



The First Mazoon Fund

The First Mazoon Fund JIA

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October 2009
149th 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 4.32million
Units outstanding	3,629,484
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 1.207

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	-1.15%	-1.25%	-3.31%
YTD	25.99%	26.92%	16.79%
1 year	9.62%	1.28%	2.33%
3 year	24.97%	-29.99%	10.50%
5 year	121.53%	na	84.47%
Since inception	185.48%	na	68.39%

Dividend Paid

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

Percentage Monthly Returns

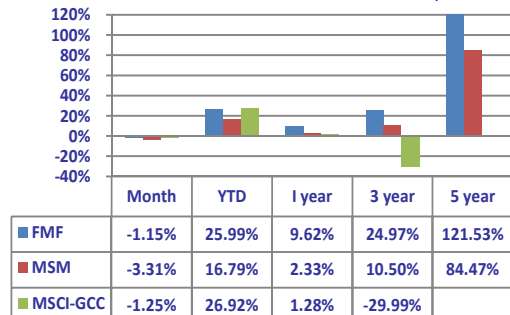
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1997									21.0%	3.1%	1.2%	3.8%	22.9%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%	-54.6%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%	7.9%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-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%	57.6%
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%			25.99%

Market Review and Outlook

Subdued sentiments among global equity markets have led to corrections in regional equity markets during the month of October 2009. The month of October was active with earnings announcements from corporate sector. During the month, MSCI GCC Index corrected by 1.25% to close at 432.08, registering first monthly loss after continuous gains during previous 7 month period from March 2009. Among regional equities, Kuwait's All Share Index dropped by 6.01% followed by corrections in Qatar's DSM Index (-3.77%) and Oman's MSM 30 Index (-3.31%). Saudi's TASI ended 0.85% lower to its previous month close while, UAE's DFM general index remained volatile and managed to close flat during the month.

As per the latest edition of the World Economic Outlook, the International Monetary Fund (IMF) has lauded swift implementation of macroeconomic policies by the GCC governments that helped mitigate the impact of the crisis on the non-hydrocarbon sector. With oil prices rising, external financing conditions easing and an incipient global recovery underway, growth prospects have improved markedly. Meanwhile for equity markets in the region, we believe momentum in global equities is likely to drive market sentiments. For the medium to long term, relative underperformance of regional equities along with strengthening crude prices is likely to attract investors. We expect regional markets to build in healthy expectations of full year earnings post Eid- holidays.

Funds Performance- Historical as of October 30, 2009



TOP 5 Holdings

	%
Bank Muscat	9.47
Oman Cement	7.75
Omantel	7.60
Renaissance Services	5.58
Qatar National Bank	3.75

Fund Review for the 149th Month

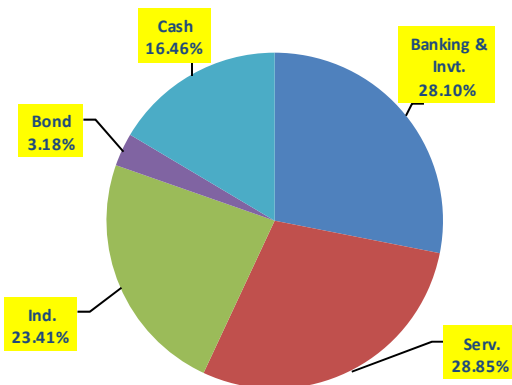
The NAV was RO 1.207 at the end of the month and was up 25.99% on YTD basis as against the MSM30 Index gain of 16.79% and regional markets represented by MSCI (GCC) return of 26.92%. The average NAV during the month was RO 1.238. A total of 9,153 units were redeemed and there were no subscription during the month. The total number of units now stands at 3,629,484. The net asset has now improved to RO 4,325,162 from the beginning of the year of RO 3,506,891.

Past Three years

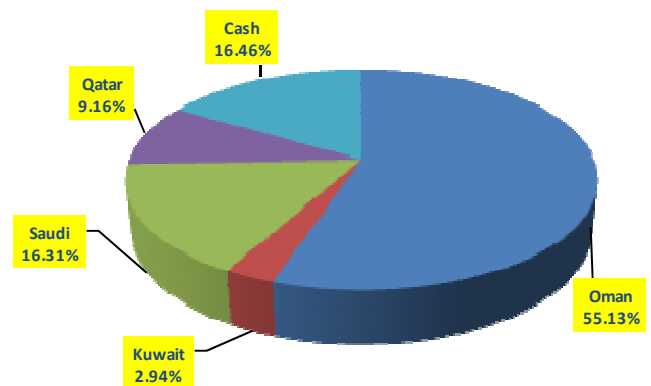
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.83%	0.63%	0.83%	-0.60%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	7.7%	3.4%	7.7%	-11.2%
Annualized Volatility	22.4%	28.5%	22.4%	30.1%
% of winning months (against benchmark)	48.6%	na	74.3%	na
% of gained months	65.7%	68.6%	65.7%	51.4%
YTD	26.0%	16.8%	26.0%	26.9%
Beta	0.72	na	0.55	na
Sharpe (RF 4.5%)	0.14	(0.04)	0.14	(0.52)
Information ratio	0.19	na	0.84	na
Alpha	4.0%	na	11.9%	na

Asset Allocations:

Sectoral Allocation

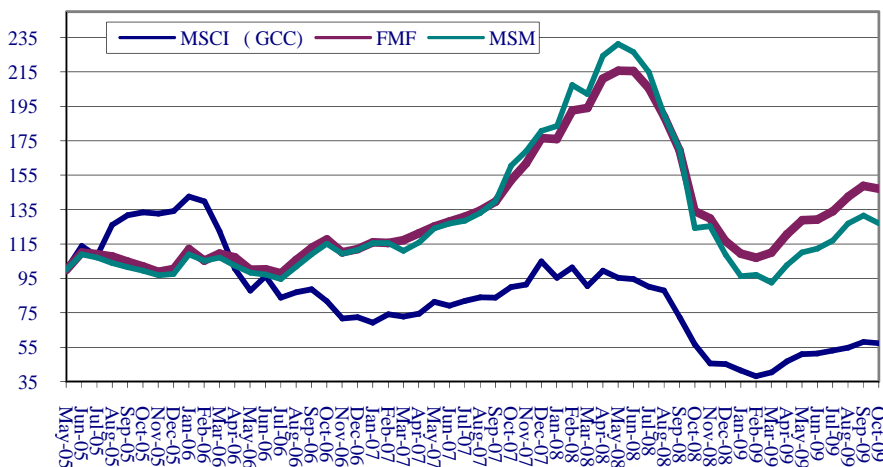


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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