



The First Mazoon Fund

The First Mazoon Fund JIA

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November 2008
138th 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	Moore Stephens
Current Size	RO 3.91 million
Units outstanding	3,673,033
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 1.066

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	-3.18%	-19.45%	0.87%
YTD	-26.46%	-56.58%	-30.67%
1 year	-19.75%	-50.20%	-25.81%
3 year	31.39%	-65.64%	29.50%
5 year	194.51%	na	131.61%
Since inception	152.14%	na	65.98%

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%	57.63%
2008	-0.28%	9.41%	0.73%	8.8%	2.18%	-0.11%	-4.6%	-8.12%	-10.25	-20.91%	-3.18		-26.46%

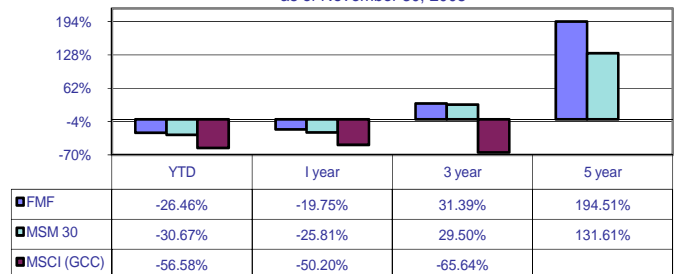
Market Review and Outlook

After tumultuous month of October, November looked relatively better specifically for Oman. Oman was propped by the announcement of establishment of the Market Stability Fund by the middle of the month. Though the markets across the region looked subdued in terms of trading activity, the intermediary trend was mixed. While Saudi, DFM, Qatar and Bahrain lost in double digits, UAE's DFM was the worst hit with a drop of 33% during the month. The issues surrounding the real estate sector and Emaar in particular have been instrumental in hitting the market. The benchmark MSCI (GCC) declined by about 19%, the second highest monthly loss since its inception next only to October loss of 22%. This brought the year to date return of MSCI (GCC) to -57%.

The tight liquidity situation continues to prevail impacting the real estate and contracting companies. The drain of dollar liquidity from the system is also affecting new utility projects. Though the central banks in the region are providing swap arrangements, the high costs of the same deter the usage of the funds. The fall in the real estate is likely to impact Banking Sector in the region particularly UAE and Kuwaiti banks. This is likely to be reflected in the financial results of 2009 for the companies in the sector.

The coming month will see MSM activity surrounding the activity of the bluechip stocks as the main activity of the stabilization fund would be primarily in these stocks. On the fundamental front there is lack of any trigger for the market to pick up. The stress will be felt in the investment and banking stocks.

Funds Performance- Historical
as of November 30, 2008



TOP 5 Holdings

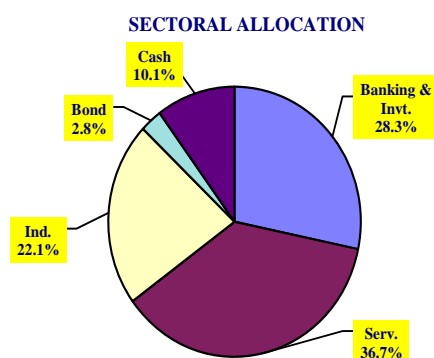
	%
Omantel	13.26
Bank Muscat	9.93
Shell Oman Marketing	7.71
National Bank of Kuwait	4.26
Raysut Cement	4.25

Fund Review for the 138th Month

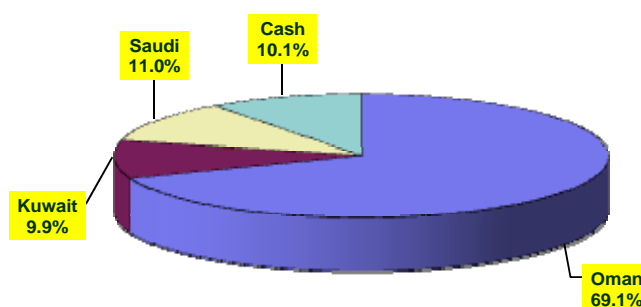
The NAV was RO 1.066 at the end of the month and was down 26.46% on YTD basis as against the MSM30 Index decline of 30.67% and regional markets represented by MSCI (GCC) return of -56.58%. The average NAV during the month was RO 1.081. A total of 5,200 units were redeemed during this month. With this the total net subscription for the year now stands at 3,673,033 units". The net asset has now decreased to RO 3,915,894 from the beginning of the year to RO 5,177,357.

	Past Three years			
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	1.0%	0.9%	1.0%	-1.97%
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	9.5%	9.0%	9.5%	-30.0%
Annualized Volatility	22.4%	26.6%	22.4%	31.5%
% of winning months (against benchmark)	51.4%	na	82.9%	na
% of gained months	65.7%	65.7%	65.7%	45.7%
YTD	-26.5%	-30.7%	-26.5%	-56.9%
Beta	0.77	na	0.41	na
Sharpe (RF 5.5%)	0.18	0.13	0.18	(1.12)
Alpha	1.3%	na	18.7%	na

Asset Allocations:

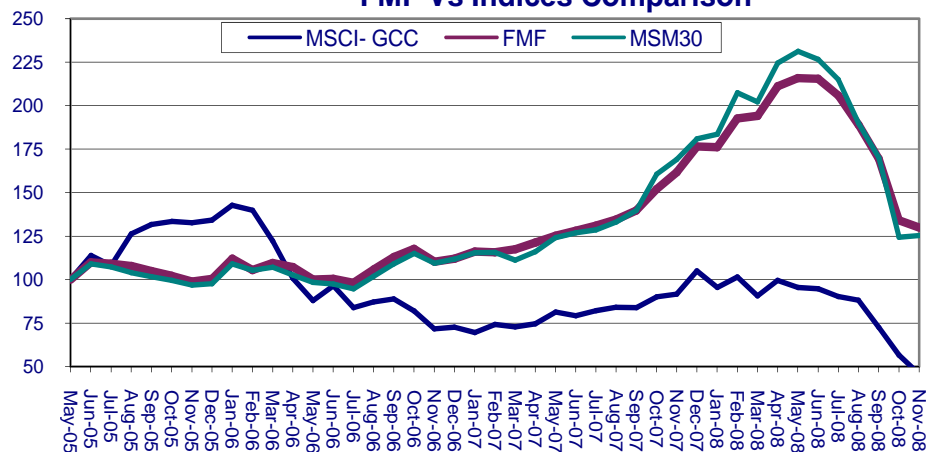


Geographical Distribution



Performance

FMF Vs Indices Comparison



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Investment Manager



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