



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

July 2008
134th Month

Objective s

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.

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	-4.6%	-4.8%	-5.2%
YTD	16.5%	-14.8%	18.8%
1 year	57.0%	9.9%	67.1%
3 year	88.5%	-16.51%	100.5%
5 year	381.5%	na	332.6%
Since inception	289.2%	na	184.5%

Dividend Paid

Financial Year ended	Cash	Stock
2004	14%	14%
2005	10%	25%
2006	5%	5%
2007	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 6.34 million
Units outstanding	: 3,759,916
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 1.688

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%	57.63%
2008	-0.28%	9.41%	0.73%	8.8%	2.18%	-0.11%	-4.6%						16.5%

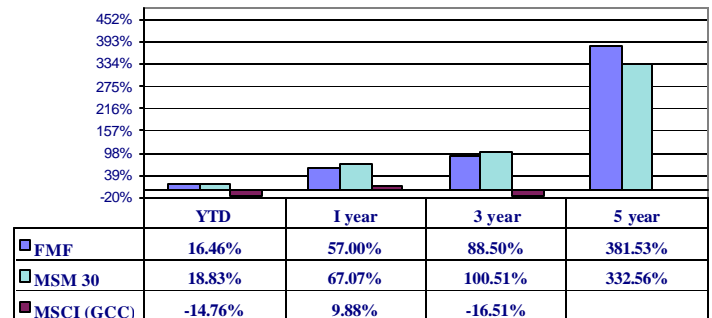
Market Review and Outlook

The negative sentiments that prevailed in the month of June'08 continued to create flutters in July'08 across the region as markets closed in red. Saudi Arabia's TASI index was the worst hit with a drop of 6.54%. MSM 30 Index was the next to follow with a decline of 5.2%. The summer impact of low trading volume and persistent foreign selling kept the market nervous all through the month. Kuwait Qatar and UAE too declined sharply in the range of 1% to 3%. This prompted the benchmark MSCI (GCC) to decline by about 5%. This brought the year to date return of MSCI (GCC) to -15%.

The MSM30 which was boosting itself as the topper for the year upto last month caved in to a subdued return of 18.8%. Meanwhile the IPO of Sohar Power started with a bang and attracted good subscription. Despite being a defensive stock the investors flocked for the issue and the issue has got subscribed 21times. The diversion of funds to the IPO and a Government Bond was also some of the reasons observed to have affected the interest in MSM.

In the coming month the market volatility is likely to be high as attractive valuations will play against the redemption driven selling from foreign funds. The fag end of the forth coming month may see the return of regional investors into the market with value picks leading to revival of select blue chips in the markets across the region.

Funds Performance- Historical
as of July 31, 2008



TOP 5 Holdings

	%
Omantel	10.8
Bank Muscat	9.1
Raysut Cement	8.3
Galfar Engg	6.1
Renaissance Services	5.3

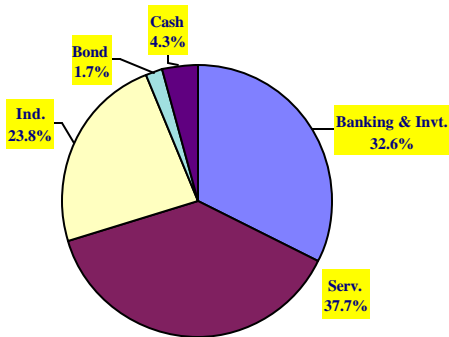
Fund Review for the 134th Month

The NAV was RO 1.688 at the end of the month and was up 16.5% on YTD basis as against the MSM30 gain of 18.8% and regional markets represented by MSCI (GCC) return of -14.8%. The average NAV during the month was RO 1.773. A total 22,200 units were subscribed and 152,047 units were redeemed during this month with this the total net subscription for the year now stands at 1,706,472 units". The net asset has now increased from RO 3,609,276 from the beginning of the year to RO 6,346,046.

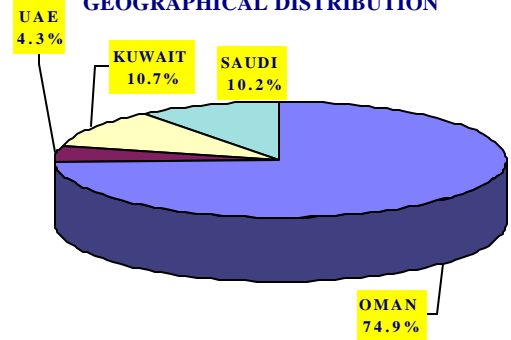
	Past Three years			MSCI (GCC)
	FMF	MSM	FMF	
Average Monthly Return	2.0%	2.2%	2.0%	-0.19%
Monthly Maximum loss	-6.6%	-4.9%	-6.6%	-17.7%
Month of Maximum loss	May-06	Nov-06	May-06	Apr-06
Annualized Return	23.5%	26.1%	23.5%	-5.8%
Annualized Volatility	16.3%	18.6%	16.3%	27.8%
% of winning months (against benchmark)	42.9%	na	71.4%	na
% of gained months	65.7%	62.9%	65.7%	54.3%
YTD	16.5%	18.8%	16.5%	-14.8%
Sharpe (RF 5.5%)	1.11	1.11	1.11	(0.41)
Alpha	2.8%	na	20.3%	na

Asset Allocations:

SECTORAL ALLOCATION

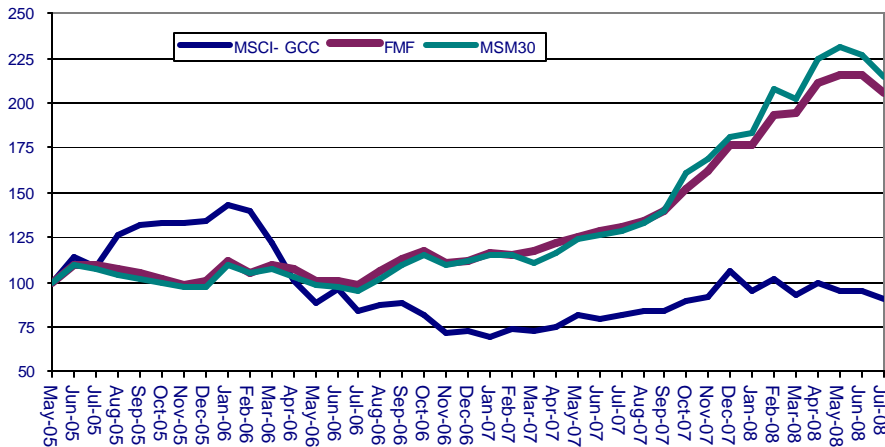


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Performance

FMF Vs Indices Comparison



Contact Details:

Mr Sankar Kailasam
 VP- Asset Management
 Tel: +968 24790 614 Ext – 109
 Gsm: +968 99887207
 Email: sankar@gbcmoman.net

Mr. P.P.A. Venkateshwaran
 Manager - Fund Administration
 Tel: +968 24790 614 Ext – 107
 Gsm: +968 99811248
 Email: venkat@gbcmoman.net

Mr. Aamer Al Maashani
 Executive – Asset Management
 Tel: +968 24790 614 Ext – 114
 Gsm: +968 96773300
 Email: aamer@gbcmoman.net

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Investment Manager



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 GULF BAADER CAPITAL MARKETS S.A.O.C.

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