



The First Mazoon Fund

The First Mazoon Fund JIA

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Oct 2014
209th 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	Gulf Custody Company
Launch Date	June 10, 1997
Auditors	Moorestephens
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 1.260
Net Asset	R.O 9.90 Million

Your Gateway to GCC Markets

	FMF	S&P GCC Comp.
MTD	-4.74%	-6.78%
YTD	19.41%	14.44%
1 Year	26.45%	21.32%
3 year	64.96%	49.04%
5 year	63.58%	44.27%
Since Inception	366.98%	na

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%	-3.54%	0.76%	3.13%	-0.99%	0.36%	-2.37%	2.84%	3.86%
2013	5.47%	-0.39%	2.42%	3.87%	4.99%	-1.48%	6.63%	-2.03%	1.36%	2.00%	2.42%	3.59%	32.51%
2014	7.40%	3.05%	2.94%	4.48%	1.09%	-3.07%	4.69%	5.01%	-2.24%	-4.74%			19.41%

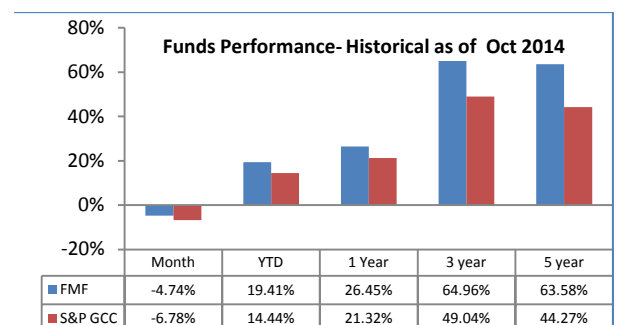
Market Review and Outlook

GCC markets tumbled in face of a sharp reduction in oil prices amidst IMF revising its global growth downwards. The S&P GCC Composite Index dropped by 6.8% during the October period to close at 135.7 levels. Leading the fall was Dubai's DFM, which faltered by 9.9% followed by the largest market viz. Saudi's Tadawul Index losing by 7.6%. Other markets which also faced selling pressure were MSM Index and Abdu Dhabi Index, which dropped by 6.8% and 4.8% respectively. Other markets like Qatar, Baharin and Kuwait were relatively resilient with between 1% to 2% fall. The overall turnover decreased on a month to month basis, especially amongst those indices, which accentuated sharply.

Outlook for November 2014 -The third quarter results for Year 2014 has largely mixed with earnings continuing to improve in Qatar, while Saudi companies saw a slowdown on a QoQ basis, largely led by banks. With oil prices likely to drop further as there is no indication of oil producing nations to curb the supply, GCC countries having higher budgeted break even prices could face the brunt of reduction in their investment spending. This could lead to increased volatility with investors moving to safer haven of dividend yielding stocks in the near future. We will continue to adjust our asset allocation to perform better than the benchmark.

Dividend

Financial Year ended	Cash	Stock
2013	10%	10%
2010	5%	5%
2009	5%	15%
2007	10%	15%
2006	5%	5%
2005	10%	25%
2004	14%	14%



Fund Review for the 209th Month

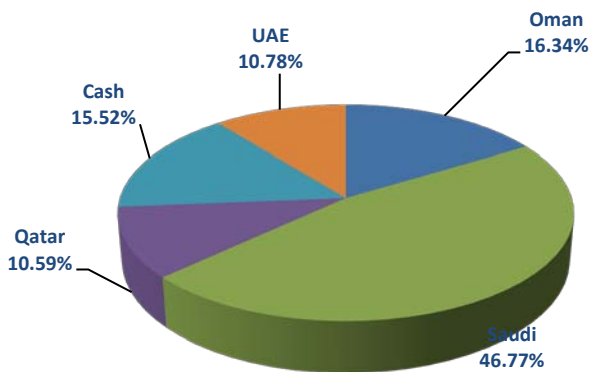
The NAV was RO 1.260 as at the end of Oct'14 and decreased by about 4.74% for the month as against S&P GCC Index which decreased by 6.78%. During the same period, the MSM Index was lower by 6.81%. The average NAV per unit during the month was RO 1.274.

TOP 5 Holdings	%
Al Rajhi	5.53
Eastern Cement	5.21
Emaar properties	5.08
Ooredoo	4.95
Bank Muscat	4.66

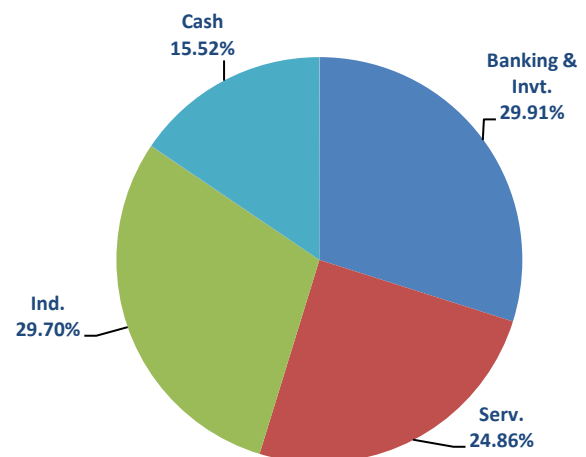
Comparison over the Past Five Years

Particulars	FMF	S&P GCC Comp.
Average Monthly Return	0.90%	0.69%
Monthly Maximum loss	-10.4%	-10.6%
Month of Maximum loss	May-10	May-10
Annualized Return	10.34%	7.6%
Annualized Volatility	13.2%	13.6%
% of winning months (against benchmark)	56.7%	na
% of gained months	60.0%	56.7%
YTD	19.41%	14.44%
Beta	0.93	na
Sharpe (RF 4.5%)	0.44	0.23
Information ratio	0.21	na
Alpha	3.0%	na

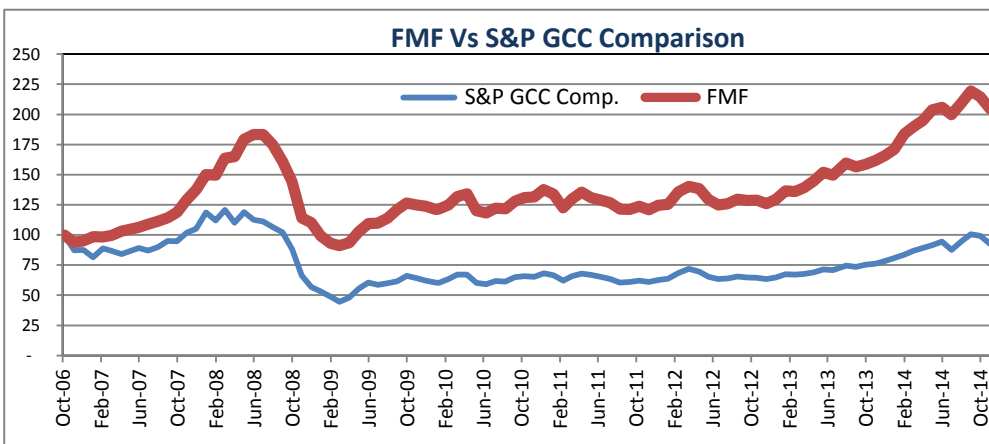
Geographical Allocation (GCC & Oman)



Sectoral Allocation (GCC & Oman)



Performance



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Investment Manager



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