



The First Mazoon Fund

The First Mazoon Fund JIA

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Sep 2011
172nd 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 3,967 million
Units outstanding	4,482,221
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 0.885

Your Gateway to GCC Markets

Performance

	FMF	S&P GCC Comp.	MSM 30 Index
For the month	-0.03%	0.68%	-2.86%
YTD	-11.81%	-10.73%	-17.06%
1 Year	-5.27%	-6.28%	-13.45%
3 year	-15.86%	-30.75%	-34.04%
5 year	26.40%	-42.71%	2.87%
Since inception	177.02%	na	48.45%

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%				-11.81%

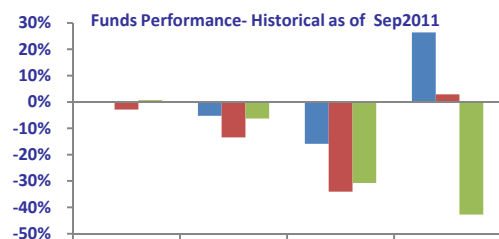
Market Review and Outlook

Markets were on the edge world-over in September, keenly watching the developments across the Eurozone, especially, Greece. Adding to the uncertainty, the US Federal Reserve commented that it 'sees significant risks' to economic growth going forward in the United States. Markets across the world tumbled and the regional markets too experienced the wave during the month. Among the GCC markets, the worst performer of the month was Bahrain with a fall of 7.35% followed by UAE's DFM and ADX which fell by 4.1% and 3.2% respectively. However the major economies in GCC region such as Saudi, Kuwait and Qatar ended the month in a positive note by increasing 2.2%, 0.7% and 0.5% respectively.

GCC companies are expected to maintain their earnings momentum during 3Q11, after reporting a strong 21% YoY growth for 2Q11. According to consensus estimates by Reuters, GCC companies' profits are expected to grow by 25% YoY in 3Q11. Investors are seen overlooking the region's equities' strong fundamentals because of increased global economic concerns and regional political issues. This below par performance of regional equities is unsustainable and is likely to reverse with the continuing improvement in operating performance. On the oil front, inventory data from US crude oil reserves are likely to show declining trends, and as the demand from emerging markets improves, the prices are likely to go up, helping the Middle East economies.

Dividend

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



	Month	1 Year	3 year	5 year
FMF	-0.03%	-5.27%	-15.86%	26.40%
MSM	-2.86%	-13.45%	-34.04%	2.87%
S&P GCC Comp.	0.68%	-6.28%	-30.75%	-42.71%

Fund Review for the 172nd Month

The NAV was RO 0.885 as at the end of Sep' 11 declined by a marginal 0.03% for the month as against the S&P GCC Composite Index gain of 0.7% and MSM30 Index loss of 2.9%. The average NAV per unit during the month was RO 0.893 after adjusting for dividends of 5% cash and 5% stock. There were no subscription or redemption for the month. The total number of units now stands at 4,482,221. The net asset value stands slightly lower at RO 3.97mln.

TOP 5 Holdings

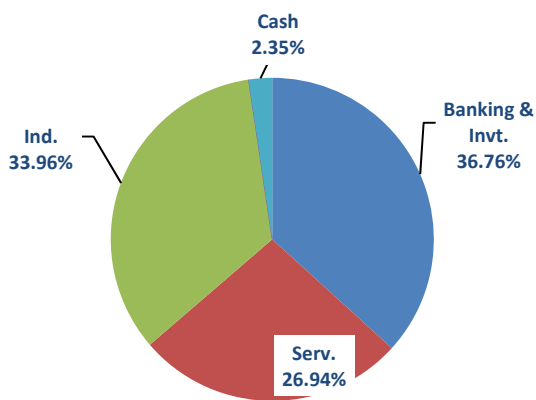
	%
Saudi Basic Ind. corp	9.5
Al Rajhi Banking Corp	5.3
Bank Muscat	5.1
National Bank of Kuwait	4.1
National Bank of Oman	3.9

Past Five years

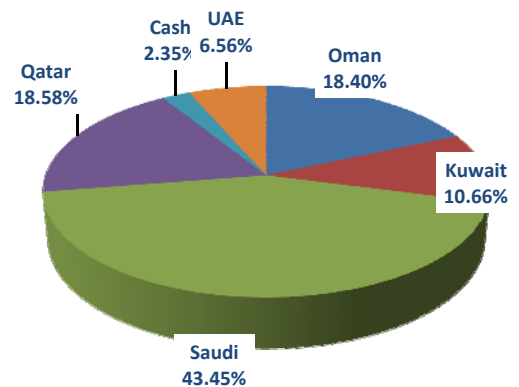
	FMF	MSM	FMF	S&P GCC Comp.
Average Monthly Return	0.56%	0.29%	0.56%	-0.66%
Monthly Maximum loss	-20.9%	-26.9%	-20.9%	-24.7%
Month of Maximum loss	Oct-08	Oct-08	Oct-08	Oct-08
Annualized Return	4.8%	0.6%	4.8%	-10.5%
Annualized Volatility	19.6%	23.4%	19.6%	24.7%
% of winning months (against benchmark)	50.8%	na	64.4%	na
% of gained months	59.3%	66.1%	59.3%	44.1%
YTD	-11.81%	-17.06%	-11.81%	-10.73%
Beta	0.75	na	0.63	na
Sharpe (RF 4.5%)	0.02	(0.17)	0.02	(0.61)
Information ratio	0.22	na	0.78	na
Alpha	3.3%	na	9.8%	na

Asset Allocations:

Sectoral Allocation

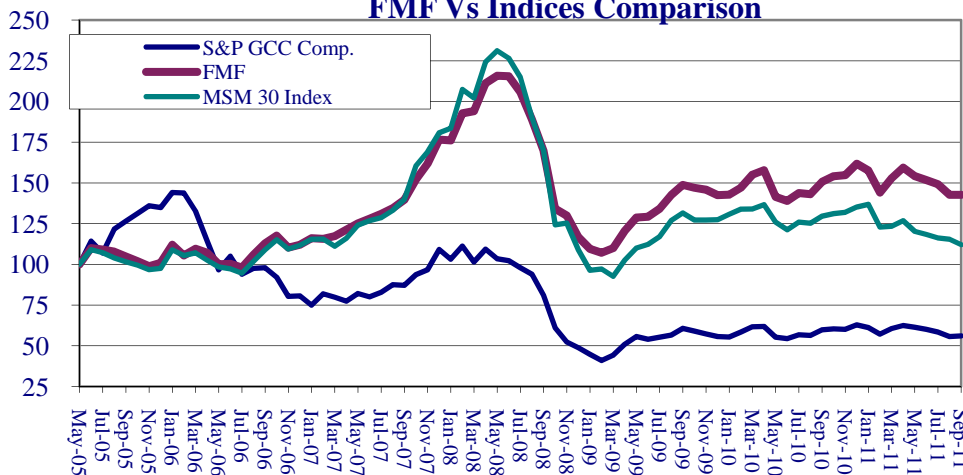


Geographical Allocation



Performance

FMF Vs Indices Comparison



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Investment Manager



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