



The First Mazoon Fund

# The First Mazoon Fund JIA

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**March 2009**  
**142<sup>nd</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 MSM, GCC Markets and Mena region.

## Fund Details

|                                |                                  |
|--------------------------------|----------------------------------|
| <b>Manager</b>                 | Gulf Baader Capital Markets SAOC |
| <b>Custodian</b>               | HSBC Bank Middle East, Oman      |
| <b>Launch Date</b>             | June 10, 1997                    |
| <b>Auditors</b>                | Horwath Mak Ghazali LLC          |
| <b>Current Size</b>            | RO 3.3million                    |
| <b>Units outstanding</b>       | 3,651,862                        |
| <b>Type</b>                    | Open-ended                       |
| <b>Subscription/redemption</b> | Daily                            |
| <b>Valuation date</b>          | Daily                            |
| <b>Entry Fee</b>               | 2%                               |
| <b>Management fee</b>          | 1.4% per annum                   |
| <b>Performance fee</b>         | 10%                              |
| <b>Hurdle rate</b>             | 10%                              |
| <b>Redemption Fee</b>          | 1% < 1 year                      |
| <b>NAV/Unit</b>                | RO 0.903                         |

## Performance

|                        | FMF    | MSCI (GCC) | MSM 30 Index |
|------------------------|--------|------------|--------------|
| <b>For the month</b>   | 2.7%   | 5.8%       | -4.6%        |
| <b>Ytd</b>             | -5.7%  | -10.4%     | -14.9%       |
| <b>1 year</b>          | -43.3% | -55.4%     | -54.2%       |
| <b>3 year</b>          | 0.4%   | -66.9%     | -13.5%       |
| <b>5 year</b>          | 123.6% | na         | 56.4%        |
| <b>Since inception</b> | 113.6% | na         | 22.6%        |

## Dividend Paid

| Financial Year ended | Cash | Stock |
|----------------------|------|-------|
| <b>2004</b>          | 14%  | 14%   |
| <b>2005</b>          | 10%  | 25%   |
| <b>2006</b>          | 5%   | 5%    |
| <b>2007</b>          | 10%  | 15%   |

## Percentage Monthly Returns

|             | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct     | Nov    | Dec    | Year   |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| <b>1997</b> |        |        |        |        |        |        |        |        | 21.0%  | 3.1%    | 1.2%   | 3.8%   | 22.9%  |
| <b>1998</b> | 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% |
| <b>1999</b> | 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%   |
| <b>2000</b> | 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%  |
| <b>2001</b> | -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%  |
| <b>2002</b> | 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%  |
| <b>2003</b> | -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%  |
| <b>2004</b> | 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%  |
| <b>2005</b> | 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%  |
| <b>2006</b> | 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%    |
| <b>2007</b> | 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%  |
| <b>2008</b> | -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% |
| <b>2009</b> | -6.16% | -2.22% | 2.73%  |        |        |        |        |        |        |         |        |        | -5.7%  |

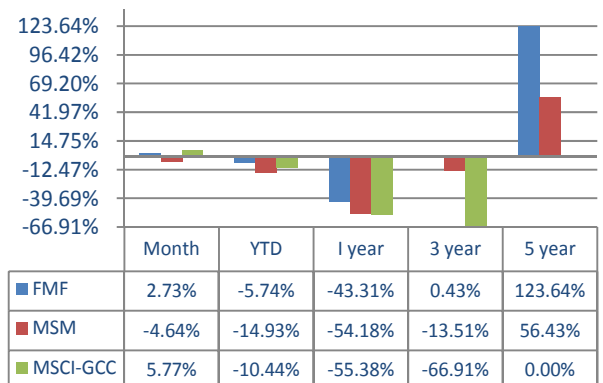
## Market Review and Outlook

As expected the month of March'09 witnessed the adjustment of dividend in Muscat Securities Market as it declined by 4.6%. The resurgence of the Global markets reflected in the MSCI (GCC) index whereby it posted a gain of whopping 6% driven by the up move in Saudi Arabia and Qatar markets. In Qatar, the Government stepped in and bought out the investments in the balance sheets of the Banks to the extent of QR 6.5 billion (USD 1.78 billion). This supported the sentiment as it enables the banks to generate cash and avoid any risk associated with the impact of the investments in its first quarter results. In Saudi Arabia the petrochemical giant provided a positive guidance for the first quarter results and also indicated the improvement in the petrochemical prices. This boosted the sentiments further. Among the other regional markets, Kuwait saw the passage of the KD 1.5 billion (USD 5.2 billion) stimulus package which is likely to further the trend into positive zone going forward. UAE saw the Dubai rescue package of \$10 billion by the central bank.

Meanwhile the crude has moved above \$50 levels and has remained above these levels in the second part of the month. The decline in the supply as well as the early signs of the recovery in the western economies has pushed the prices higher. This is likely to give comfort to the regional Governments in terms of their expenditure plan considering their accumulated reserves.

The region which generally has a lag impact on the markets is likely to see a reversal in trend with the oil prices firming up and the possible better than expected financial sector performances might prop the markets. The dividend money is also likely to meet the market in the month of April which has always been the trend considering the banking interest rate of just about 4%. We will increase our proportion of investments in the GCC markets and reduce our cash exposure.

Funds Performance- Historical as of March 31, 2009



## TOP 5 Holdings

|                      | %     |
|----------------------|-------|
| Omantel              | 10.79 |
| Bank Muscat          | 10.09 |
| Shell Oman Marketing | 8.04  |
| Sohar Power          | 3.96  |
| Qatar Elect & Water  | 3.83  |

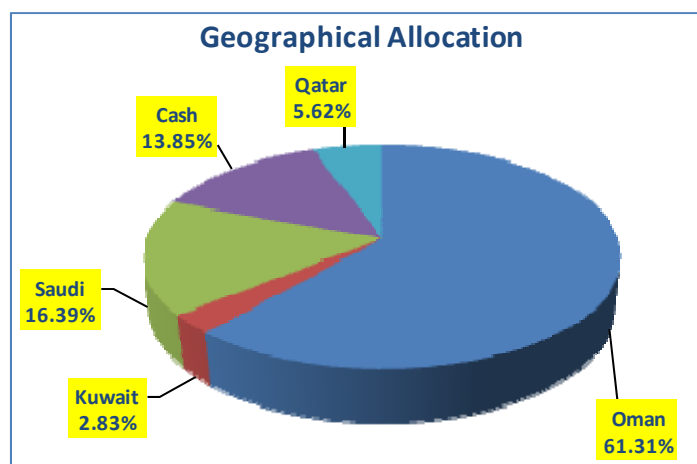
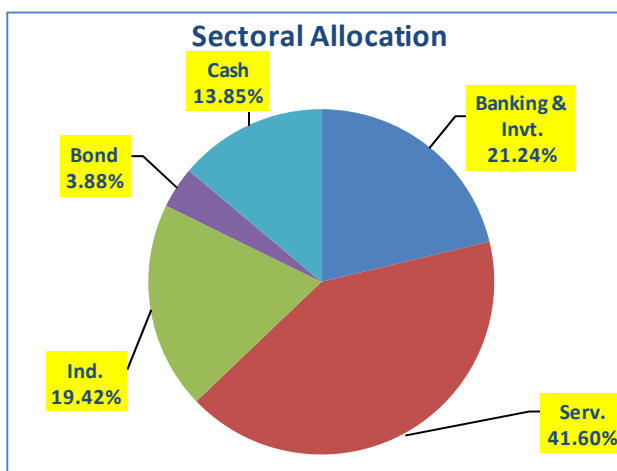
## Fund Review for the 142<sup>nd</sup> Month

The NAV was RO 0.903 at the end of the month and was down 5.7% on YTD basis as against the MSM30 Index decline of 14.9% and regional markets represented by MSCI (GCC) return of -10.4%. The average NAV during the month was RO 0.876. Number of units redeemed during the month was 8,060. The total number of units now stands at 3,651,862. The net asset has now improved to RO 3,298,697 from the beginning of the month of RO 3,218,060.

## Past Three years

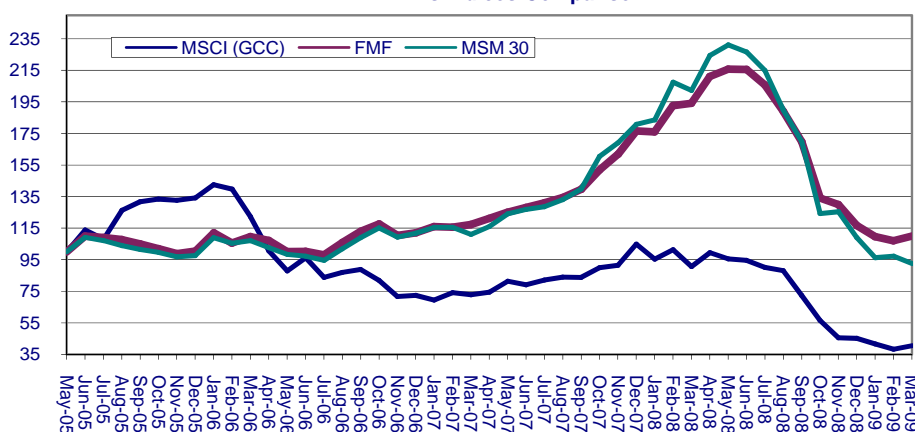
|   | FMF    | MSM    | FMF           | MSCI (GCC) |
|---|--------|--------|---------------|------------|
| Average Monthly Return                  | 0.22%  | -0.06% | <b>0.22%</b>  | -2.60%     |
| Monthly Maximum loss                    | -20.9% | -26.9% | <b>-20.9%</b> | -21.9%     |
| Month of Maximum loss                   | Oct-08 | Oct-08 | Oct-08        | Oct-08     |
| Annualized Return                       | 0.9%   | -3.3%  | <b>0.9%</b>   | -26.1%     |
| Annualized Volatility                   | 22.3%  | 28.0%  | <b>22.3%</b>  | 31.2%      |
| % of winning months (against benchmark) | 54.3%  | na     | <b>80.0%</b>  | na         |
| % of gained months                      | 60.0%  | 60.0%  | <b>60.0%</b>  | 42.9%      |
| YTD                                     | -5.7%  | -14.9% | <b>-5.7%</b>  | -10.2%     |
| Beta                                    | 0.74   | na     | <b>0.46</b>   | na         |
| Sharpe (RF 4.5%)                        | (0.16) | (0.28) | (0.16)        | (0.98)     |
| Information ratio                       | 0.19   | na     | 1.21          | na         |
| Alpha                                   | 2.2%   | na     | <b>10.4%</b>  | na         |

## Asset Allocations:



## Performance

### FMF Vs Indices Comparison



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## Investment Manager



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