



The First Mazoon Fund

The First Mazoon Fund JIA

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Jun 2011
169th 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 4.218 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 0.941

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
For the month	-1.60%	-2.06%	-1.52%
YTD	-6.24%	-4.30%	-12.41%
1 Year	9.15%	10.47%	-2.34%
3 year	-29.62%	-41.22%	-47.75%
5 year	51.16%	-42.71%	21.69%
Since inception	194.50%	na	56.77%

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%							-6.24%

Market Review and Outlook

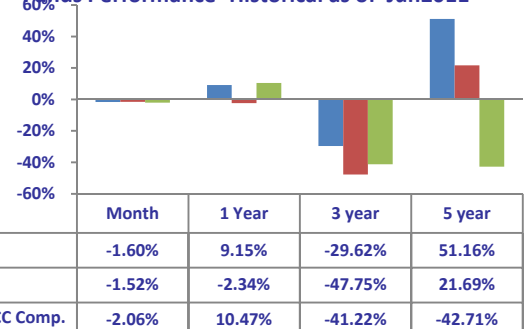
All GCC markets closed on the negative for the month of June 2011 except Abu Dhabi. DFM declined the most by 2.76% on account of the postponement of the MSCI Emerging Markets Index inclusion, closely followed by Kuwait at 2.61%. While the regional unrest still remains burning issues in Libya, Syria and Yemen worrying the Arab world, focus has now shifted to Europe and the debt crisis that seems to be deepening. Towards the end of the month, Greek debt concerns caused jitters in the global economy causing Eurozone markets to panic, and spread an overall aura of uncertainty in the GCC region. Oil price cooled off during the month by over 10% from the highs of May, which again went against the market sentiments.

After the end of the 1st half, regional markets would be closely tracking the corporate results for positive hints. Overall revenue/earnings growth for GCC companies are expected to be positive, albeit at a slower pace, as compared to the higher growth rates witnessed in 1Q 2011. While the strongest growth is expected from the petrochemical sector, banking sector too could have positive surprises on the back of moderate sequential growth in assets. HSBC's PMI for Saudi Arabia rose to 62.8 in June, reflecting higher new orders and improved domestic demand. Export orders were also up in June. Official estimates suggest that Saudi economy is expected to grow 6.5% this year, up from 3.8% in 2010, which is the second fastest growth in the region after Qatar.

Dividend

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

Funds Performance- Historical as of Jun2011



Fund Review for the 169th Month

The NAV was RO 0.941 as at the end of Jun' 11 declined by 1.6% for the month as against the S&P GCC Composite Index loss of 2.1% and MSM30 Index loss of 1.5%. The average NAV per unit during the month was RO 0.942 after adjusting for dividends of 5% cash and 5% stock. A total of 880 units were redeemed during the month. The total number of units now stands at 4,482,221. The net asset value now stands at RO 4.22 mln from the month's opening value of RO 4.29 million.

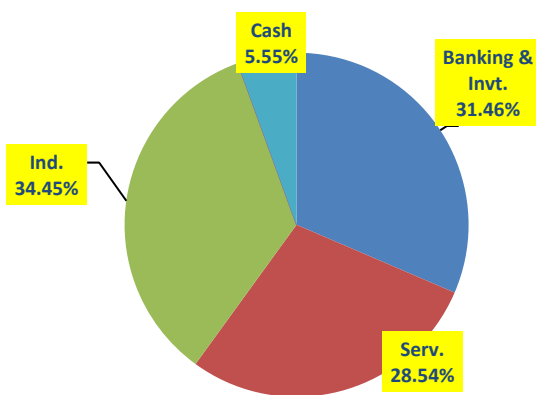
TOP 5 Holdings

	%
Saudi Basic Ind. corp	10.06
Bank Muscat	4.93
Al Rajhi Banking Corp	4.41
National Bank of Kuwait	4.21
National Bank of Oman	3.79

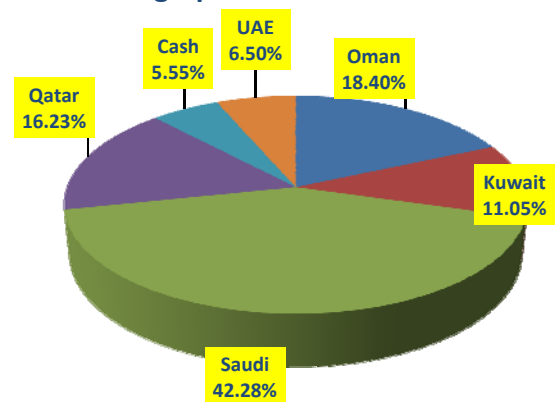
	Past Five years			
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.86%	0.57%	0.86%	-0.66%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	8.6%	4.0%	8.6%	-8.5%
Annualized Volatility	19.9%	23.8%	19.9%	25.1%
% of winning months (against benchmark)	50.8%	na	66.1%	na
% of gained months	62.7%	69.5%	62.7%	45.8%
YTD	-6.24%	-12.41%	-6.24%	-4.30%
Beta	0.76	na	0.62	na
Sharpe (RF 4.5%)	0.21	(0.02)	0.21	(0.52)
Information ratio	0.23	na	0.86	na
Alpha	4.5%	na	12.1%	na

Asset Allocations:

Sectoral Allocation

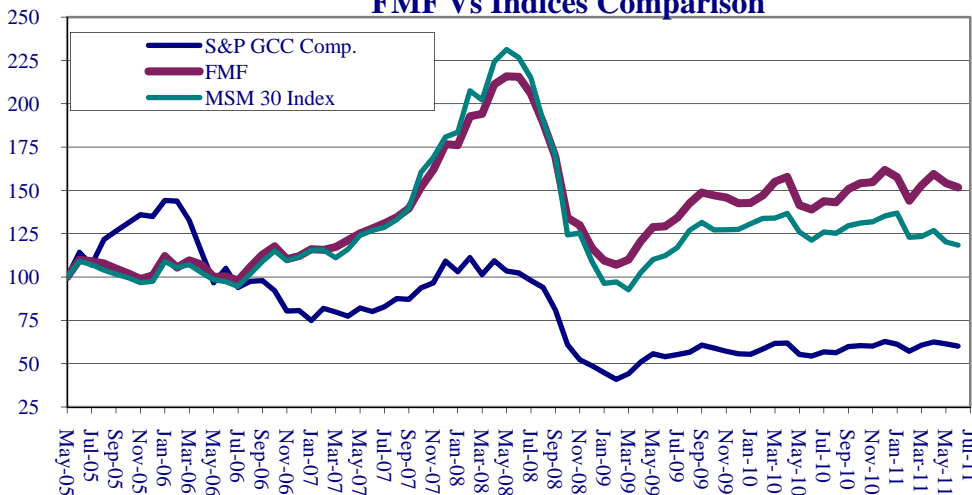


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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