



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

Nov 2010
162nd 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.

**Winner of
Lipper Fund Award
-2010**



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 4.440 million
Units outstanding	4,192,351
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 1.059

FMF –Winner of Lipper Fund Award – 5 Year GCC Equity

FMF –Best Performer in risk adjusted return among GCC conventional funds for 3 year category. (source:Markaz)

FMF –2nd Best Performer in 2009 among GCC Conventional Funds (Source: Markaz)

FMF –Best Performer among 3 & 5 year category among GCC Funds (Source: zawya)

Performance			
	FMF	S&P GCC Comp.	MSM 30 Index
For the month	0.43%	-0.59%	0.59%
YTD	8.58%	7.89%	3.50%
1 year	6.12%	5.02%	3.69%
3 year	-4.37%	-37.82%	-21.92%
5 year	56.56%	-55.81%	36.29%
Since inception	200.44%	na	74.67%

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%		8.58%

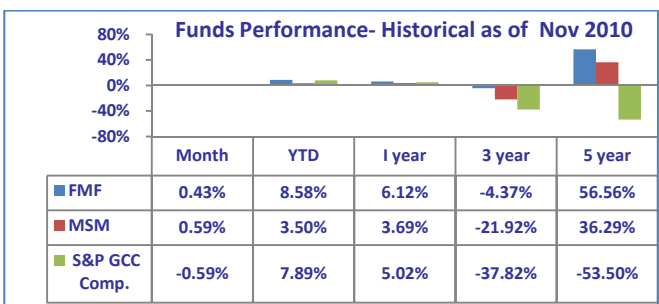
Market Review and Outlook

The month of November was marked with volatility among global markets as concerns on Euro region emerged. This along with a weeklong Eid holidays among select regional markets impacted the sentiment which remained subdued. Trend reversed for UAE markets that saw strong rally during the period July- October 2010. Dubai and Abu Dhabi corrected by 5.42% and 3.06% respectively. After this, on YTD basis, benchmark indices for Dubai and Abu Dhabi have closed at -7.47% and -0.50% respectively. Issues regarding Zain take over by Etisalat has led to correction in Kuwait, down by 2.50% during month. At end of the Month Qatar, Saudi and Oman have outperformed on YTD basis. Qatar with its whopping 17% returns on the benchmark leads the pack followed by Oman's 3.50% and Saudi's 3.21%. All other markets have posted negative returns on the respective benchmarks. S&P GCC Composite Index that was down by 0.59% during the month of November, ended +7.89%, on YTD basis.

Global liquidity flows have led to strong rally among high growth emerging markets during the year. We expect the focus to shift towards valuations which is likely to drive investor interests to other fundamentally sound economies in the globe. GCC is well placed in this pack, as stable crude prices are bound to keep fiscal story intact. We continue to maintain our positive outlook on Saudi and Qatar equities, while being selective on UAE, Oman and Kuwait.

Dividend

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



Fund Review for the 162nd Month

The NAV was RO 1.059 at the end of Nov 10 and is up 8.58% on YTD basis as against the S&P GCC Composite Index gain of 7.89% and MSM30 Index gain of 3.50%. The average NAV during the month was RO 1.061. A total of 9,081 units were redeemed and there were no subscription during the month. The total number of units now stands at 4,192,351. The net asset value now stands at RO 4,439,954 from the month's opening value of RO 4,430,558.

TOP 5 Holdings

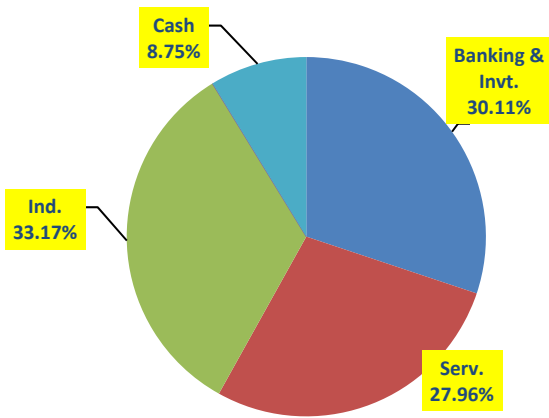
	%
Saudi Basic Ind. corp	8.06
National Bank of Oman	5.74
Renaissance Services	5.49
Al Rajhi Bank	4.45
Bank Muscat	4.22

Past Five years

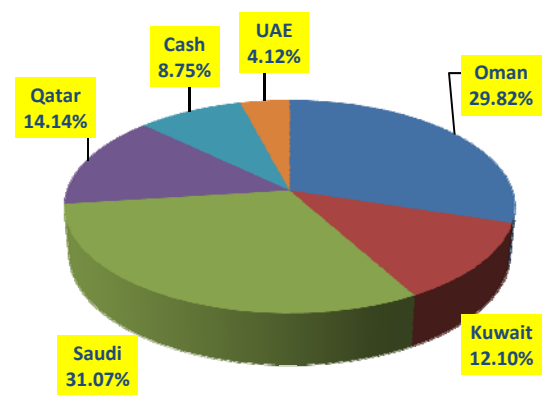
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.92%	0.76%	0.92%	-1.04%
Monthly Maximum loss	-20.9%	-26.9%	20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	9.4%	6.4%	9.4%	-15.1%
Annualized Volatility	20.2%	23.9%	20.2%	26.8%
% of winning months (against benchmark)	49.2%	na	69.5%	na
% of gained months	64.4%	67.8%	64.4%	44.1%
YTD	8.58%	3.50%	8.58%	7.89%
Beta	0.78	na	0.54	na
Sharpe (RF 4.5%)	0.24	0.08	0.24	(0.73)
Information ratio	0.15	na	1.21	na
Alpha	3.4%	na	15.5%	na

Asset Allocations:

Sectoral Allocation

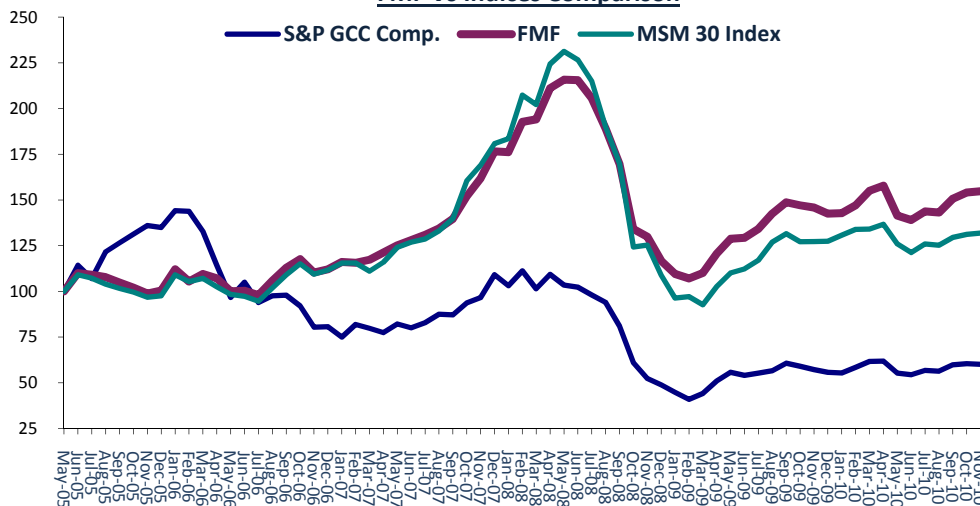


Geographical Allocation



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. Raghavendran J.G
Manager–Fund Administration
Tel: +968 24790 614 Ext – 528
Gsm: +968 99898150
Email: raghu@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: invest@fmfoman.net