



The First Mazoon Fund

# The First Mazoon Fund JIA

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**May 2011**  
**168<sup>th</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 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 4.287 million                 |
| Units outstanding       | 4,483,101                        |
| 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 0.956                         |

## Your Gateway to GCC Markets

### Performance

|                 | FMF     | S&P GCC Comp. | MSM 30 Index |
|-----------------|---------|---------------|--------------|
| For the month   | -3.30%  | -1.73%        | -5.17%       |
| YTD             | -4.72%  | -2.29%        | -11.06%      |
| 1 Year          | 8.99%   | 11.03%        | -4.55%       |
| 3 year          | -28.55% | -40.64%       | -48.00%      |
| 5 year          | 54.05%  | -36.48%       | 22.20%       |
| Since inception | 199.28% | na            | 59.20%       |

## 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%  | 4.34%  | -3.30%  |        |        |        |         |         |        |        | -4.72% |

## Market Review and Outlook

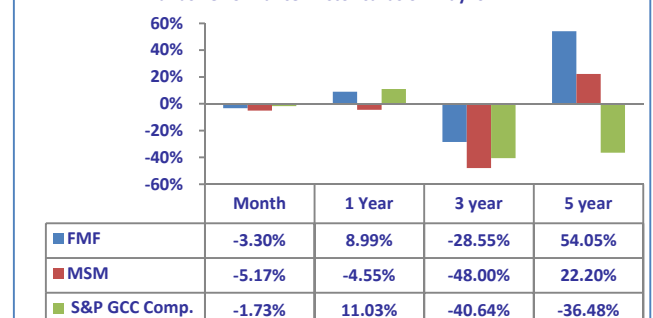
GCC market were jittery during the month of May 2011 owing to the weak economic data from the USA and Europe debt issues. UAE and Qatar markets were impacted with doubts arising on the markets inclusion in the MSCI Emerging markets index. While Oman closed with the highest loss of 5.2%, UAE(Dubai) lost 4.5% during the month. Barring Saudi that is still in positive territory for the current year all the other regional markets are in red. S&P (GCC) lost 1.7% for the month on the back of loss in Petrochemical stocks in Saudi and Banking Sector in Qatar.

The improved political environment in the region is a positive indication for markets which could witness increased investor/trader participation. Foreign investors have already started going long on equities albeit with select stocks in UAE, Qatar and Oman. This should help improve the general market sentiment in the near future. Globally, commodities, especially oil, recovered pretty much to their earlier levels after having witnessed a sharp fall in mid-May 2011. This should further boost investor sentiments. Equities have fallen to levels from where a reversal can be expected due to compelling valuations supported by strong fundamentals

## Dividend

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

Funds Performance- Historical as of May2011



## Fund Review for the 168<sup>th</sup> Month

The NAV was RO 0.956 as at the end of May' 11 declined by 3.3% for the month as against the S&P GCC Composite Index loss of 1.73% and MSM30 Index loss of 5.2%. The average NAV per unit during the month was RO 0.971 after adjusting for dividends of 5% cash and 5% stock. A total of 525,004 units were subscribed and 350,627 units were redeemed during the month. The total number of units now stands at 4,483,101. The net asset value now stands at RO 4.29 mln from the month's opening value of RO 4.27 million.

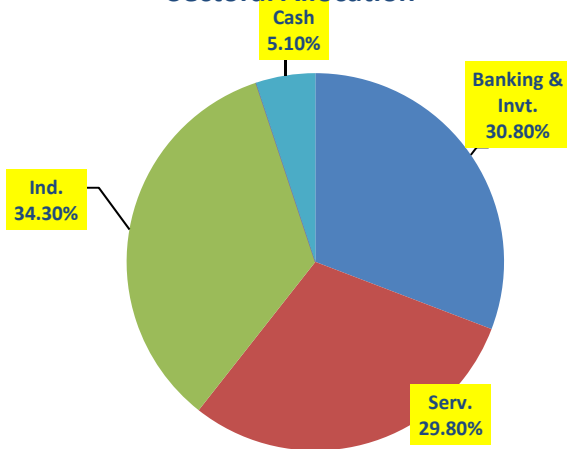
### TOP 5 Holdings

|                         | %     |
|-------------------------|-------|
| Saudi Basic Ind. corp   | 10.21 |
| Bank Muscat             | 4.71  |
| Al Rajhi Banking Corp   | 4.49  |
| National Bank of Kuwait | 4.28  |
| National Bank of Oman   | 3.76  |

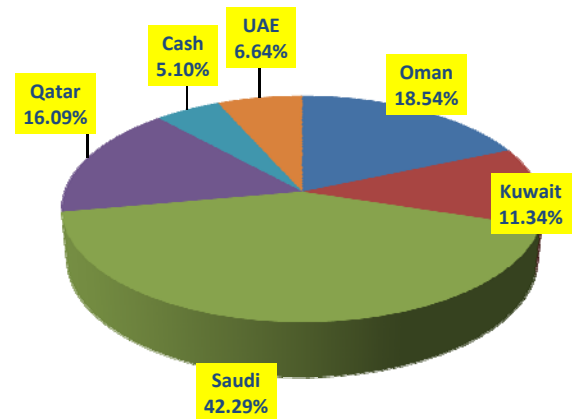
|   | Past Five years |         |        |               |
|---|-----------------|---------|--------|---------------|
|   | FMF             | MSM     | FMF    | S&P GCC Comp. |
| Average Monthly Return                  | 0.89%           | 0.58%   | 0.89%  | -0.48%        |
| Monthly Maximum loss                    | -20.9%          | -26.9%  | -20.9% | -24.7%        |
| Month of Maximum loss                   | Oct-08          | Oct-08  | Oct-08 | Oct-08        |
| Annualized Return                       | 9.0%            | 4.1%    | 9.0%   | -8.7%         |
| Annualized Volatility                   | 19.9%           | 23.8%   | 19.9%  | 25.4%         |
| % of winning months (against benchmark) | 52.5%           | na      | 64.4%  | na            |
| % of gained months                      | 64.4%           | 69.5%   | 64.4%  | 47.5%         |
| YTD                                     | -4.72%          | -11.06% | -4.72% | -2.29%        |
| Beta                                    | 0.76            | na      | 0.60   | na            |
| Sharpe (RF 4.5%)                        | 0.23            | (0.02)  | 0.23   | (0.52)        |
| Information ratio                       | 0.25            | na      | 0.89   | na            |
| Alpha                                   | 4.8%            | na      | 12.4%  | na            |

### Asset Allocations:

#### Sectoral Allocation

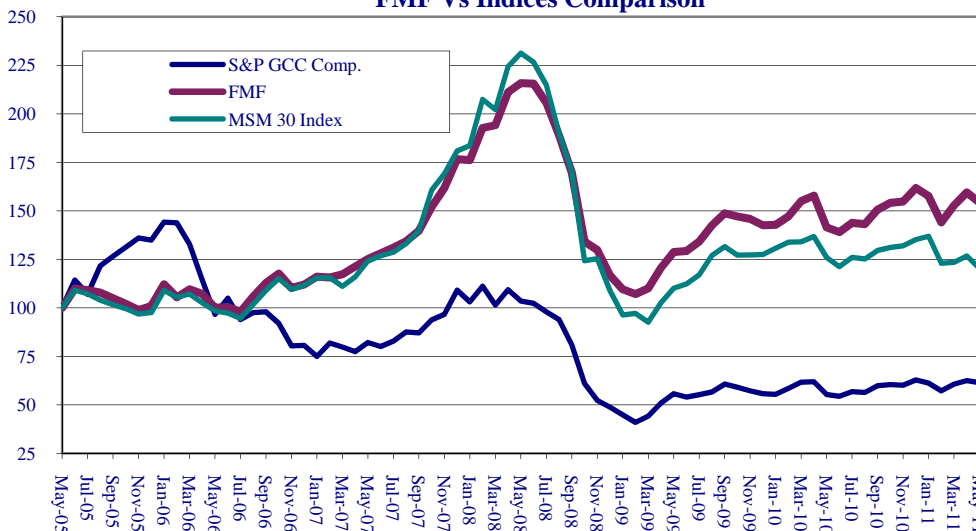


#### Geographical Allocation



### Performance

#### FMF Vs Indices Comparison



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### Investment Manager



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