



The First Mazoon Fund

The First Mazoon Fund JIA

P O Box 974, Ruwi, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790 612

May 2009
144th 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

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 3.83million
Units outstanding	3,627,329
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 1.057

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	6.77%	8.85%	7.24%
YTD	10.33%	12.84%	1.09%
1 year	-40.32%	-46.63%	-52.40%
3 year	28.69%	-42.04%	11.87%
5 year	117.05%	na	71.40%
Since inception	150.01%	na	35.90%

Dividend Paid

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

Percentage Monthly Returns

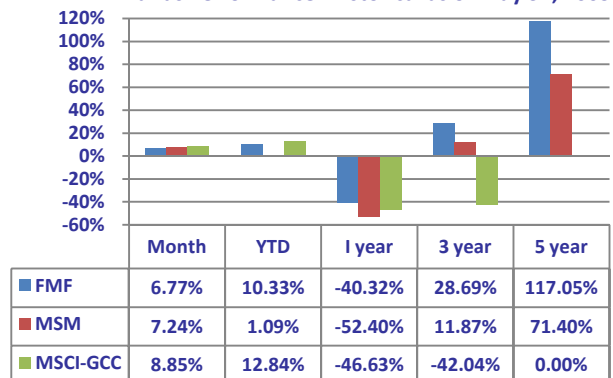
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1997									21.0%	3.1%	1.2%	3.8%	22.9%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-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%								10.33%

Market Review and Outlook

The easing of liquidity situation in global financial markets subsequent to the USA Government initiatives led to improvement in the investors' sentiment. The benchmark MSCI (GCC) index continued its march upwards in the month of May'09 with a gain of 8.9%. The markets witnessed fresh flow of foreign funds primarily in the Banking and Petrochemical sectors. The oil prices too have climbed above \$60/bbl during the month. This clearly points to the comfortable positions for the regional Governments coffers. The period also saw Saudi Arabia set up its mortgage law and a fund for financing SME segment. The Qatari Government gave another boon to the banks by proposing to purchase the Real estate assets of the banks. This prompted fresh interest in the markets. Qatar reported a whopping 24.6% gain for the month followed by 17% in UAE. Oman and Kuwaiti markets too reported a significant gain of over 7% for the month. Barring the concern of possible inflation and depreciation of Dollar against other major currencies the sentiment remains buoyant.

Going forward there is likely to be adjustments to the indices in Oman as well as MSCI (GCC). This could prompt stock specific activity in the month of June. Generally the market is likely to consolidate at these levels and watch out for the first half results indication before taking direction. We will continue to increase our weight in the GCC markets and take trading opportunities in Oman.

Funds Performance- Historical as of May 31, 2009



TOP 5 Holdings

	%
Bank Muscat	8.68
Omantel	6.84
Shell Oman Marketing	6.26
Saudi Basic Industries Corp. (SABIC)	5.42
Renaissance Services	5.05

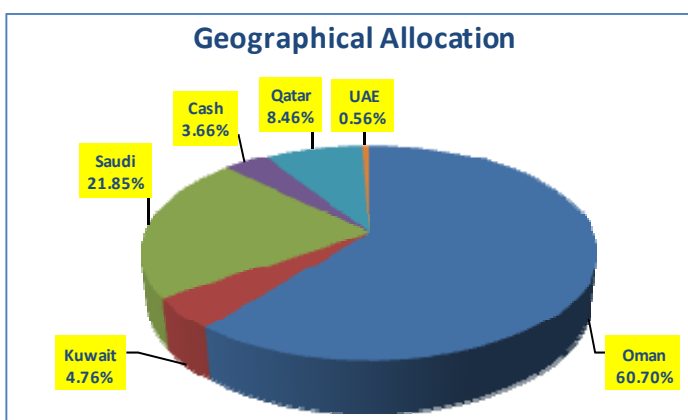
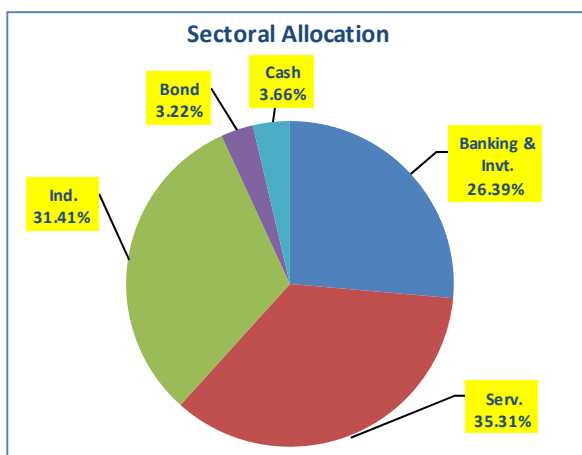
Fund Review for the 144th Month

The NAV was RO 1.057 at the end of the month and was up 10.33% on YTD basis as against the MSM30 Index gain of 1.09% and regional markets represented by MSCI (GCC) return of 12.84%. The average NAV during the month was RO 1.029. A total of 31,200 units were redeemed and there were no subscription during the month. The total number of units now stands at 3,627,329. The net asset has now improved to RO 3,834,552 from the beginning of the month of RO 3,622,009.

Past Three years

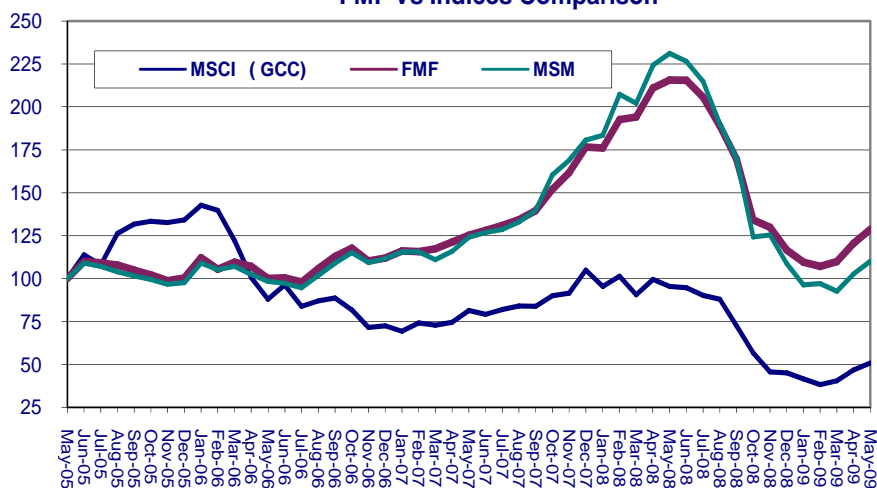
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.92%	0.67%	0.92%	-1.07%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	8.7%	4.2%	8.7%	-19.0%
Annualized Volatility	22.8%	28.7%	22.8%	31.5%
% of winning months (against benchmark)	51.4%	na	74.3%	na
% of gained months	65.7%	65.7%	65.7%	48.6%
YTD	10.3%	1.1%	10.3%	13.5%
Beta	0.73	na	0.49	na
Sharpe (RF 4.5%)	0.18	(0.01)	0.18	(0.74)
Information ratio	0.20	na	1.21	na
Alpha	4.4%	na	15.7%	na

Asset Allocations:



Performance

FMF Vs Indices Comparison



Contact Details:

Mr. Sankar Kailasam
SVP- Asset Management
Tel: +968 24790 614 Ext – 526
Gsm: +968 99887207
Email: sankar@gbcmoman.net

Mr. Khalid Al Khatib
Asst Manager–Asset Management
Tel: +968 24790 614 Ext – 539
Gsm: +968 99525218
Email: Khalid.ALKhatib@gbcmoman.net

Mr. Aamer Al Maashani
Executive–Asset Management
Tel: +968 24790 614 Ext – 529
Gsm: +968 96773300
Email: aamer@gbcmoman.net

Mr. P.P.A.Venkateshwaran
Manager–Fund Administration
Tel: +968 24790 614 Ext – 528
Gsm: +968 99811248
Email: venkat@gbcmoman.net

Disclaimer: This document has been prepared and issued for informational and illustration purpose only on the basis of publicly available information, internally developed data and other sources believed to be reliable. While all care has been taken to ensure that the facts stated are accurate and the opinions given are reasonable, neither Gulf Baader Capital Markets S.A.O.C nor any employee shall be in anyway responsible for the contents of this report. Past performance of the Fund as illustrated herein is not a guarantee of future returns. This is not an offer to buy or sell the investments referred therein.

Investment Manager



الخليجية بادر لأسواق المال ش.م.ع.م.
GULF BAADER CAPITAL MARKETS S.A.O.C.

P.O.Box 974, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790612

E-mail: fmf@gbcmoman.net