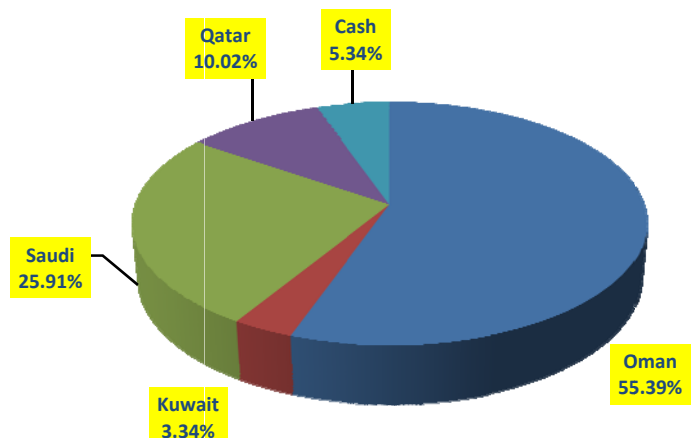
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.78%	0.69%	0.78%	-0.37%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	7.2%	4.2%	7.2%	-8.5%
Annualized Volatility	21.8%	27.9%	21.8%	29.0%
% of winning months (against benchmark)	45.7%	na	71.4%	na
% of gained months	62.9%	71.4%	62.9%	48.6%
YTD	0.17%	2.57%	0.17%	-0.75%
Beta	0.71	na	0.56	na
Sharpe (RF 4.5%)	0.12	(0.01)	0.12	(0.45)
Information ratio	0.13	na	0.72	na
Alpha	2.9%	na	9.9%	na

Asset Allocations:

Sectoral Allocation

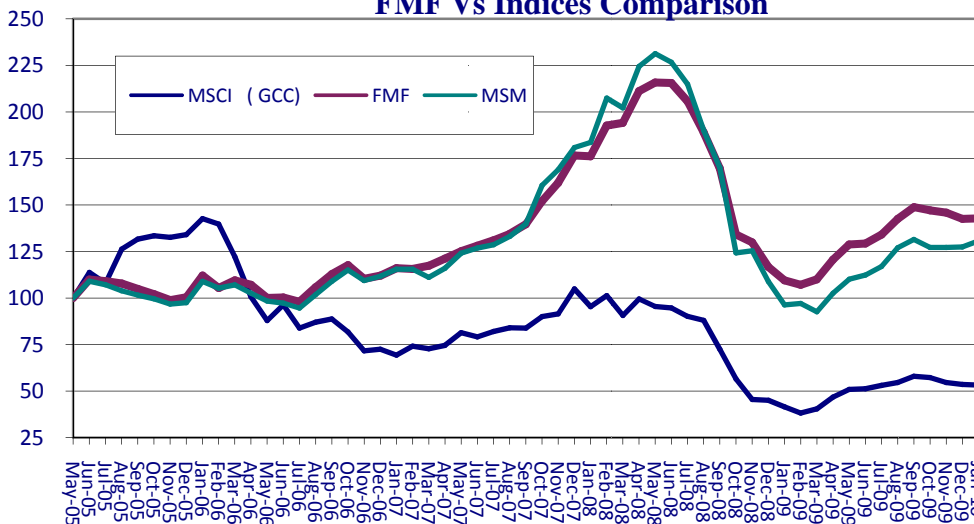


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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