



The First Mazoon Fund

# The First Mazoon Fund JIA

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October 2012

185<sup>th</sup> 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 4.1 million                   |
| Units outstanding       | 4,389,424                        |
| 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 0.941                         |

Your Gateway to GCC Markets

## Performance

|                 | FMF     | S&P GCC Comp. | MSM 30 Index |
|-----------------|---------|---------------|--------------|
| MTD             | 0.36%   | -0.57%        | 2.27%        |
| YTD             | 3.44%   | 2.75%         | -0.62%       |
| 1 Year          | 4.07%   | 3.75%         | 1.29%        |
| 3 year          | 3.20%   | 0.43%         | -10.93%      |
| 5 year          | -0.15%  | -36.77%       | -29.44%      |
| Since Inception | 194.61% | na            | 49.98%       |

## 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%   |        |        | 3.44%  |

## Market Review and Outlook

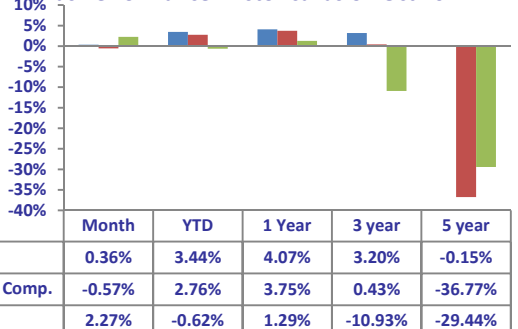
Despite the upbeat macro conditions the regional markets have so far shown subdued return for the current year. On a relative basis, S&P GCC index showing a nominal return of 2.75% for the first 10 months of the year. While Saudi and UAE's DFM index have shown good returns (YTD), the rest of the markets were muted. For the month of October 2012 as well, UAE led the GCC pack with +2.6%, with Oman following a shade below at +2.3%. On the negative side, Qatar fell the most at 3.6%, followed by Bahrain at 2.7% and Saudi Arabia at 0.7%,

Outlook for November 2012: The Global economic situation continues to be fragile and volatile despite the quantitative easing methods adopted by the central banks across major economies. On the regional front, with the developed world adopting the easing policy, the demand for Oil is likely to be kept higher and so there is no immediate threat of any significant correction in the oil price. This is further going to increase the liquidity situation of the region and the spending pattern of the regional Governments in the upcoming budget for 2013. While the global events continue to overshadow the regional markets, the regional fundamentals will have to eventually take over the situation and catch up with the global market performances.

## Dividend

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

## Funds Performance- Historical as of Oct 2012



## Fund Review for the 185<sup>th</sup> Month

The NAV was RO 0.941 as at the end of Oct '12 increased by about 0.36% for the month as against the S&P GCC Composite Index loss of 0.57% and MSM30 Index gain of 2.27%. The average NAV per unit during the month was RO 0.941. There was no subscription, but there was a redemption of 6,814 units for the month. The total number of units now stands at 4,389,424. The net asset value stands lower at RO 4.1 million.

### TOP 5 Holdings

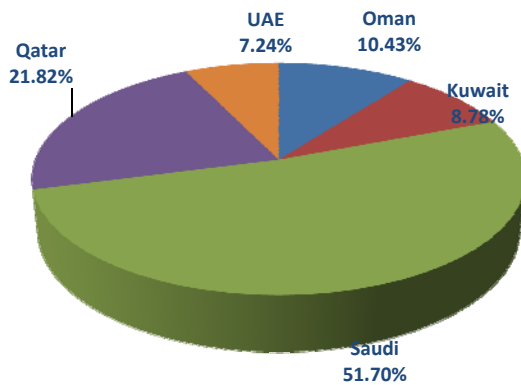
| TOP 5 Holdings        | %    |
|-----------------------|------|
| Saudi Basic Ind. corp | 7.65 |
| Industries Qatar      | 5.19 |
| Qatar National Bank   | 4.67 |
| Etihad Etisalat       | 4.47 |
| Al Rajhi Bank         | 4.34 |

### Past Five years

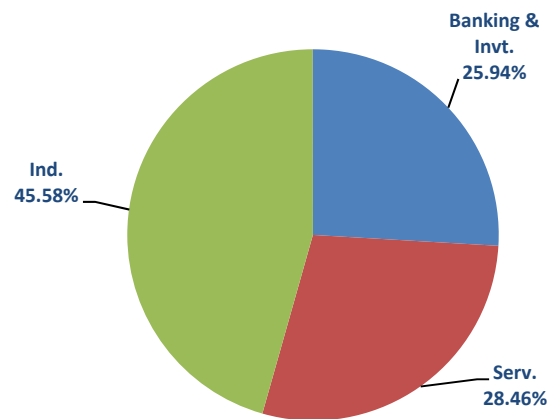
|   | FMF    | MSM    | FMF    | S&P GCC Comp. |
|---|--------|--------|--------|---------------|
| Average Monthly Return                  | 0.16%  | -0.36% | 0.16%  | -0.53%        |
| Monthly Maximum loss                    | -20.9% | -26.9% | -20.9% | -24.7%        |
| Month of Maximum loss                   | Oct-08 | Oct-08 | Oct-08 | Oct-08        |
| Annualized Return                       | -0.03% | -6.7%  | -0.03% | -8.8%         |
| Annualized Volatility                   | 19.5%  | 22.1%  | 19.5%  | 23.4%         |
| % of winning months (against benchmark) | 55.9%  | na     | 61.0%  | na            |
| % of gained months                      | 54.2%  | 57.6%  | 54.2%  | 45.8%         |
| YTD                                     | 3.44%  | -0.62% | 3.44%  | 2.75%         |
| Beta                                    | 0.77   | na     | 0.73   | na            |
| Sharpe (RF 4.5%)                        | (0.23) | (0.51) | (0.23) | (0.57)        |
| Information ratio                       | 0.34   | na     | 0.45   | na            |
| Alpha                                   | 4.2%   | na     | 5.2%   | na            |

### Asset Allocations:

#### Geographical Allocation

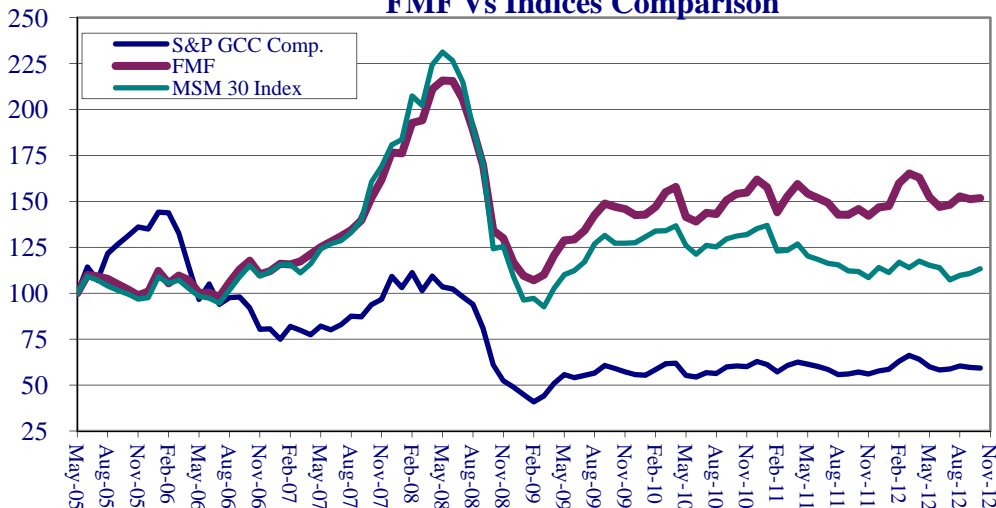


#### Sectoral Allocation



### Performance

#### FMF Vs Indices Comparison



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#### Investment Manager



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