



The First Mazoon Fund

# The First Mazoon Fund JIA

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*June 2014*  
*205<sup>th</sup> 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               | Gulf Custody Company             |
| Launch Date             | June 10, 1997                    |
| Auditors                | Moorestephens                    |
| 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 1.23                          |
| Net Asset               | R.O 7.5 Million                  |

**Your Gateway to GCC Markets**

|                 | FMF     | S&P GCC Comp. |
|-----------------|---------|---------------|
| MTD             | -3.07%  | -7.38%        |
| YTD             | 16.62%  | 8.20%         |
| 1 Year          | 33.38%  | 23.70%        |
| 3 year          | 54.87%  | 33.85%        |
| 5 year          | 81.74%  | 48.98%        |
| Since Inception | 356.08% | na            |

## 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% | -4.32% | -0.03%  | 2.19%   | -2.53% | 3.22%  | -9.33% |
| 2012 | 0.54%  | 8.37%  | 3.33%  | -1.42% | -6.43%  | -3.54% | 0.76%  | 3.13%  | -0.99%  | 0.36%   | -2.37% | 2.84%  | 3.86%  |
| 2013 | 5.47%  | -0.39% | 2.42%  | 3.87%  | 4.99%   | -1.48% | 6.63%  | -2.03% | 1.36%   | 2.00%   | 2.42%  | 3.59%  | 32.51% |
| 2014 | 7.40%  | 3.05%  | 2.94%  | 4.48%  | 1.09%   | -3.07% |        |        |         |         |        |        | 16.62% |

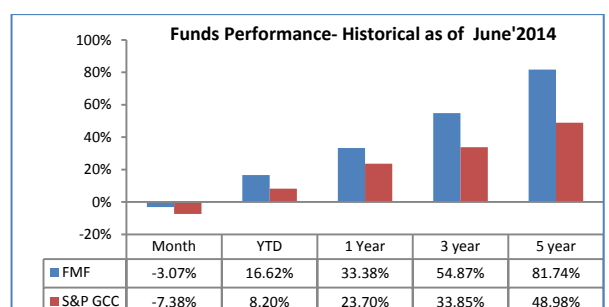
## Market Review and Outlook

June'2014 was the month of correction across GCC markets, with almost all the frontline markets plunging sharply. Confluence of events including the worsening regional escalation, continuing controversy relating to Qatar's World Cup 2022 and corporate governance issues relating to Arabtec during the latter fortnight of June were some of the key issues which led to the downfall. Dubai market was the most affected as its nearly lost 44% of its accumulated gains till May end, but still maintained a gain of 17% on a YTD basis. Next in line was Qatar market which fell by 16%, while rest of the markets like Kuwait, Saudi and Bahrain fell by 4.7%, 3.2% and 2.2% respectively. Muscat market was sole exception gaining by 2.2%. Volumes expectedly were lower on a MoM basis.

**Outlook for July 2014** - US and European bankers continued with their monetary accommodative policy as their industrial productivity continued to remain low. With the escalating conflicts in Middle East region, oil prices have again started to move upwards, which could mean greater freedom for the regional economies to manoeuvre their fiscal positio. Notwithstanding the regional conflict, GCC continues to remain a safe haven in terms of stability. With certain stocks now again available at attractive valuations, we could again see the markets reviving, albeit with increasing volatility. We continue to adjust our asset allocation to do better than the benchmark year.

## Dividend

| Financial Year ended | Cash | Stock |
|----------------------|------|-------|
| 2013                 | 10%  | 10%   |
| 2010                 | 5%   | 5%    |
| 2009                 | 5%   | 15%   |
| 2007                 | 10%  | 15%   |
| 2006                 | 5%   | 5%    |
| 2005                 | 10%  | 25%   |
| 2004                 | 14%  | 14%   |



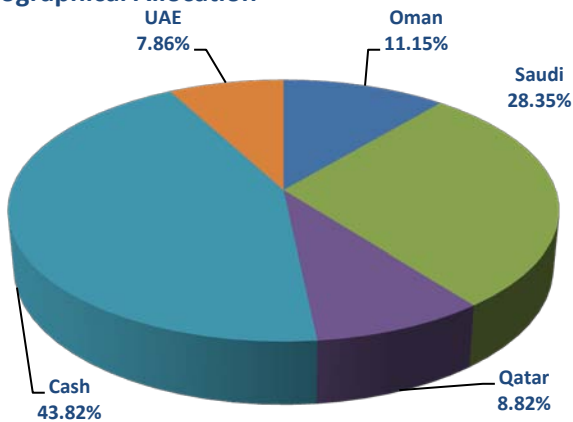
## Fund Review for the 205<sup>th</sup> Month

The NAV was RO 1.230 as at the end of June'14 and increased by about 3.07% for the month as against the S&P GCC Composite Index which decreased by 7.38%. During the same period, the MSM Index was higher by 2.20%. The average NAV per unit during the month was RO 1.253.

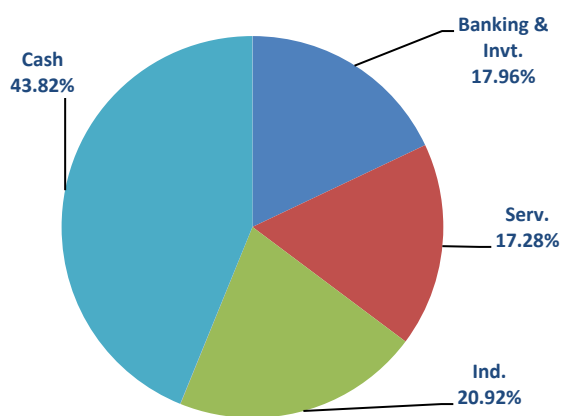
| TOP 5 Holdings | %    |
|----------------|------|
| SABIC          | 4.09 |
| Bank Muscat    | 3.96 |
| Omantel        | 3.06 |
| Tabuk Cement   | 2.39 |
| Al Meera       | 2.35 |

| Particulars                             | FMF    | S&P GCC Comp. |
|---|--------|---------------|
| Average Monthly Return                  | 1.07%  | 0.74%         |
| Monthly Maximum loss                    | -10.4% | -10.6%        |
| Month of Maximum loss                   | May-10 | May-10        |
| Annualized Return                       | 12.69% | 8.3%          |
| Annualized Volatility                   | 13.0%  | 12.9%         |
| % of winning months (against benchmark) | 60.0%  | na            |
| % of gained months                      | 61.7%  | 58.3%         |
| YTD                                     | 16.62% | 8.20%         |
| Beta                                    | 0.98   | na            |
| Sharpe (RF 4.5%)                        | 0.63   | 0.29          |
| Information ratio                       | 0.34   | na            |
| Alpha                                   | 4.5%   | na            |

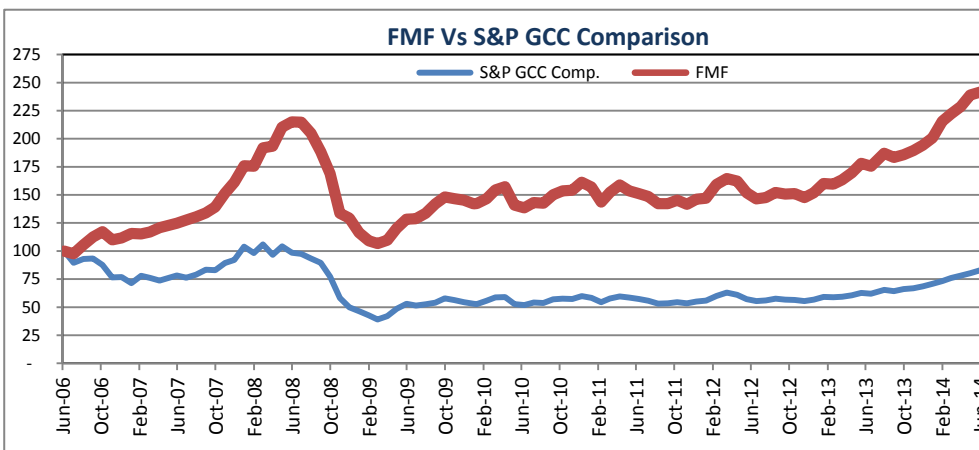
### Geographical Allocation



### Sectoral Allocation



### Performance



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#### Investment Manager



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