



The First Mazoon Fund

The First Mazoon Fund JIA

P O Box 974, Ruwi, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790 612

Jul 2011
170th 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 4.148 million
Units outstanding	4,482,221
Type	Open-ended
Subscription/redemption	Daily
Valuation date	Daily
Entry Fee	Upto 2%
Management fee	1.4% per annum
Performance fee	10%
Hurdle rate	10%
Redemption Fee	1% < 1 year
NAV/Unit	RO 0.925

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
For the month	-1.66%	-2.80%	-1.83%
YTD	-7.80%	-6.98%	-14.02%
1 Year	3.78%	2.96%	-7.73%
3 year	-27.46%	-40.33%	-45.91%
5 year	52.28%	-37.75%	22.87%
Since inception	189.61%	na	53.90%

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%	5.43%	1.79%	-10.37%	-1.76%	3.44%	-0.44%	5.25%	2.30%	0.43%	4.91%	13.91%
2011	-2.58%	-8.61%	6.06%	4.34%	-3.30%	-1.60%	-1.66%						-7.80%

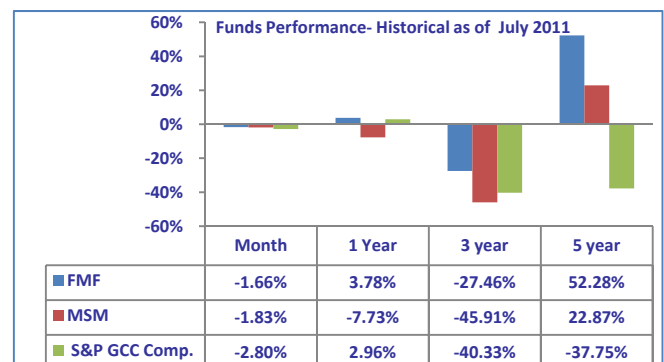
Market Review and Outlook

Markets in July 2011 were impacted by both global and regional pressures, the later more in the form of volatile oil prices. All markets, except Qatar closed in the negative for the month, with Kuwait faring the worst at -2.8%. Qatar was the lone gainer with a modest 0.5% gain for the month. While the uncertainty over the deadline for the US to act upon its imminent debt default kept the GCC markets jittery till the last day of July, the worsening political developments in Syria, Libya and Yemen added to the woes of the Arab world. Excellent corporate earnings also failed to entice investor sentiments which took into consideration a broader view by looking at international events.

Just when the markets took respite in the fact that a political compromise by the USA politicians had averted a disastrous debt default by the US, a ratings downgrade by S&P on the US Sovereign led to tremors across the global financial markets in the early part of August. In the oil markets, the main risk involves renewed demand concerns translating into short term price corrections. Notwithstanding the 'global' concerns, a recovery in oil prices should help the GCC markets to pare its losses. The comfortable macro economic situation in terms of debt levels and fiscal situation should enable the regional Governments to fuel growth in the private sector in the periods to come.

Dividend

Financial Year ended	Cash	Stock
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%
2005	10%	25%
2004	14%	14%



Fund Review for the 170th Month

The NAV was RO 0.925 as at the end of Jul' 11 declined by 1.66% for the month as against the S&P GCC Composite Index loss of 2.8% and MSM30 Index loss of 1.8%. The average NAV per unit during the month was RO 0.941 after adjusting for dividends of 5% cash and 5% stock. There were no subscription or redemption for the month. The total number of units now stands at 4,482,221. The net asset value now stands at RO 4.15 mln from the month's opening value of RO 4.22 million.

TOP 5 Holdings

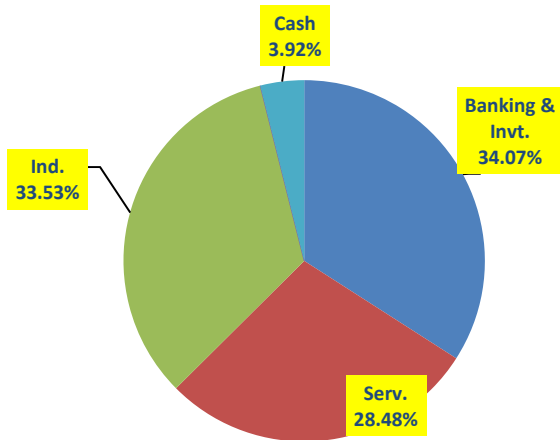
	%
Saudi Basic Ind. corp	10.11
Bank Muscat	4.89
Al Rajhi Banking Corp	4.43
National Bank of Kuwait	4.00
National Bank of Oman	3.88

Past Five years

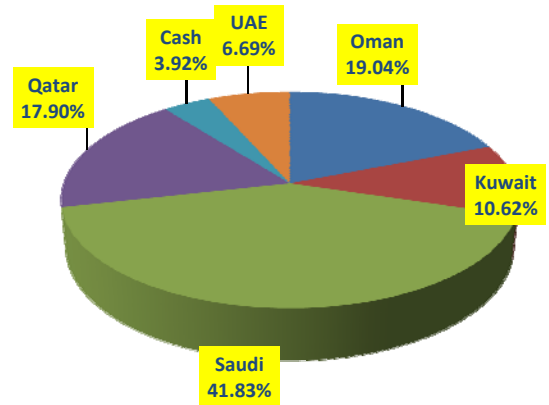
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.87%	0.59%	0.87%	-0.53%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	8.8%	4.2%	8.8%	-9.0%
Annualized Volatility	19.9%	23.8%	19.9%	24.7%
% of winning months (against benchmark)	50.8%	na	66.1%	na
% of gained months	62.7%	69.5%	62.7%	45.8%
YTD	-7.80%	-14.02%	-7.80%	-6.98%
Beta	0.76	na	0.63	na
Sharpe (RF 4.5%)	0.21	(0.01)	0.21	(0.55)
Information ratio	0.23	na	0.90	na
Alpha	4.5%	na	12.8%	na

Asset Allocations:

Sectoral Allocation

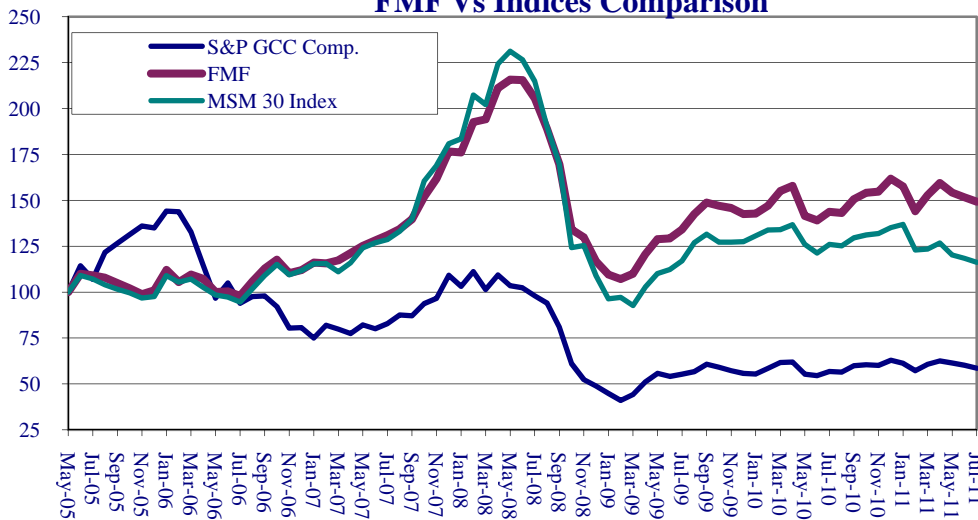


Geographical Allocation



Performance

FMF Vs Indices Comparison



Contact Details:

Mr. Sankar Kailasam
SVP- Asset Management
Tel: +968 24790 614 Ext – 526
Gsm: +968 99887207
Email: sankar@gbcmoman.net

Mr. Raghavendran J.G
Manager–Fund Administration
Tel: +968 24790 614 Ext – 528
Gsm: +968 99898150
Email: raghu@gbcmoman.net

Disclaimer: This document has been prepared and issued for informational and illustration purpose only on the basis of publicly available information, internally developed data and other sources believed to be reliable. While all care has been taken to ensure that the facts stated are accurate and the opinions given are reasonable, neither Gulf Baader Capital Markets S.A.O.C nor any employee shall be in anyway responsible for the contents of this report. Past performance of the Fund as illustrated herein is not a guarantee of future returns. This is not an offer to buy or sell the investments referred therein.

Investment Manager



الخليجية بادر لأسواق المال ش.م.ع.م.
GULF BAADER CAPITAL MARKETS S.A.O.C.

P.O.Box 974, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790612

E-mail: invest@fmfoman.net