



The First Mazoon Fund

The First Mazoon Fund JIA

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May 2012
180th 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 4,193 million
Units outstanding	4,436,846
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 0.945

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
MTD	-6.43%	-6.40%	-1.95%
YTD	3.86%	3.98%	1.05%
1 Year	-1.16%	-2.33%	-4.21%
3 year	18.32%	7.65%	4.62%
5 year	21.74%	-26.99%	-7.22%
Since inception	195.81%	na	52.49%

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%	-1.60%	-1.66%	-4.32%	-0.03%	2.19%	-2.53%	3.22%	-9.33%
2012	0.54%	8.37%	3.33%	-1.42%	-6.43%								3.86%

Market Review and Outlook

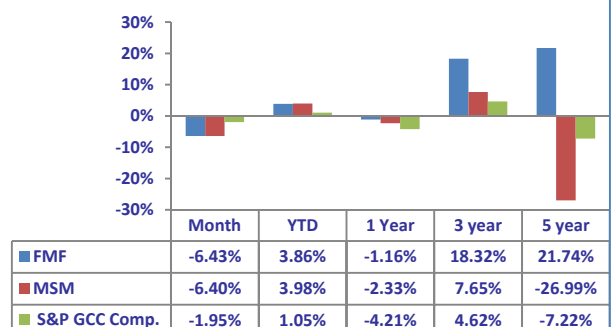
Regional markets suffered a huge setback on the back of worsening global cues, and the entire GCC markets closed on the negative for the month of May 2012. DFM declined the most with the drop as worse as 9.8%, followed by Saudi Arabia at 4.1%. Positive impact from the impressive first quarter numbers was more or less fully wiped-off on account of global worries. Given the bleak economic outlook, even oil price cooled off significantly during the month, which again went against the market sentiments. Brent crude dropped below \$100/brl for the first time since October 2011.

Outlook for June 2012: Markets are expected to be volatile owing to the uncertainty in the global economic recovery, with the euro region worries cascading and the American prospects appearing gloomy. Crude fell to the lowest level in almost eight months as employment reports in the U.S. and the euro area signaled fuel demand may tumble. While the regional economic data in GCC has come out well, especially in Saudi Arabia and UAE, the slump in oil prices could be a major factor resisting the markets' move upwards. On the positive side, the prospects of another round of Quantitative Easing (QE-3) is looming large in the US, which could give a fillip to the global market and bring back the investors into the markets.

Dividend

Financial Year ended	Cash	Stock
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%

Funds Performance- Historical as of May 2012



Fund Review for the 180th Month

The NAV was RO 0.945 as at the end of May '12 decreased by about 6.43% for the month as against the S&P GCC Composite Index loss of 6.40% and MSM30 Index loss of 1.95%. The average NAV per unit during the month was RO 0.969. There were subscription of 44,126 units and redemption of 205,092 units for the month. The total number of units now stands at 4,436,846. The net asset value stands higher at RO 4.193 mln.

TOP 5 Holdings

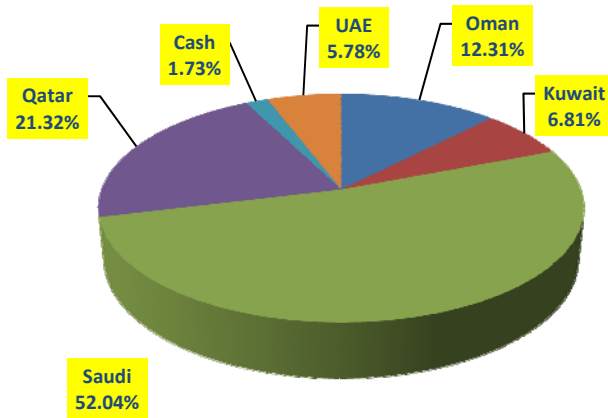
TOP 5 Holdings	%
Saudi Basic Ind. corp	7.96
Al Rajhi Banking Corp	6.19
Industries Qatar	4.62
Qatar National Bank	4.57
Etihad Etisalat	4.00

Past Five years

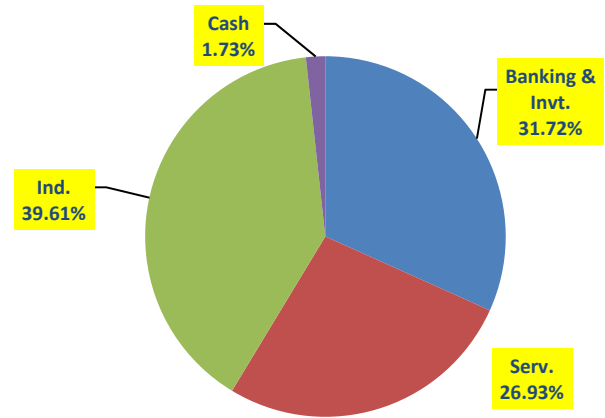
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.50%	0.11%	0.50%	-0.28%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	4.0%	-1.5%	4.0%	-6.1%
Annualized Volatility	19.9%	23.1%	19.9%	23.8%
% of winning months (against benchmark)	55.9%	na	61.0%	na
% of gained months	57.6%	61.0%	57.6%	47.5%
YTD	3.86%	1.05%	3.86%	3.98%
Beta	0.76	na	0.72	na
Sharpe (RF 4.5%)	(0.02)	(0.26)	(0.02)	(0.45)
Information ratio	0.28	na	0.51	na
Alpha	4.0%	na	7.1%	na

Asset Allocations:

Geographical Allocation

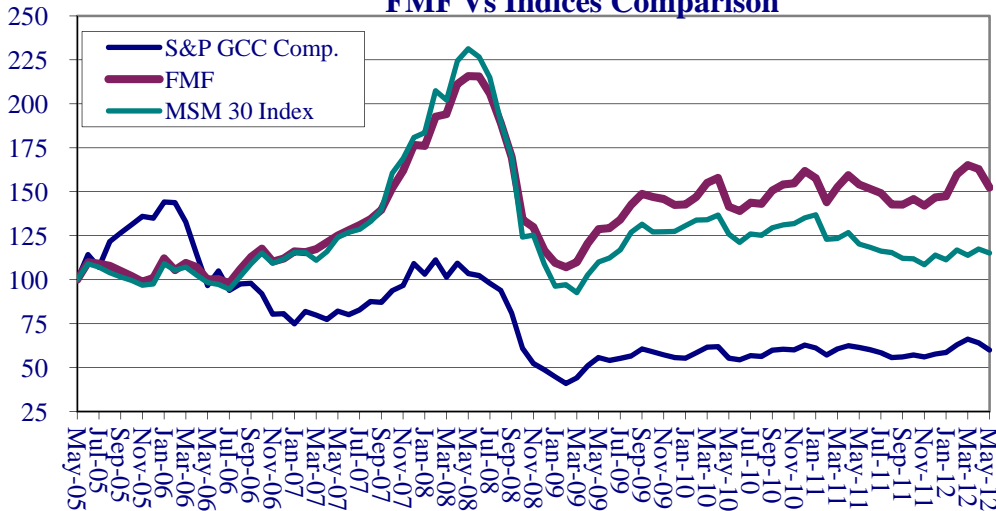


Sectoral Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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