



The First Mazoon Fund

The First Mazoon Fund JIA

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May 2008
132nd 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	2.18%	-4.15%	3.07%
YTD	22.18%	-9.84%	27.88%
1 year	72.39%	17.22%	86.29%
3 year	115.78%	-4.65%	131.25%
5 year	479.60%	na	407.05%
Since inception+	318.89%	na	206.17%

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 6.89 million
Units outstanding	: 3,894,670
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 1.771

Percentage Monthly Returns

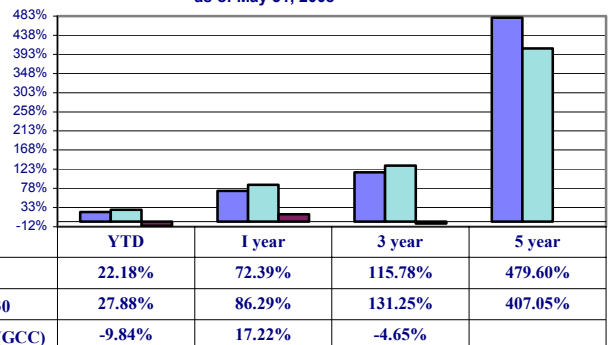
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%	-2.4%
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%
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%
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%
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%
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%
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%
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%
2008	-0.28%	0.41%	0.73%	8.8%	2.18%							

Market Review and Outlook

The month of May'08 saw the MSM Index advance by 3.07% to close at a historic high of 11,554.69 points. The YTD returns from the Index at the close of May 2008 stands at 27.88%. Relatively dull trading activity was seen in the Market for most part of the month, with volumes only picking up in the last couple of days subsequent to positive developments in the cement sector. The month also witnessed the opening to subscription of "Voltamp Energy" IPO. The much awaited results from companies like Galfar Engineering, Al Hasan Engineering, ONIC Holding, and Ominvest etc also poured in during the month. From among the sectoral Indices, the Banking & Investment sector ended the month in red by 0.66%. The Industry Index, buoyed by active buying in Cement Sector, ended the month with a gain of 3.55%. Meanwhile, Investors interest in Omantel and Renaissance Services lifted the Service & Insurance sector up by 3.94% for the month. A total of 363.084 million shares got traded during the month amounting to an aggregate turnover of RO 289.819 million. Net GCC buying of RO 12.810 million was seen during the month while Omani Investors including local funds and institution ended as net sellers (RO 16.664 million). On the regional front, the Saudi and UAE markets ended the month in red by 5.33% and 1.03% respectively. The former of the two witnessed the IPO of Mohammad Al Mojil group and Rights issue of Riyadh Bank during the month that sucked the liquidity out of the market. The other three GCC markets, i.e. Kuwait Qatar and Bahrain, closed the month of May in the positive zone by 2.20%, 5.28% and 1.14% respectively.

Moving forward, the IPO of Voltamp Energy will close for subscription in Oman and the refund money is likely to come back to the market. Also the next month will mark the close of second quarter of the year. Healthy corporate results expectation is likely to keep the regional markets active towards the end of the month. From among the regional markets, we remain positive on Saudi and Kuwait market.

Funds Performance- Historical
as of May 31, 2008



TOP 5 Holdings

	%
Bank Muscat	10.59
Raysut Cement	9.44
Omantel	7.46
Shell Oman Marketing	4.60
Renaissance Services	4.52

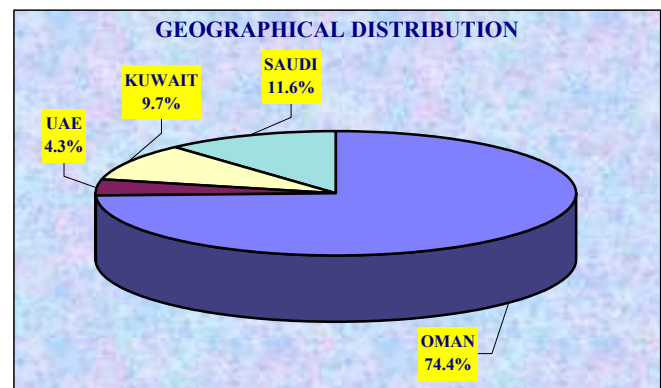
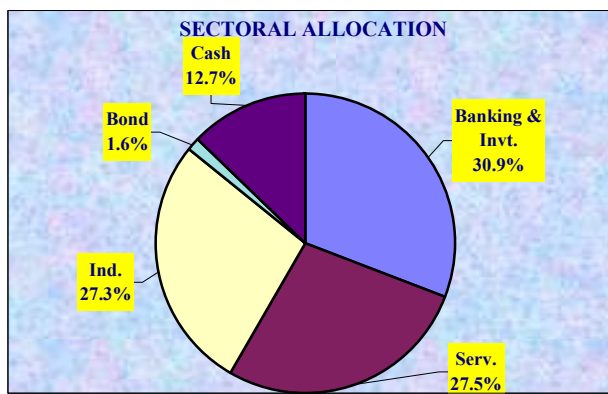
Fund Review for the 132nd Month

The NAV was RO 1.771 at the end of the month and was up 22.18% on YTD basis as against the MSM30 gain of 27.88% and regional markets represented by MSCI (GCC) return of -4.15%. The average NAV during the month was RO 1.757. A total 389,800 units were subscribed and 87,682 units were redeemed during this month with this the total net subscription for the year now stands at 1,841,226 units". The net assets has now increased from RO 3,609,276 from the beginning of the year to RO 6,896,168.

Past Three years

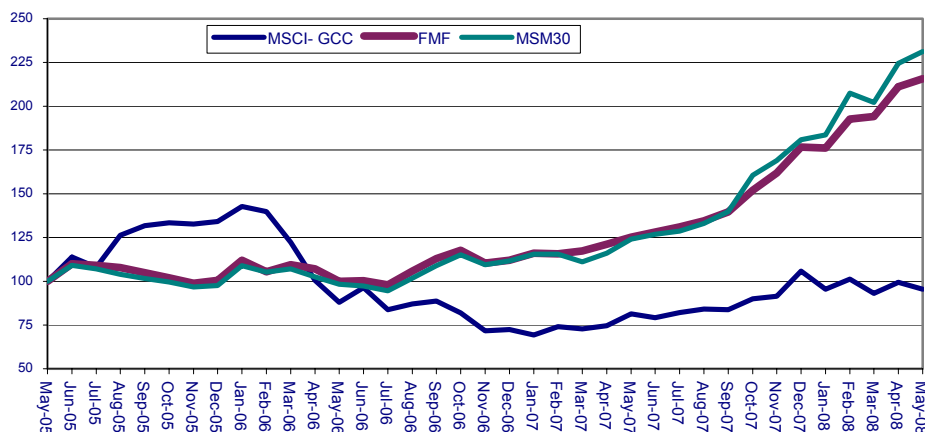
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	2.3%	2.5%	2.3%	0.21%
Monthly Maximum loss	-6.6%	-4.9%	-6.6%	-17.7%
Month of Maximum loss	May-06	Nov-06	May-06	Apr-06
Annualized Return	29.2%	32.2%	29.2%	-1.6%
Annualized Volatility	16.5%	18.5%	16.5%	29.0%
% of winning months (against benchmark)	44.4%	na	69.4%	na
% of gained months	66.7%	63.9%	66.7%	55.6%
YTD	22.2%	27.9%	22.2%	-9.8%
Sharpe (RF 5.5%)	1.44	1.45	1.44	(0.24)
Alpha	3.2%	na	25.3%	na

Asset Allocations:



Performance

FMF Vs Indices Comparison



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Investment Manager



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