



The First Mazoon Fund

The First Mazoon Fund JIA

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June 2008
133rd 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 MSM, GCC Markets and Mena region.

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	-0.11%	-0.82%	-2.00%
YTD	22.04%	-10.48%	25.32%
1 year	68.28%	19.63%	78.63%
3 year	96.03%	-16.80%	107.75%
5 year	451.50%	na	375.14%
Since inception	318.41%	na	200.04%

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 6.88 million
Units outstanding	: 3,889,763
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 1.769

Percentage Monthly Returns

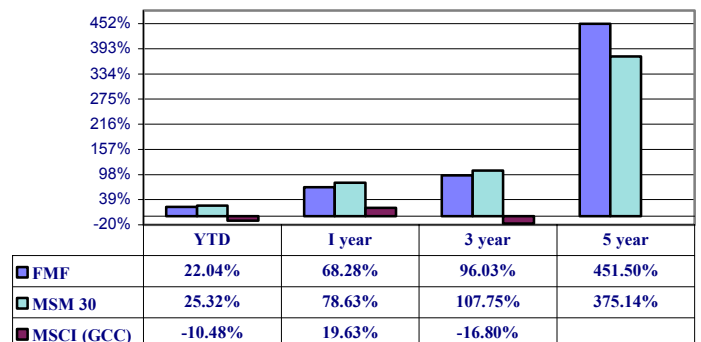
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1997									21.0%	3.1%	1.2%	3.8%	22.9%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-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%							22.04%

Market Review and Outlook

The MSM 30 Index, after closing the month of May on a high of 11554.69 points continued its momentum and went on to create an historic high of 12109.10 points in the middle of June. Thereafter, negative sentiments that prevailed in the GCC region coupled with selling pressure from foreign investors changed the course of the local bourse, which finally ended the month of June with a loss of 2% at 11,323.04 points. The year to date return of Oman stands at 25.3%. The much awaited Voltamp Energy IPO got listed during the month of June. The stock garnered an overwhelming response in the first couple of days of its listing. However, from then on, the stock was subjected to severe selling pressure. From among the sectoral Indices, the Banking & Investment Index saw a decline of 5.51% during the month. Liquidity control measures announced by the Central Bank during the month along with an "over priced" tag given to Omani Banks by some outside ranking sources reflected negatively on the sector and contributed to this fall. Meanwhile, the Industry Index witnessed an appreciation of 7.23% for the month. The Service & Insurance Index closed the month with a gain of 5.46%. On the regional front, except for Kuwait, all other GCC markets ended the month of June in red. The benchmark MSCI GCC index declined by 0.82% for the month and 10.48% for the year. UAE saw the largest drop of 4.14% followed with Saudi Arabia with a loss of 1.86% during the month. Qatar and Bahrain drifted by 0.18% and 0.52% respectively.

The coming month is likely to be action packed despite the holiday season as second quarter results is likely to drive the market in the region. In Oman the largest dual power plant, Sohar Power is planning for an IPO that is likely to see good interest. In the regional markets we expect the trend to firmup as the earnings are likely to catch up and more foreign interest is likely to be witnessed.

**Funds Performance- Historical
as of June 30, 2008**



TOP 5 Holdings

Holdings	%
Raysut Cement	9.51
Bank Muscat	9.16
Omantel	7.61
GALFAR	6.09
Renaissance Services	5.06

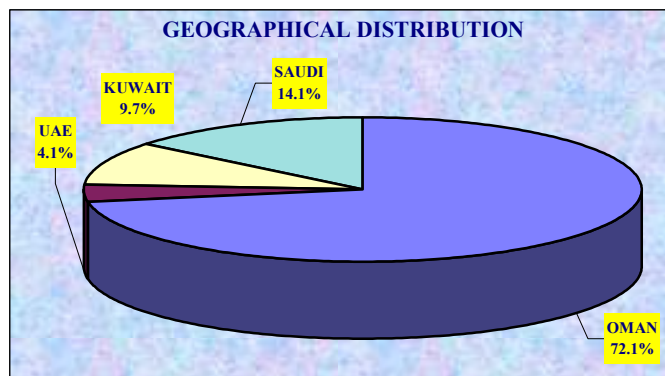
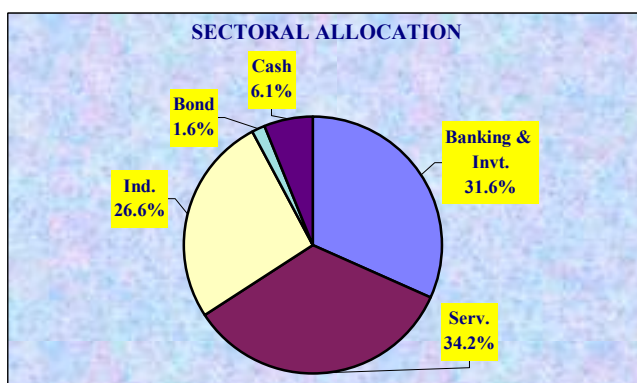
Fund Review for the 133rd Month

The NAV was RO 1.769 at the end of the month and was up 22.04% on YTD basis as against the MSM30 gain of 25.32% and regional markets represented by MSCI (GCC) return of -10.48%. The average NAV during the month was RO 1.800. A total 4,907 units were redeemed during this month with this the total net subscription for the year now stands at 1,836,319 units". The net asset has now increased from RO 3,609,276 from the beginning of the year to RO 6,879,146.

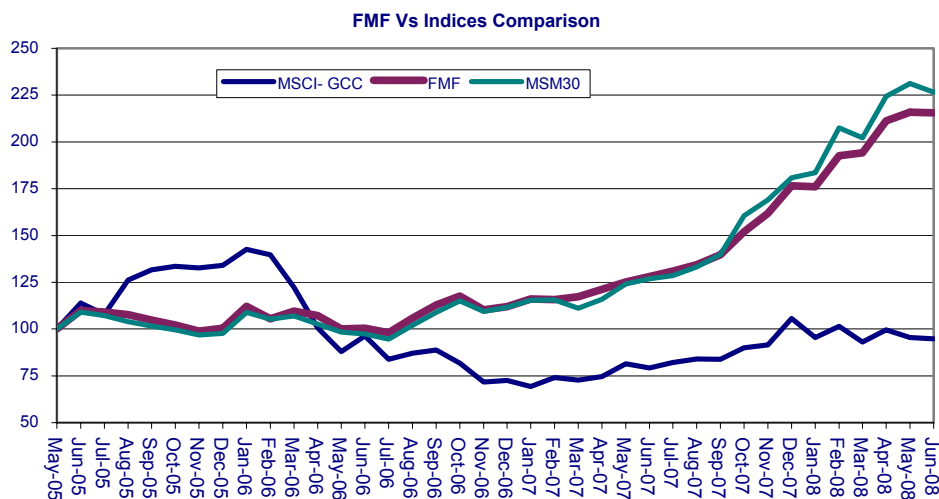
Past Three years

	FMF	MSM	FMF	MSCI (GCC)
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	25.2%	27.6%	25.2%	-5.9%
Annualized Volatility	15.9%	18.2%	15.9%	27.8%
% of winning months (against benchmark)	44.4%	na	72.2%	na
% of gained months	63.9%	61.1%	63.9%	52.8%
YTD	22.0%	25.3%	22.0%	-10.5%
Sharpe (RF 5.5%)	1.24	1.21	1.24	(0.41)
Alpha	3.4%	na	21.9%	na

Asset Allocations:



Performance



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Investment Manager



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