



The First Mazoon Fund

The First Mazoon Fund JIA

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September 2009

148th 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 4.44million
Units outstanding	3,638,637
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 1.221

Performance

	FMF	MSCI (GCC)	MSM 30 Index
For the month	4.36%	6.16%	3.58%
YTD	27.45%	28.52%	20.79%
1 year	-12.28%	-19.89%	-22.62%
3 year	31.78%	-34.62%	20.68%
5 year	125.93%	na	88.16%
Since inception	188.80%	na	74.15%

Dividend Paid

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

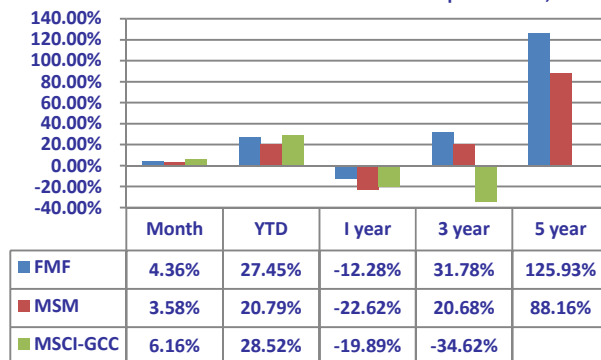
Percentage Monthly Returns

	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%				27.45%

Market Review and Outlook

The regional markets witnessed increased interest as the benchmark MSCI (GCC) index shot up by 6.2% during the month to close at 437.53. This was primarily driven by the financial services sector of Saudi and Qatar. The settlement of Saad group with Saudi Banks and consequent upgrades from various research houses too brought about renewed interest in the banking sector. Also healthy recovery among commodities and Crude price on back of expectations of early revival in global economy has led to strengthening of investor sentiments. Oman equity markets too remained active during the month with the MSM 30 Index registering gains of 3.6% to close at 6,572.25. Market momentum was enthused by local buying interest on back of positive investor sentiments in the regional equity markets. In the GCC region, all markets except Kuwait ended with gains during the month of September 2009. UAE's DFM Index posted gains of 14.46% followed by Saudi's Tadawul gaining 11.68% during the same period. UAE's ADX General Index gained 7.84% followed by Qatar's DSM index gaining 4.17%. The relative underperformances of regional equities vis-à-vis global equities have driven strong momentum in recent weeks. Moving forward, market is likely to build on expectations of third quarter performance of corporate sector.

Funds Performance- Historical as of September 30, 2009



TOP 5 Holdings

	%
Bank Muscat	9.22
Omantel	7.88
Oman Cement	7.36
Saudi Basic Industries Corp. (SABIC)	5.50
Renaissance Services	5.28

Fund Review for the 148th Month

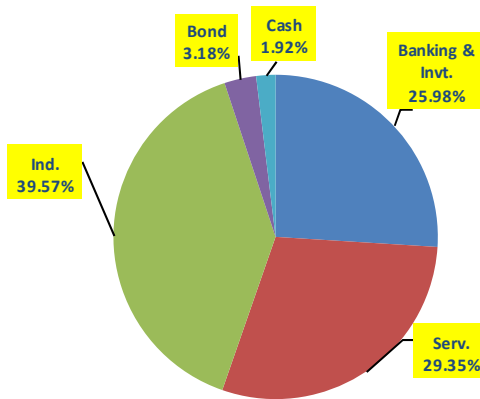
The NAV was RO 1.221 at the end of the month and was up 27.45% on YTD basis as against the MSM30 Index gain of 20.79% and regional markets represented by MSCI (GCC) return of 28.52%. The average NAV during the month was RO 1.199. There were no subscription / redemption during the month. The total number of units now stands at 3,638,637. The net asset has now improved to RO 4,444,098 from the beginning of the month of RO 4,257,811.

Past Three years

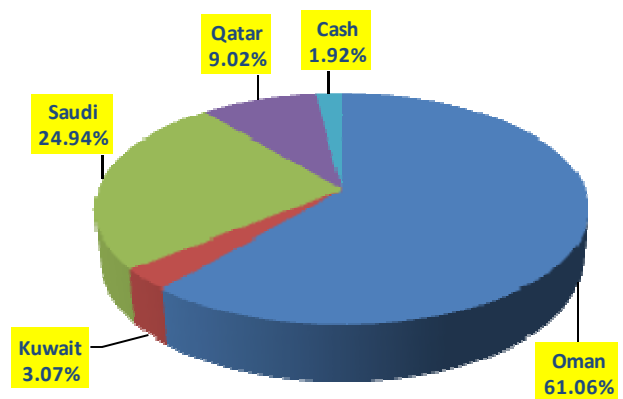
	FMF	MSM	FMF	MSCI (GCC)
Average Monthly Return	0.98%	0.88%	0.98%	-0.78%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-21.9%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	9.6%	6.5%	9.6%	-13.2%
Annualized Volatility	22.5%	28.6%	22.5%	30.4%
% of winning months (against benchmark)	45.7%	na	74.3%	na
% of gained months	68.6%	71.4%	68.6%	51.4%
YTD	27.5%	20.8%	27.5%	28.5%
Beta	0.72	na	0.52	na
Sharpe (RF 4.5%)	0.23	0.07	0.23	(0.58)
Information ratio	0.14	na	1.02	na
Alpha	3.7%	na	14.4%	na

Asset Allocations:

Sectoral Allocation

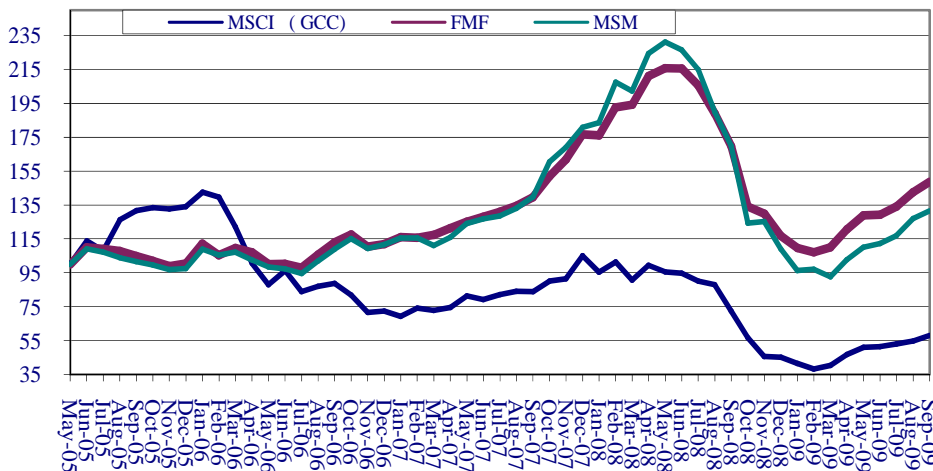


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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