



The First Mazoon Fund

The First Mazoon Fund JIA

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Sep 2010
160th 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 4.332 million
Units outstanding	4,202,439
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 1.031

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	MSCI (GCC)*	MSM 30 Index
For the month	5.25%	5.92%	3.45%
YTD	5.69%	8.32%	1.63%
1 year	1.26%	0.14%	-1.51%
3 year	7.88%	-30.70%	-7.36%
5 year	43.61%	-55.88%	27.52%
Since inception	192.43%	NA	71.51%

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%				5.69%

Market Review and Outlook

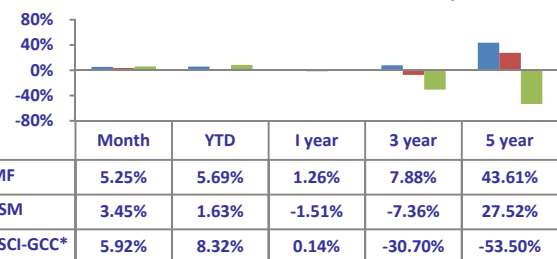
After a sluggish month of August, regional markets have revived during September with commendable gains. Gains in global equity markets along with clarity on Dubai's debt restructuring have augmented investor sentiments. MSCI GCC Index, posted monthly gain of 5.9% as on 29th September 2010, after which the service provider has discontinued the calculation of the benchmark. The month saw strong 13.5% recovery in Dubai and near to 7% gain in Abu Dhabi. All other markets witnessed buying interests with expectations building on third quarter earnings performance. Qatar gained 6.5% along with Saudi's and Kuwait's gain of 4.7% and 4.4% respectively. Oman posted 3.5% gain during the month which saw the opening of Nawras IPO.

The month of October is set to be active with earnings releases from corporate sector. Banking sector remains in prime focus which requires further clarity on provisioning scenario. Initial indicators from Saudi shows stepping up of provisioning levels by banks and this is expected to be the same with UAE banks on selective basis. We expect provisioning levels to stabilize in Oman and Qatar which could bring them in spotlight. Industry sector is likely to be driven by volume growth with better utilization, efficiency and integration. Services sector is expected to benefit from healthy demand conditions in the region. We continue to maintain our positive outlook on Saudi and Qatar equities, while remain 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%

Funds Performance- Historical as of Sep 2010



Fund Review for the 160th Month

The NAV was RO 1.031 at the end of Sep 10 and is up 5.69% on YTD basis as against the MSCI (GCC) gain of 8.32% and MSM30 Index gain of 1.63%. The average NAV during the month was RO 1.015. A total of 300 units were redeemed and there were no subscription during the month. The total number of units now stands at 4,202,439. The net asset value now stands at RO 4,332,008 from the month's opening value of RO 4,116,232.

TOP 5 Holdings

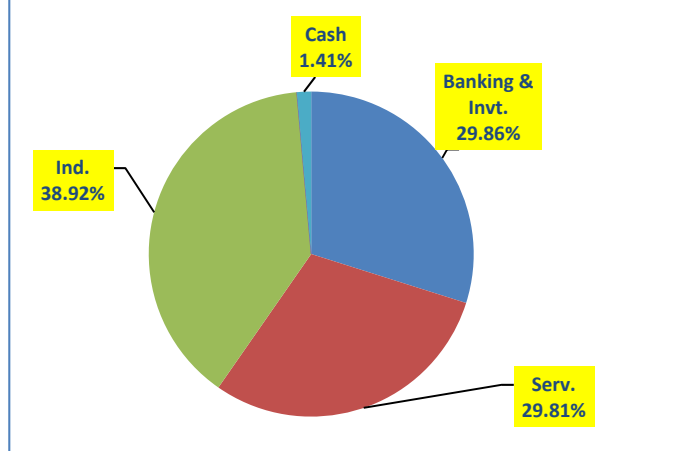
	%
Saudi Basic Ind. corp	9.48
National Bank of Oman	5.49
Renaissance Services	5.02
Al Rajhi Bank	4.62
National Bank of Kuwait	4.21

Past Five years

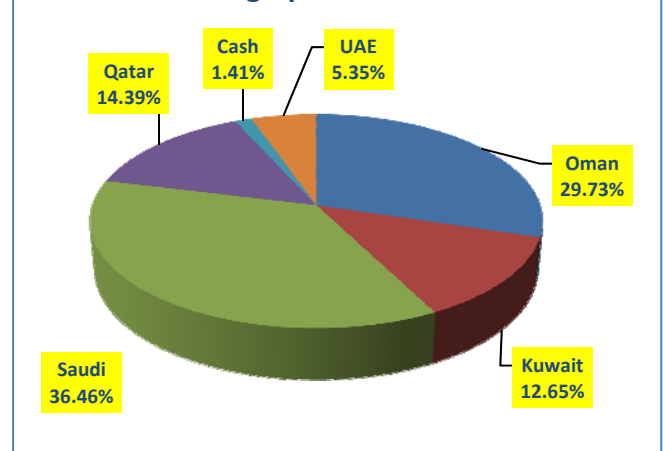
	FMF	MSM	FMF	MSCI (GCC)*
Average Monthly Return	0.78%	0.65%	0.78%	-1.01%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	7.5%	5.0%	7.5%	-15.1%
Annualized Volatility	20.4%	24.0%	20.4%	28.1%
% of winning months (against benchmark)	47.5%	na	66.1%	na
% of gained months	61.0%	64.4%	61.0%	49.2%
YTD	5.69%	1.63%	5.69%	8.32%
Beta	0.78	na	0.48	na
Sharpe (RF 4.5%)	0.15	0.02	0.15	(0.70)
Information ratio	0.12	na	1.11	na
Alpha	2.6%	na	12.4%	na

Asset Allocations:

Sectoral Allocation

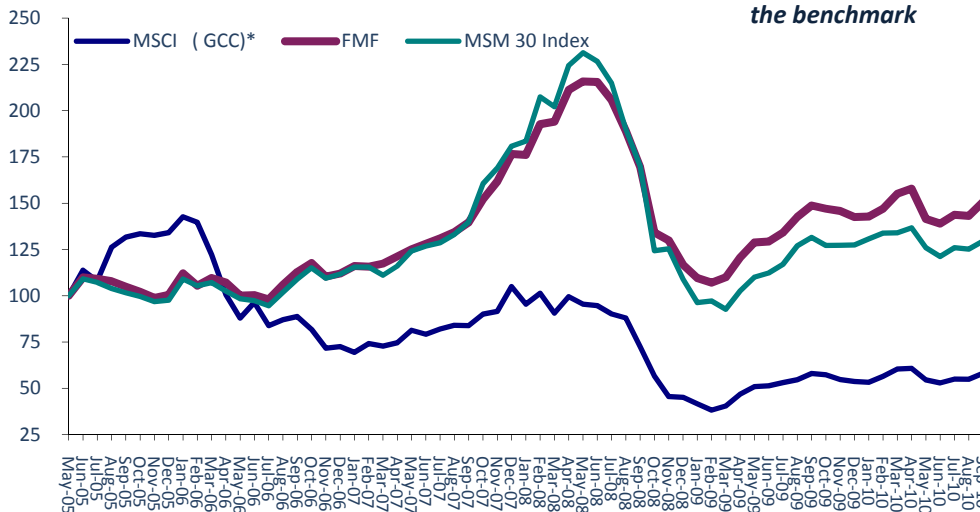


Geographical Allocation



Performance

FMF Vs Indices Comparison



* MSCI GCC Index data is as on 29th September 2010, after which the service provider has discontinued calculation of the benchmark

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Investment Manager



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