



The First Mazoon Fund

The First Mazoon Fund JIA

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June 2010
157th 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.

**Winner of
Lipper Fund Award
-2010**



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 3.998 million
Units outstanding	4,203,742
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 0.951

FMF –Winner of Lipper Fund Award – 5 Year GCC Equity

FMF –2nd Best Performer in 2009 among GCC Conventional Funds
(Source: Markaz)

FMF –Best Performer for 2009 in Oman among GCC Funds

FMF –Best Performer among 3 & 5 year category among GCC Funds
(Source: zawya)

Performance			
	FMF	MSCI (GCC)	MSM 30 Index
For the month	-1.75%	-2.88%	-3.75%
YTD	-2.49%	-1.33%	-4.88%
1 year	7.51%	3.12%	7.95%
3 year	8.51%	-33.12%	-4.43%
5 year	26.41%	-53.49%	11.15%
Since inception	169.80%	na	60.53%

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%							-2.49%

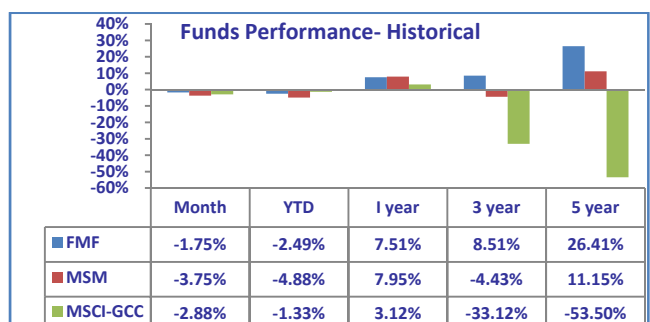
Market Review and Outlook

Global equity markets continue to reel under fears of recession due to European crisis. Fresh fears from effects of consolidation of public finances on near term growth along with weaker data points from US has affected risk appetite of equity markets. With exception of Qatar's gain of 1.68% during the month of June all other regional markets continued in correction mode. MSCI GCC Index registered a fall of 2.88% during the month after which on YTD basis the return on the index ended -1.33%. On YTD basis all regional indices remain in red with Saudi and Qatar outperforming the others.

Global Equity markets are discounting a recession due to the European crisis. However, for now we place more probability on a slowdown with positive growth rates in the global economy. In the short term, high risk profile of global equity markets is likely to hinder sentiments in the regional market. Meantime, we expect Q2 earnings announcements to be a positive trigger for improvement in sentiments. We remain positive on Saudi, Qatar and Oman equities where corporate sector confidence continues to improve. We prefer remain selective on UAE and Kuwait as we await more clarity on earnings visibility post Q2 earnings announcements.

Dividend

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



Fund Review for the 157th Month

The NAV was RO 0.951 at the end of June' 10 and is down -2.49% on YTD basis as against the MSCI (GCC) loss of -1.33% and MSM30 Index loss of -4.88%. The average NAV during the month was RO 0.966. A total of 10,162 units were subscribed and there were no redemption during the month. The total number of units now stands at 4,203,742. The net asset value now stands at RO 3,998,032 from the month's opening value of RO 4,193,580.

TOP 5 Holdings

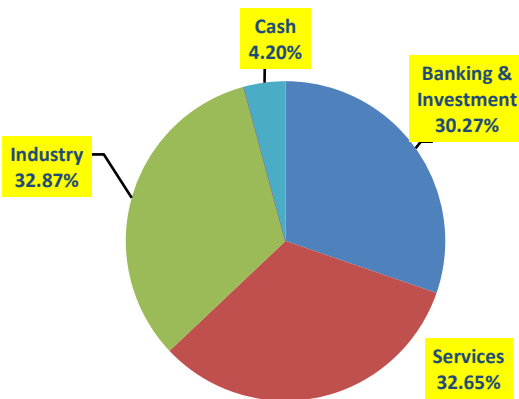
	%
Bank Muscat	7.91
Saudi Basic Ind. corp	7.66
Oman Cement	6.03
National Bank of Oman	5.64
Renaissance Services	4.56

Past Five years

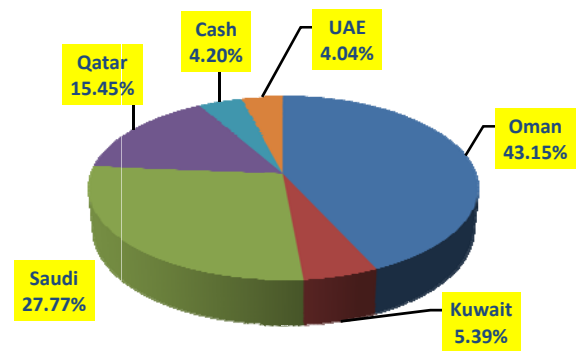
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.57%	0.42%	0.57%	-0.91%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	4.8%	2.1%	4.8%	-14.2%
Annualized Volatility	20.3%	24.0%	20.3%	29.2%
% of winning months (against benchmark)	47.5%	na	67.8%	na
% of gained months	57.6%	61.0%	57.6%	49.2%
YTD	-2.49%	-4.88%	-2.49%	-1.33%
Beta	0.78	na	0.43	na
Sharpe (RF 4.5%)	0.01	(0.10)	0.01	(0.64)
Information ratio	0.13	na	0.94	na
Alpha	2.1%	na	8.4%	na

Asset Allocations:

Sectoral Allocation

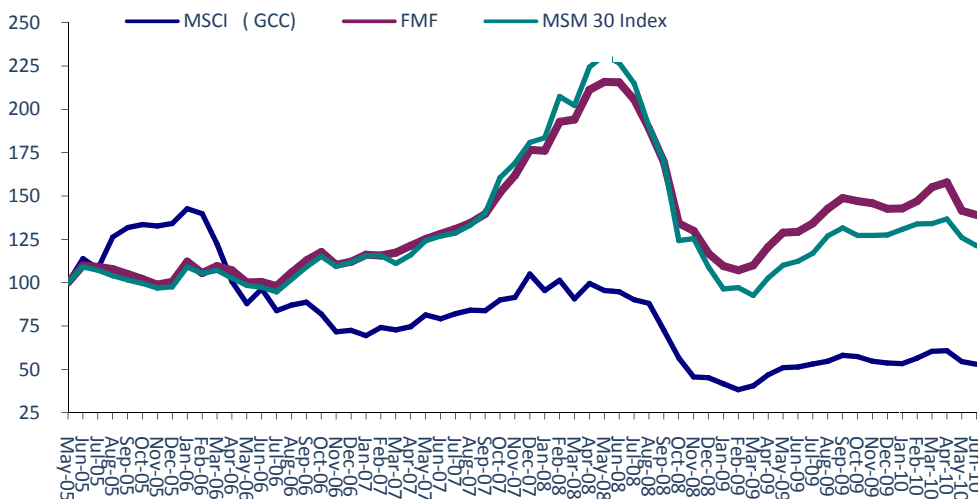


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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