



The First Mazoon Fund

The First Mazoon Fund JIA

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March 2011
166th 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 4.094 million
Units outstanding	4,319,544
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 0.948

Your Gateway to GCC Markets

Performance			
	FMF	S&P GCC Comp.	MSM 30 Index
For the month	6.05%	6.06%	0.41%
YTD	-5.57%	-3.49%	-8.70%
1 Year	-1.44%	-1.65%	-7.92%
3 year	-21.27%	-40.21%	-38.95%
5 year	39.48%	-54.31%	15.25%
Since inception	196.60%	na	63.40%

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%										-5.57%

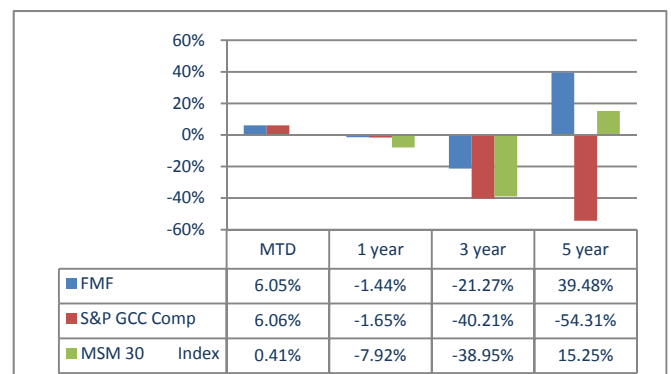
Market Review and Outlook

A mixed performance was witnessed in the GCC markets following a steep decline in February. The announcement of financial support package by Saudi Arabia brought back the positive momentum in the regional markets despite continuing protests in other parts of MENA. Saudi, UAE and Qatar were the best performing markets in the GCC region. S&P GCC Composite index closed 6% higher backed by Saudi Petrochemical sector stocks. Saudi index surged the most during the month by 10.46% followed by UAE (DFM) by 10.30%. Qatar also witnessed a significant upsurge of 6.60%. While, Oman closed in a positive note by 0.4%, Bahrain closed the month down by 0.4%. Kuwait was the worst performer during the month which closed lower by 2.9%. The scrapping of \$12 billion takeover of Zain by Etisalat was one among the reason for the downfall.

Looking forward to the month of April, market activity is anticipated to be significantly influenced by dividend payouts. Foreign institutional investors are unlikely to participate in a big way and are likely to adopt wait and watch stand. The first quarter results which are expected to be selectively positive is likely to bring about stock specific interest. We opine Saudi Arabia, UAE and Oman to perform well in the coming month.

Dividend

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



Fund Review for the 166th Month

The NAV was RO 0.948 as at the end of Mar' 11 and is up by 6.06% for the month as against the S&P GCC Composite Index gain of 6.05% and MSM30 Index gain of 0.41%. The average NAV during the month was RO 0.920 after adjusting for dividends of 5% cash and 5% stock. A total of 205,693 units were added due to stock dividend during the month. The total number of units now stands at 4,319,544. The net asset value now stands at RO 4.09 mln from the month's opening value of RO 4.06 million.

TOP 5 Holdings

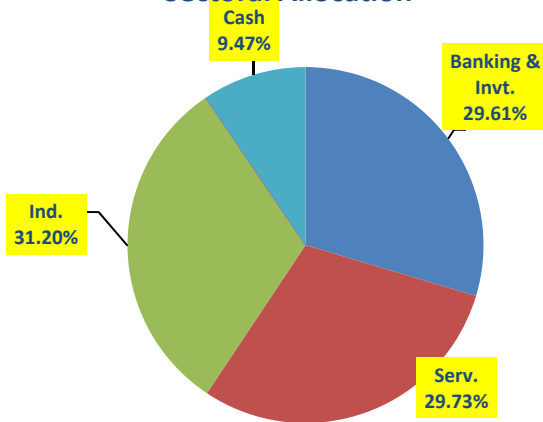
	%
Saudi Basic Ind. corp	10.5
Al Rajhi Banking Corp	4.84
National Bank of Kuwait	4.21
National Bank of Oman	3.90
Bank Muscat	3.85

Past Five years

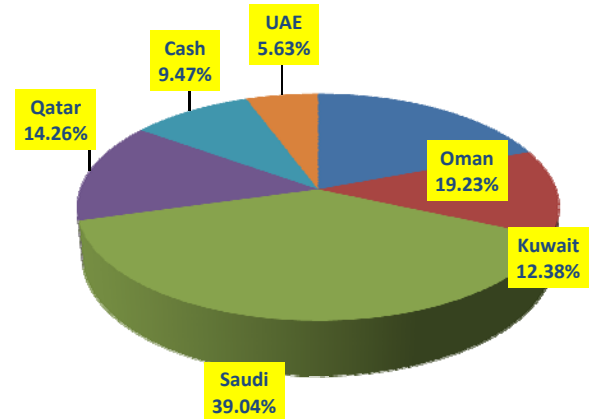
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.73%	0.48%	0.73%	-0.99%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	6.9%	2.9%	6.9%	-14.5%
Annualized Volatility	20.1%	23.8%	20.1%	26.9%
% of winning months (against benchmark)	50.8%	na	66.1%	na
% of gained months	62.7%	67.8%	62.7%	45.8%
YTD	-5.57%	-8.70%	-5.57%	-3.49%
Beta	0.76	na	0.56	na
Sharpe (RF 4.5%)	0.12	(0.07)	0.12	(0.71)
Information ratio	0.20	na	1.07	na
Alpha	3.6%	na	13.1%	na

Asset Allocations:

Sectoral Allocation

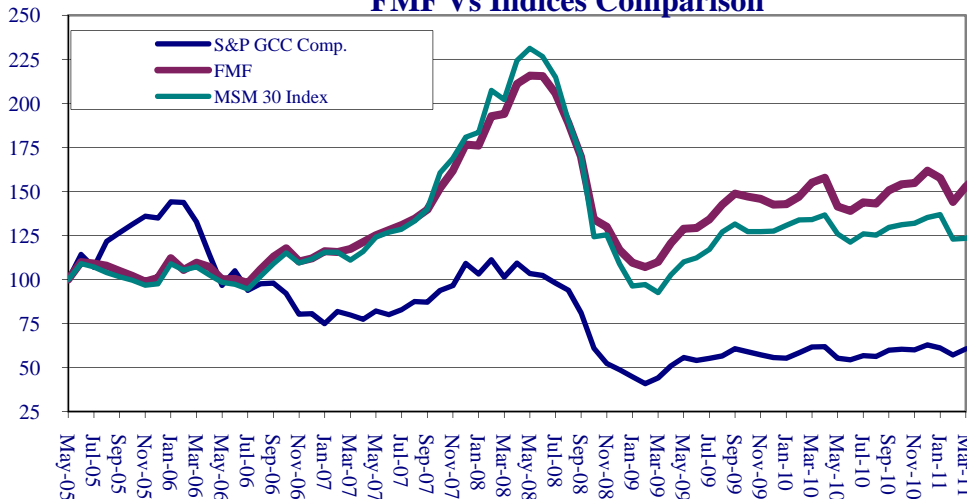


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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