



The First Mazoon Fund

The First Mazoon Fund JIA

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July 2009
146th 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 3.96million
Units outstanding	3,603,464
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 1.101

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	3.77%	3.38%	4.17%
YTD	14.93%	17.53%	7.45%
1 year	-34.77%	-41.13%	-45.55%
3 year	36.93%	-36.70%	23.67%
5 year	108.84%	na	69.92%
Since inception	160.41%	na	54.91%

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%	-2.22%	2.73%	9.63%	6.77%	0.38%	3.77%						14.93%

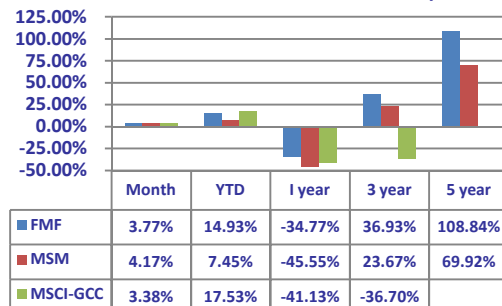
Market Review and Outlook

The increase in the oil price and the first half results drove the markets across the region. While on the whole the results in the region were better than the market expectations, the banking sector reported increase in provisions. However the NPA built-up increases concern on the sector. The industry sector companies showed improvement in the margin due to suppressed commodity prices compared to last year. The service sector witnessed pressure in the margins. In Oman the companies in the Industry sector and select banking and service sector companies showed sequential growth, thereby giving a pleasant surprise to the markets. Particularly the infrastructure oriented companies did well on the back of Government's thrust on execution of the planned projects.

The markets in the region reflected the corporate performance. Stock specific activity was witnessed in each of the markets. While Kuwait and Bahrain posted losses to the extent of 5% each, Oman, Qatar and Saudi gained 3% apiece. This resulted in MSCI (GCC) closing with a gain of 3.38% for the month.

Going forward the banking and financial sector is likely to be under scanner for the exposure to the defaulted groups of Saudi for which additional provisioning may come up. This would keep the banking stocks under pressure, however with commodity price reversal and demand catching up, the industry sector and service sector companies are expected to do well. Qatar and Oman markets could outperform the other markets owing to the fundamental strength.

Funds Performance- Historical as of July 31, 2009



TOP 5 Holdings

	%
Bank Muscat	8.27
Omantel	6.70
Saudi Basic Industries Corp. (SABIC)	5.33
Renaissance Services	5.13
Shell Oman Marketing	4.54

Fund Review for the 146th Month

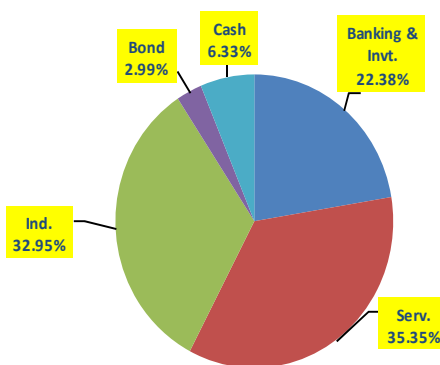
The NAV was RO 1.101 at the end of the month and was up 14.93% on YTD basis as against the MSM30 Index gain of 7.45% and regional markets represented by MSCI (GCC) return of 17.53%. The average NAV during the month was RO 1.066. A total of 21,365 units were redeemed and there were no subscription during the month. The total number of units now stands at 3,603,464. The net asset has now improved to RO 3,967,548 from the beginning of the month of RO 3,845,900.

Past Three years

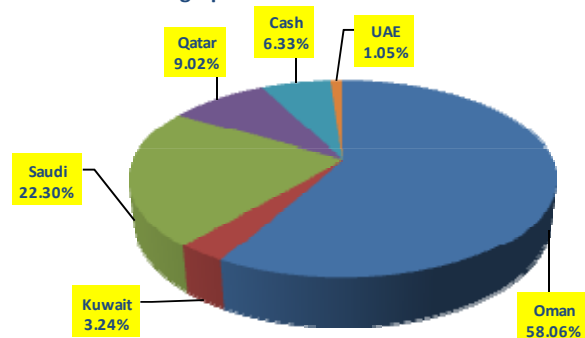
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	1.10%	0.95%	1.10%	-0.88%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	8.2%	4.7%	8.2%	-15.2%
Annualized Volatility	22.8%	28.7%	22.8%	30.2%
% of winning months (against benchmark)	45.7%	na	77.1%	na
% of gained months	68.6%	71.4%	68.6%	51.4%
YTD	14.9%	7.4%	14.9%	17.5%
Beta	0.73	na	0.52	na
Sharpe (RF 4.5%)	0.16	0.01	0.16	(0.65)
Information ratio	0.15	na	1.03	na
Alpha	3.6%	na	14.1%	na

Asset Allocations:

Sectoral Allocation

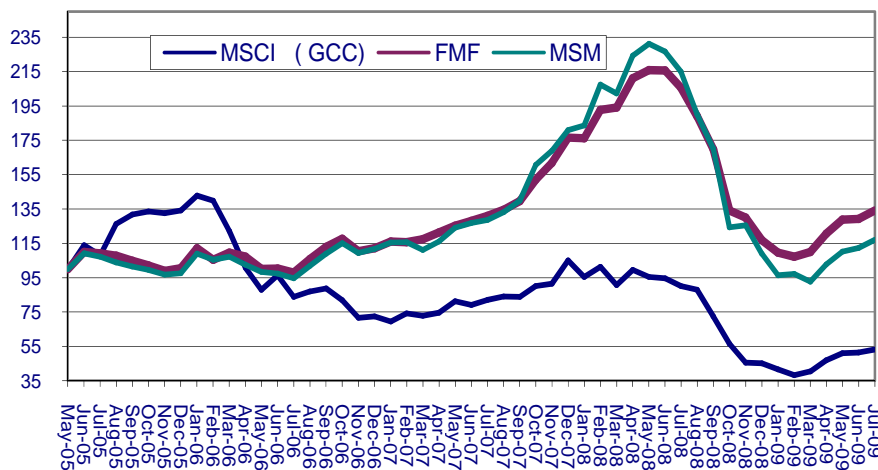


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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