

THE FIRST MAZOOON FUND

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2018**

THE FIRST MAZOOON FUND

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

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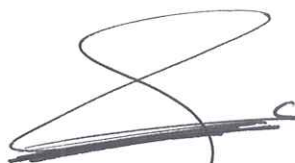
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

		30-06-2018	30-06-2017	31-12-2017
	Note	RO	RO	RO
Assets				
Financial assets at fair value through profit or loss	3(a)	8,529,400	6,562,863	7,252,207
Cash and cash equivalents	4	292,737	1,821,643	689,800
Other receivables		29,604	13,314	-
Total assets		<u>8,851,741</u>	<u>8,397,820</u>	<u>7,942,007</u>
Liabilities				
Accruals and other payables	5	61,977	161,027	36,344
Net assets attributable to the unitholders		<u>8,789,764</u>	<u>8,236,793</u>	<u>7,905,663</u>
Total liabilities and net assets attributable to the unitholders		<u>8,851,741</u>	<u>8,397,820</u>	<u>7,942,007</u>
Net assets per unit attributable to the unitholders	12	<u>1.112</u>	<u>1.040</u>	<u>0.998</u>

These financial statements were approved and authorised for issue by the Members of the Management Body on 24th July 2018 and were signed on their behalf by:



**Chairman
Management Body**



**Member
Management Body**

The notes on pages 5 to 27 form an integral part of these financial statements.

THE FIRST MAZOOON FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018

	Note	30-06-2018 RO	30-06-2017 RO	31-12-2017 RO
Income				
Dividend income		219,466	225,036	280,151
Interest income		-	14	25
Total dividend income		<u>219,466</u>	<u>225,050</u>	<u>280,176</u>
Net realised (loss)/gain on sale of financial assets at fair value through profit or loss	3(a)	751,583	(367,742)	(401,293)
Net unrealised gain on financial assets at fair value through profit or loss	3(a)	100,886	235,819	7,818
Investment (loss)/income		<u>1,071,935</u>	<u>93,127</u>	<u>(113,299)</u>
Expenses				
Performance fee	6	(12,028)	-	-
Management fees	6	(59,310)	(55,544)	(112,386)
Transaction costs		(61,200)	(43,676)	(90,987)
Custody fees	7	(5,296)	(4,528)	(9,603)
Management Body fees	9(b)	(18,877)	(18,877)	(8,000)
Foreign exchange loss		(5,665)	(4,665)	(17,681)
General and administrative expenses	8	(11,568)	(10,203)	(19,877)
Total expenses		<u>(173,944)</u>	<u>(137,493)</u>	<u>(258,534)</u>
Profit/(Loss) and total comprehensive (loss)/income and (decrease)/increase in net assets attributable to the unitholders for the period		<u>897,991</u>	<u>(44,366)</u>	<u>(371,833)</u>
Profit/(Loss) per unit	13	<u>0.114</u>	<u>(0.006)</u>	<u>(0.048)</u>

The notes on pages 5 to 27 form an integral part of these financial statements.

THE FIRST MAZOOON FUND

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018

	Note	30-06-2018 RO	30-06-2017 RO	31-12-2017 RO
Cash flows from operating activities				
(Loss)/profit for the period		897,991	(44,366)	(371,833)
Adjustments for:				
Net unrealised gain on financial assets at fair value through profit or loss	3(a)	(100,886)	(235,819)	(7,818)
Net realised loss/(gain) on sale of financial assets at fair value through profit or loss	3(a)	(751,583)	367,742	401,293
(Increase)/Decrease in other receivables		(29,604)	(13,314)	-
(Decrease)/increase in accruals and other payables	5	25,633	121,359	(3,324)
Net cash from operating activities		41,551	195,602	18,318
Cash flows from investing activities				
Purchase of financial assets at fair value through profit	3(a)	(28,066,901)	(17,849,615)	(38,436,328)
Proceeds from disposal of financial assets at fair value through profit or loss	3(a)	27,642,177	18,695,536	38,331,353
Net cash used in investing activities		(424,724)	845,921	(104,975)
Cash flows from financing activities				
Redemptions during the period		(13,890)	(555,946)	(559,610)
Subscriptions during the period		-	1,193,077	1,193,078
Distributions to the unitholders		-	(362,680)	(362,680)
Net cash from/(used in) financing activities		(13,890)	274,451	270,788
Net change in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year		689,800	505,669	505,669
Cash and cash equivalents at the end of the period	4	292,737	1,821,643	689,800

The notes on pages 5 to 27 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS
FOR THE PERIOD ENDED 30 JUNE 2018

		30-06-2018	30-06-2017
	Note	RO	RO
Net assets attributable to the unitholders at 1 January		<u>7,905,663</u>	<u>8,006,708</u>
(Decrease)/increase in net assets attributable to the unitholders from operations		<u>897,991</u>	<u>(44,366)</u>
Subscriptions during the period		-	1,193,077
Redemptions during the period		<u>(13,890)</u>	<u>(555,946)</u>
Net increase/(decrease) from unit transactions		<u>(13,890)</u>	<u>637,131</u>
Distributions to the unitholders	14	<u>-</u>	<u>(362,680)</u>
Net assets attributable to the unitholders at 30 June	12	<u><u>8,789,764</u></u>	<u><u>8,236,793</u></u>

		30-06-2018	30-06-2017
		Number of Units	Number of Units
Redeemable participating units at 1 January		7,917,944	7,301,106
Units subscribed during the period		-	1,141,301
Units redeemed during the period		<u>(13,395)</u>	<u>(520,775)</u>
Redeemable participating units at 30 June	12	<u><u>7,904,549</u></u>	<u><u>7,921,632</u></u>

The notes on pages 5 to 27 form an integral part of these financial statements.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1 Legal status and activities

The First Mazoon Fund (the "FM Fund") is an open-ended fund registered and incorporated in the Sultanate of Oman on 3 May 1997 in accordance with the regulations issued by the Capital Market Authority ("CMA"). The terms and conditions of investment as well as the restrictions are specified in the Investment Prospectus.

According to the FM Fund's investment objectives and strategy as presented in the Investment Prospectus, the FM Fund may invest in equities, related securities such as American Depository Receipts (ADR), Global Depository Receipts (GDR), Exchange Traded Funds (ETF) and in bonds and Sukuks at various exchanges of GCC, US Market, Europe, MENA region and Emerging Asian Economies. GCC will remain a core market for the FM Fund with a minimum investment limit of 80%. The country and stock-wise limits will be decided by the FM funds' Management Body.

The day-to-day operations of the FM Fund are managed by the Investment Manager, Gulf Baader Capital Markets SAOC. The governance and control over the FM Fund is exercised by the FM Fund Management Body, which is responsible for formulating investment strategy and the related guidelines adopted by the FM Fund.

The FM Fund entered into a custodianship agreement with Gulf Custody Company SAOC for all investments owned by the FM Fund in Oman and GCC countries.

The FM Fund's net asset value (and net asset value per unit) is determined on daily basis and the financial statements are prepared on the basis of last valuation day of the period.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and include the disclosure requirements set out in the relevant provisions of the Executive Regulations issued by the Capital Market Authority of the Sultanate of Oman.

Basis of preparation

The financial statements are prepared on the historical cost basis, as modified to include the fair value of certain financial assets and liabilities.

Functional and presentation currency

The financial statements have been presented in Rial Omani ("RO"), which is the functional and presentation currency of the FM Fund.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

2 Summary of significant accounting policies (continued)

Standards, amendments and interpretations to existing IFRS effective 1 January 2017

For the period ended 30 June 2018, the FM Fund has adopted all applicable new and revised standards and interpretations issued by the IASB that are relevant to its operations and effective for accounting period beginning on 1 January 2018 that have no material effect on the financial statements of the FM Fund.

Amendments to IAS 7, 'Statement of Cash Flows' became effective for annual periods beginning on or after 1 January 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Adoption of these amendments did not have a material impact on FM Fund's financial statements.

Standards, amendments and interpretations to existing IFRS that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are not effective and mandatory for the FM Fund's accounting period beginning on 1 January 2018 which the management has decided to adopt from the applicable periods.

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after 1 January 2018.

Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Equity and derivative instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

In addition to the above, a number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the FM Fund.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

2 Summary of Significant accounting policies (continued)

Income

Income comprises of dividend, interest income and other income. Dividend income is recognised when the right to receive payment is established. Interest income is recognised in profit or loss using effective interest method.

Financial assets and liabilities

Classification

The FM Fund classifies its financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss (FVPL):

- Held for trading: marketable securities which are financial assets at fair value through profit or loss

Financial assets at amortised cost:

- Loans and receivables: cash and cash equivalents, balances due from brokers and other receivables.

Financial liabilities at amortised cost:

- Balances due to related parties and other payables.

A financial instrument is classified as held for trading if:

- i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) on initial recognition, it is part of a portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit taking; or
- iii) it is a derivative, other than a designated and effective hedging instrument.

The FM Fund designates all marketable securities at FVPL on initial recognition because it manages these marketable securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these marketable equity securities are on a fair value basis.

A financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market or is an asset for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Recognition, initial measurement and subsequent measurement

- (i) Financial assets at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss (FVPL) are initially recognised on the trade date, which is the date on which the FM Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

2 Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Recognition, initial measurement and subsequent measurement (continued)

Financial assets and financial liabilities at FVPL are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at FVPL are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Subsequent to initial recognition, financial assets representing marketable securities are carried at fair value.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the profit or loss in the period in which they arise.

(ii) Loans and receivables

A financial asset with fixed or determinable payments may be classified as a loan and receivable and are realisable within twelve months from the reporting date. Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and arise during the ordinary course of the business. The FM Fund's loans and receivables comprise of other receivables. Other receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment (if any).

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the FM Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the FM Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The FM Fund measures instruments quoted in an active market at a market closing price.

The fair value of financial assets through profit and loss is based on their quoted market prices at the reporting date.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial instruments have expired or the FM Fund has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of financial asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The FM Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

2 Summary of Significant accounting policies (continued)

Financial assets and liabilities (continued)

Recognition, initial measurement and subsequent measurement (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the FM Fund has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Gains and losses from change in fair value of financial assets at FVPL are presented on a net basis while foreign exchange gains and losses of such financial instruments at FVPL are included in such net gain or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents includes investments with short maturity of three months or less from the date of acquisition and cash or balances held with brokers.

Taxation

The FM Fund is domiciled in the Sultanate of Oman. Under the current tax laws of the Sultanate of Oman, there is no income, capital gain or other taxes payable by the FM Fund.

Redeemable participating units

Redeemable participating units are classified as financial liabilities and are measured at the present value of the redemption amount.

The FM Fund issues units which are redeemable at the unitholders' option. Redeemable participating units can be put back to the FM Fund at dealing date for cash equal to a proportionate share of the FM Fund's Net Asset(s) Value. These redeemable participating units are carried at the redemption amount that is payable at the end of the reporting period if the unitholder exercises the right to put the unit back to the FM Fund.

Redeemable participating units are issued and redeemed at the holder's option at prices based on the FM Fund's Net Asset (s) Value per unit at the time of issue or redemption. The FM Fund's Net Asset(s) Value per unit is computed by dividing the net assets attributable to the holders of the redeemable participating units with the total number of outstanding redeemable participating units. In accordance with the FM Fund's Investment Prospectus, investment positions are valued based on the market closing price (fair value) for the purpose of determining the Net Asset(s) Value per unit for subscriptions and redemptions.

Distributions payable to the holders of the redeemable participating units

Proposed distributions to holders of redeemable participating units are recognised in statement of net assets attributable to unitholders, when they are approved at the Management Body meeting.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

2 Summary of Significant accounting policies (continued)

Foreign currency transactions

Transactions denominated in foreign currencies are translated into Rial Omani at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into Rial Omani at exchange rates prevailing at the end of the reporting period. Differences on foreign currency exchange are dealt with in profit or loss.

Foreign currency exchange differences arising on retranslation are recognised in profit or loss as net foreign currency exchange losses, except for those arising on financial assets at FVPL, which are recognised as a component of net gain or loss from financial instruments at FVPL.

Estimates and judgments

In preparing the financial statements, management has made judgments, estimates and assumptions which affect the application of accounting policies and the reported income and expenses, assets, liabilities and related disclosures. Actual results in future could differ from such estimates.

The use of available information and application of judgment based on historical experience and other factors are inherent in the formation of estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgments made in applying accounting policies that have most significant effect on the amounts recognized in the financial statements is classification of financial assets.

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment relates to the determination of the fair value (refer note 16).

3 Financial assets at fair value through profit or loss

(a) Movement in financial assets at fair value through profit or loss during the period is:

	30-06-2018	30-06-2017
	RO	RO
1 January	7,252,207	7,540,707
Purchases during the period	28,066,901	17,849,615
Sales during the period	(27,642,177)	(18,695,536)
Net realised (loss)/gain on sale of financial assets	751,583	(367,742)
Net unrealised gain on financial assets	100,886	235,819
30 June	<u>8,529,400</u>	<u>6,562,863</u>

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

3 Financial assets at fair value through profit or loss (continued)

(b) Summarised sector-wise financial assets at fair value through profit or loss at the reporting date are:

Sector (Local)	30-06-2018		30-06-2017	
	Carrying amount RO	Fair value RO	Carrying amount RO	Fair value RO
Banking and investment Services	279,334	279,480	7,616	7,558
	54,618	59,803	13,690	13,690
	<u>333,952</u>	<u>339,283</u>	<u>21,306</u>	<u>21,248</u>
Sector (Foreign)				
Banking and investment Services	2,431,733	2,609,946	2,599,679	2,740,390
Industrial	3,497,451	3,342,972	2,696,105	2,780,362
	2,165,381	2,237,199	1,009,954	1,020,863
	<u>8,094,565</u>	<u>8,190,117</u>	<u>6,305,738</u>	<u>6,541,615</u>
	<u>8,428,517</u>	<u>8,529,400</u>	<u>6,327,044</u>	<u>6,562,863</u>

(c) Summarised country-wise financial assets at fair value through profit or loss at the reporting date are:

Country	30-06-2018		30-06-2018	
	Carrying amount RO	Fair value RO	Carrying amount RO	Fair value RO
Saudi Arabia	5,327,932	5,591,921	3,870,537	4,223,319
Kuwait	486,095	496,315	291,090	285,072
United Arab Emirates	1,278,695	1,137,678	1,297,266	1,305,790
Qatar	1,001,843	964,203	846,845	727,434
Sultanate of Oman	333,952	339,283	21,306	21,248
	<u>8,428,517</u>	<u>8,529,400</u>	<u>6,327,044</u>	<u>6,562,863</u>

(d) At 30 June 2018, the FM Fund had no marketable securities for which the FM Fund's holding represents 10% or more of the investee company's share capital (30 June 2017: Nil).

(e) At 30 June 2018, the FM Fund had no commitments in respect of uncalled capital (30 June 2017: Nil).

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

3 Financial assets at fair value through profit or loss (continued)

(f) At the end of the reporting period, details of the marketable securities in which market value exceeds 5% of FM Fund's Net Assets Value:

30-06-2018	% of net assets value	Number of shares	Fair value RO	Carrying amount RO
Al Rajhi Bank	9.97%	99,000	876,769	495,211
Saudi Basic Industries Corporation	7.16%	48,900	629,460	335,100
30-06-2017	% of net assets value	Number of shares	Fair value RO	Carrying amount RO
Al Rajhi Bank	6.79%	78,627	559,392	509,576
Saudi Basic Industries Corporation	5.15%	40,604	423,811	392,687

(g) Ten largest holdings at the reporting date of marketable securities, as percentage of the FM Fund's Net Assets are:

30-06-2018	Number of shares	Fair value RO	% of net assets
Al Rajhi Bank	99,600	876,739	9.97%
Saudi Basic Industries Corporation	48,900	629,460	7.16%
Emaar Properties	779,182	399,459	4.54%
Samba Financial Group	102,746	340,603	3.87%
Jarir Marketing	18,488	335,291	3.81%
National Commercial Bank	67,509	334,656	3.81%
Saudi Kayan Petrochemical Company	157,000	252,701	2.87%
Qatar National Bank	16,000	250,496	2.85%
United Electronics Company - Extra	38,606	246,901	2.81%
Dubai Islamic Bank	482,144	244,666	2.78%
30-06-2017	Number of shares	Fair value RO	% of net assets
Al Rajhi Bank	78,627	559,392	6.79%
Saudi Basic Industries Corporation	40,604	423,811	5.15%
Samba Financial Group	133,334	352,106	4.27%
Emaar Properties	348,500	282,521	3.43%
Mouwasat Medical Services Company	17,100	275,880	3.35%
Saudi Fransi Bank	87,368	275,545	3.35%
Saudi Electricity Company	103,500	269,204	3.27%
Saudi Telecom	33,836	265,886	3.23%
Dallah Healthcare Holding Company	22,200	253,613	3.08%
National Bank of Kuwait	226,500	190,498	2.31%

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

3 Financial assets at fair value through profit or loss (continued)

(h) Five largest purchases of marketable securities during the period ended are :

	Cost RO
30-06-2018	
Al Rajhi Bank	1,326,353
Saudi Telecom	1,208,028
Rabigh Refining And Petrochemical Co	975,279
United Electronics Company - Extra	949,394
Abdullah Al Othaim Markets Company	859,530
 30-06-2017	 RO
Emaar Properties	889,759
Alujain Corporation	687,930
Al Rajhi Bank	501,734
United Electronics Company - Extra	463,264
Saudi Electricity Company	461,822

(i) Five largest sales of marketable securities during the period ended are:

	Proceeds RO
30-06-2018	
Saudi Telecom	126,965
Abdullah Al Othaim Markets Company	67,744
Al Rajhi Bank	129,327
Rabigh Refining And Petrochemical Co	421,718
United Electronics Company - Extra	136,534
 30-06-2017	 Proceeds RO
Emaar Properties	918,576
Alujain Corporation	699,279
Saudi Basic Industries Corporation	486,941
Al Yamamah Steel Industries Co	419,340
United Electronics Company - Extra	410,481

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NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

4 Cash and cash equivalents

(a) Cash and cash equivalents comprise of:

	30-06-2018	30-06-2017
	RO	RO
Cash at bank - current accounts	71,687	312,739
Cash at bank - call deposits	40,760	12,641
Balances with brokers	180,290	1,495,263
	<u>292,737</u>	<u>1,820,643</u>

(b) Call deposits carry an effective interest at the rate ranging from 0.02% to 0.24% per annum (30-06-2017: 0.02% to 0.24% per annum)

5 Accruals and other payables

	30-06-2018	30-06-2017
	RO	RO
Amount due to related parties [note 9 (c)]	57,501	43,214
Accrued expenses	4,476	17,009
Other payables	-	100,804
	<u>61,977</u>	<u>161,027</u>

6 Management and performance fees

Gulf Baader Capital Markets SAOC is the Investment Manager of the FM Fund and earns management fee and performance fee.

Management fees is RO 59,310 (30-06-2017: RO 55,544) at 1.40% (30-06-2017: 1.40%) per annum of the Net Assets Value of the FM Fund. Management fees is paid quarterly and calculated based on the daily Net Assets Value of the FM Fund on each valuation day during the period.

The performance fee is RO 12,028 (30-06-2018: NIL) calculated at 10% on any profits in excess of 10 % net profit per annum after deduction of all applicable expenses, excluding performance fee.

7 Custody fees

Gulf Custody Company SAOC has been appointed as the custodian of the FM Fund for its investments in Oman and GCC countries.

Custody fees is RO 5,296 (30-06-2017: RO 4,528) at 0.125% (30-06-2017: 0.125%) per annum of the Net Assets Value of the FM Fund. Custody fees is paid quarterly and calculated based on the daily Net Asset Value of the FM Fund on each valuation day during the period.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

8 General and administrative expenses

	30-06-2018	30-06-2017
	RO	RO
Tax on GCC dividend	3,658	3,768
Advertisement and printing	1,956	1,470
Regulatory fees	2,749	2,535
Professional fees	1,586	1,737
Bank charges	835	219
Other expenses	784	474
	11,568	10,203
	<u>=====</u>	<u>=====</u>

9 Related party transactions

During the period, the FM Fund entered into transactions in the ordinary course of business with certain related parties. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. These transactions are entered into on terms which the Management Body considers correspond to those that could be obtained through normal arm's length transactions with third parties.

- (a) Significant related party transactions which the FM Fund entered into during the period as per the terms prescribed in the FM Fund's Investment Prospectus:

	30-06-2018	30-06-2017
	RO	RO
Management fees (note 6)	59,310	55,544
Performance Fee	12,028	-
Dividend	-	152,107

- (b) The Management Body fees for the period amount to RO 18,877 (30-06-2017: RO 18,877).

- (c) The related party balances outstanding at the reporting date, arising from related party transactions, are as follows:

	30-06-2018	30-06-2017
	RO	RO
Management fees	30,596	28,337
Performance Fee	12,028	-
Management Body fees	14,877	14,877
Dividend	-	152,107
	57,501	195,321
	<u>=====</u>	<u>=====</u>

- (d) During the period, related parties redeemed nil units (30-06-2017: 13,907). Related parties subscribe nil units (30-06-2017: Nil) during the period.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

9 Related party transactions (continued)

- (e) In addition to the above, the FM Fund purchases and sells investments traded on the MSM through a related party broker. Brokerage on these transactions is paid at the rates prescribed by the market authorities. The FM Fund's purchase and sale transactions of investments is as follows:

	30-06-2018	30-06-2017
	RO	RO
Purchase of financial assets at fair value through profit or loss	620,293	7,616
Sale of financial assets at fair value through profit or loss	495,186	203,740
Brokerage commission	3,904	740

10 Taxation

In accordance with Article 117 of the Income Tax Law income accruing to an investment fund set up in Oman, under the Capital Market Authority Law, is exempt from tax.

11 Redeemable participating units

- (a) All issued redeemable units are fully paid. The FM Fund's variable capital is represented by these redeemable units with no par value and with each carrying one vote. They are entitled to dividends and to payment of proportionate units based on the FM Fund's Net Asset Value per unit on the redemption date.
- (b) To determine the Net Asset Value of the FM Fund for subscriptions and redemptions, marketable securities have been valued based on the market closing price on the relevant trading day. At the reporting date, the FM Fund's Net Asset Value per redeemable participating unit is RO 1.112 (30-06-2017: RO 1.040).
- (c) The number of redeemable participating units as at 30 June 2018 comprise 7,904,549 (30-06-2017: 7,921,632) fully paid units. The units are issued and redeemed at prices based on the prevailing Net Asset Value of the FM Fund, subject to conditions specified in the Investment Prospectus.
- (d) The details of unitholders who own 10% or more of the FM Fund's units are as follows:

	30-06-2018	30-06-2017
	Units	Units
Gulf Investment Services Company SAOG	3,042,135	3,042,135
Nasser Mohammed Ali Al Nowais	1,023,574	1,023,574

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

12 Net asset value per unit

Net assets attributable to a holder of the redeemable participating units represent a liability in the statement of financial position, carried at the Net Assets Value that would be payable at the reporting date if the holder exercised the right to put the units back to the FM Fund as computed in accordance with the FM Fund's Investment Prospectus.

In accordance with the Capital Market Authority requirements and the FM Fund's Investment Prospectus, net assets attributable to the unitholders per unit has been derived by dividing the net assets by the number of units in issue at the reporting date.

	30-06-2018	30-06-2017
Net assets attributable to the unitholders (RO)	8,789,764	8,236,793
Number of outstanding units at the period end	7,904,549	7,921,632
Net asset value per unit (RO)	1.112	1.040

13 (Loss)/profit per unit

(Loss)/profit per unit is calculated by dividing the (loss)/profit for the period by the weighted average number of units outstanding during the period as follows:

	30-06-2018	30-06-2017
(Decrease)/increase in net assets attributable to the unitholders (RO)	897,991	(44,366)
Weighted average number of units outstanding during the period	7,904,824	7,610,309
(Loss)/profit per unit (RO)	0.114	(0.006)

14 Distributions to the unitholders

During the period nil (30-06-2017 the fund has distributed a cash dividend of RO 0.050 per unit for the year ended 31 December 2016 was approved at the FM Fund's Annual General Meeting held with a record date of 23 March 2017.

15 Financial risk management

The FM Fund's activities expose it to a variety of financial risks. The FM Fund's objective of risk management policy seeks to maximize the returns derived for the risk levels to which the FM Fund is exposed and seeks to minimize potential adverse effects on the FM Fund's financial performance.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

15 Financial risk management (continued)

Management Body of the FM Fund is responsible for the overall risk management and has delegated the responsibility to the Investment Manager. Risk management is carried out by the Investment Manager under policies approved by the Management Body. The FM Fund's Investment Prospectus and Investment Management Agreement detail its investment policy and broad level guidelines that encompasses its overall investment strategy, its tolerance for risk and its general risk management approach.

These risk levels are measured and monitored on a continuous basis and compliance with the prescribed risk levels are reported by the Investment Manger to the Management Body on a quarterly basis. All investments present a risk of loss of capital. The maximum loss of capital on such (exchange traded) marketable securities is limited to the fair value of those positions.

The FM Fund's risks are monitored on a quarterly basis by Fund Management Body. Where such risks are not in accordance with the investment policy or guidelines of the FM Fund, the Investment Manager is obliged to rebalance the portfolio.

Financial instruments of the FM Fund are bank balances, investments in marketable securities at fair value through profit or loss and other payables. The FM Fund's activities expose it to a variety of financial and other risks from financial instruments, such as:

- (a) market risks (including interest rate risk, foreign currency risk and price risk);
- (b) credit risk; and
- (c) liquidity risk.

(a) Market risk

'Market risk' is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices will affect the FM Fund's income or the fair value of its holdings of financial instruments.

S&P GCC Index is the benchmark against which performance of the FM Fund is measured. The FM Fund does not use derivatives to manage its exposure to foreign currency, interest rate and price risks.

Price risk

'Price risk' is the risk that fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

The FM Fund trades in (exchange-traded) marketable securities which are susceptible to market price risk arising from uncertainties about future prices of those marketable securities. The FM Fund's market price risk is managed through the daily monitoring of the FM Fund's overall market positions by the Investment Manager. The overall market position, trend and risk levels per category are reviewed by the Management Body on an ongoing basis.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

15 Financial risk management (continued)

(a) Market risk (continued)

Price risk (continued)

According to the FM Fund's investment objectives and strategy as presented in the Investment Prospectus, the FM Fund may invest in equities, related securities such as American Depository Receipts(ADR), Global Depository Receipts (GDR), Exchange Traded Funds (ETF) and in bonds and Sukuks at various exchanges of GCC, MENA region and Emerging Asian Economies. GCC will remain a core market for the FM Fund with a minimum investment limit of 80%. The country and stock-wise limits will be decided by the FM funds' Management Body.

The Investment Manager complies with investment restrictions which are set out in the Investment Prospectus and CMA regulations which limit the exposure of the FM Fund to adverse changes in the price of any individual financial asset.

Summarised sector-wise financial assets at fair value through profit or loss is presented below:

	30-06-2018		30-06-2017	
	Fair value	% of net assets	Fair value	% of net assets
Sector (Local)	RO	value	RO	value
Banking and Investment Services	279,480	3.18%	7,616	0.09%
	59,803	0.68%	13,690	0.17%
Sector (Foreign)				
Banking	2,609,946	29.69%	2,599,679	31.56%
Services	3,342,972	38.03%	2,696,105	32.73%
Industrial	2,237,199	25.45%	1,009,954	12.26%
	<u>8,529,400</u>	<u>97.04%</u>	<u>6,327,044</u>	<u>76.81%</u>

The FM Fund is benchmarked against S&P GCC Index for its local and GCC portfolio of securities. The annualized volatility of the Fund is 12.70% (30-06-2017: 13.30%) as compared with 15.80% (30-06-2017: 16%) of S&P GCC Index. A change by 1% in the S&P GCC Index will result in change of net asset value of the Fund by 0.75% (30-06-2017: 0.78%). These stated techniques provide a yardstick to the Investment Manager to analyze the sensitivity of the Fund's investments and returns.

Interest rate risk

'Interest rate risk' is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates. As at 30-06-2018, 100% of net assets (30-06-2017: 100%) of the FM Fund's financial assets and liabilities are non-interest bearing. Hence, the FM Fund is not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

15 Financial risk management (continued)

(a) Market risk (continued)

Foreign currency risk

'Foreign currency risk' is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in underlying foreign currency rates.

The FM Fund invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in Saudi Riyal, UAE Dirham, Qatari Riyal and Kuwaiti Dinar. Consequently, The FM Fund is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of the FM Fund's financial assets or financial liabilities denominated in currencies other than the Rial Omani.

FM Fund's financial assets in foreign currencies at the reporting date are:

	30-06-2018		30-06-2017	
	Foreign Currency	RO	Foreign Currency	RO
<i>Marketable securities at fair value through profit or loss</i>				
Saudi Riyal	54,822,755	5,591,921	41,405,088	4,223,319
UAE Dirham	10,918,215	1,137,678	12,531,574	1,305,790
Qatari Riyal	9,361,194	964,203	6,934,547	727,434
Kuwaiti Dinaar	393,277	496,315	228,790	285,072
<i>Cash and cash equivalents</i>				
Saudi Riyal	1,396,010	142,393	3,343,843	341,072
UAE Dirham	430,624	44,871	6,638,541	691,736
Qatari Riyal	505,260	52,042	5,135,405	538,704
Kuwaiti Dinaar	22,707	28,657	4,576	5,702

The FM fund's financial assets exposure to foreign currency risk at the reporting date is:

<i>Region of denominated currency</i>	30-06-2018	% of net	30-06-2017	% of net
	RO	assets value	RO	assets value
GCC (excluding Oman)	<u>8,190,117</u>	<u>93.18%</u>	<u>6,541,615</u>	<u>79.42%</u>

The table below indicates the sensitivity of marketable securities denominated in foreign currency of FM Fund (as impacted by changes in the financial instruments' fair value) to the expected changes in the foreign currency exchange rates at the end of the reporting period with all other variables held constant.

A change of 0.5% increase or decrease in foreign currency exchange rates would have decreased or increased respectively net assets attributable to unitholders by the following amounts:

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

15 Financial risk management (continued)

(a) Market risk (continued)

Foreign currency risk (continued)

	30-06-2018 RO	% of net assets	30-06-2017 RO	% of net assets
<i>Marketable securities at fair value through profit or loss</i>				
GCC- Kuwait	2,482	0.028%	1,444	0.018%
<i>Cash and cash equivalents</i>				
GCC- Kuwait	143	0.002%	29	0.000%

(b) Credit risk

'Credit risk' is the risk that a counterparty (such as an issuer, custodian, broker or bank) to a financial instrument will fail to discharge an obligation or commitment, resulting in a financial loss to the FM Fund. For risk management reporting purposes the Investment Manager considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

The FM Fund principally invests in (exchange-traded) marketable securities and is not directly exposed to significant credit risk except cash and cash equivalents.

The FM Fund limits its credit risk with regard to cash and cash equivalents by dealing with reputable banks with good credit ratings. The table below shows the balances with brokers and bank balances with the counterparties analysed by credit rating based on Moody's global ratings.

At 31 December, the FM Fund had bank balances with the following credit quality:

Balance with	Credit Rating	30-06-2018 RO	% of net assets	30-06-2017 RO	% of net assets
Bank Muscat	Baa2	30,055	0.34%	248,123	3.01%
Burgan Bank	A3	28,657	0.33%	4,686	0.06%
Commercial Bank of Qatar	A2	12,102	0.14%	7,955	0.10%
First Abudhabi Bank	Aa3	41,633	0.47%	65,616	0.80%
Balances with brokers	Unrated	180,290	2.05%	1,495,263	18.15%
		<u>292,737</u>	<u>3.33%</u>	<u>1,821,643</u>	<u>22.12%</u>

Balances due from brokers result from sale transactions awaiting settlement. Credit risk relating to unsettled transactions deemed to be low due to the short settlement period involved (as the amount is collected within three days after the transactions in line with the market norms) and the high credit quality of the broker used. As at the reporting date approximately 97% (30-06-2017: approximately 80%) of the balance due from brokers is concentrated with averagely 2 brokers (30-06-2017: 2 brokers).

There is no significant concentration of credit risk in cash and cash equivalents at 30-06-2018. (30-06-2017: No significant concentration).

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

15 Financial risk management (continued)

(c) Liquidity risk

'Liquidity risk' is the risk that the FM Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The FM Fund has a contractual obligation to redeem units to unitholders within 3 days. Historical experience indicates that these units are held by the unitholders on a medium or long-term basis. Based on Management's estimate, maximum redemption levels are expected to be insignificant during a financial period.

The FM Fund's investments in (exchange-traded) marketable equity securities are considered to be readily realisable because they are traded on Muscat Securities Market (MSM) and the GCC Securities Markets and represents approximately 97% of net assets of FM Fund (30-06-2017: approximately 80%).

To reduce the liquidity risk, the FM Fund has made investments only in those (exchange traded) marketable securities which are actively traded on the security markets. Investments in marketable securities at fair value through profit or loss are representing approximately 97% (30-06-2017: approximately 80%) of total net assets value and approximately 96% (30-06-2017: approximately 78%) of (total) assets of the FM Fund and are traded in active securities trading market and can be readily realized into cash within 3 days or less. At 30-06-2018, the FM Fund's holding in cash and cash equivalents represented approximately 3% (30-06-2017: approximately 22%) of its net assets. Accordingly, the FM Fund is not subject to significant liquidity risk.

The FM Fund's all financial liabilities except net assets attributable to the unitholders at the reporting date fall within three months from the end of the reporting period.

16 Fair value of financial instruments

Fair value of financial assets that are traded in active markets that the FM Fund can access at the measurement date are obtained directly from an exchange on which the instruments are traded. For all other financial instruments, the FM Fund may determine fair values using other valuation techniques, if any.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The FM Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

16 Fair value of financial instruments (continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The FM Fund held no Level 2 or Level 3 financial assets during the period ended 30 June 2018 (30 June 2017: Nil).

Last valuation day

The last trading day of the securities markets where the FM Fund's marketable securities are listed was: Oman and GCC: Thursday, 28 June 2018 (2017: Thursday, 29 June 2017).

17 Capital risk management

The FM Fund is an investment fund with a variable capital divided into units of no par value. FM Fund does not have maximum capital and its units are not capital guaranteed.

The capital of the FM Fund is represented by the net assets attributable to holders of redeemable units. The amount of net assets attributable to holders of redeemable units can change on a daily basis, as the FM Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The FM Fund's objective when managing capital is to safeguard the FM Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of investment activities of the FM Fund.

In order to maintain or adjust the capital structure, the FM Fund's policy is to monitor the level of subscriptions and redemptions relative to the net assets and adjust the amount of distributions the FM Fund pays to redeemable unitholders.

The FM Fund's Management Body and the managing company monitor capital on the basis of the value of net assets attributable to holders of redeemable units. The FM Fund is not subject to externally imposed capital requirement.

18 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

30-06-2018	Financial assets at FVPL RO	Loans and receivables RO	Total RO
Financial assets			
Financial assets at fair value through profit or loss	8,529,400	-	8,529,400
Cash and cash equivalents	-	292,737	292,737
	8,529,400	292,737	8,822,137

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

18 Financial instruments by category (continued)

30-06-2017	Financial assets at FVPL RO	Loans and receivables RO	Total RO
Financial assets			
Financial assets at fair value through profit or loss	6,562,863	-	6,562,863
Cash and cash equivalents	-	1,821,643	1,821,643
	<u>6,562,863</u>	<u>1,821,643</u>	<u>8,384,506</u>
Financial liabilities		Financial liabilities RO	Total RO
30-06-2018			
Amount due to related parties [note 9 (c)]		57,501	57,501
Other payables		-	-
		<u>57,501</u>	<u>57,501</u>
Financial liabilities		Financial liabilities RO	Total RO
30-06-2017			
Amount due to related parties [note 9 (c)]		43,214	43,214
		<u>43,214</u>	<u>43,214</u>

19 Performance data

30-06-2018	Average annual total return %	Growth of an assumed investment of RO 10,000
3 Month period ended 30 June 2018	11.37%	11,137
3 years ended 30 June 2018	(0.80)%	9,763
5 years ended 30 June 2018	4.79%	12,636
May 1997 (inception) to 30 June 2018	7.19%	43,230
30-06-2017		Growth of an assumed investment of RO 10,000
3 Month period ended 30 June 2017	(0.54)%	9,946
3 years ended 30 June 2017	(3.94)%	8,863
5 years ended 30 June 2017	7.21%	14,167
May 1997 (inception) to 30 June 2017	7.20%	40,423

The performance data quoted represent past performance and is no guarantee of future performance. The average annual total returns, and growth of an assumed investment of RO 10,000 include dividends reinvested.

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

20 Reconciliation of per unit Net Asset Value

	30-06-2018	30-06-2017
	RO	RO
Per unit changes in Net Asset Value		
Income	0.028	0.028
Net investment (loss)/income (realised and unrealised)	0.108	(0.017)
Management and other expenses	(0.022)	(0.017)
Net (loss)/profit	0.114	(0.006)
Cash dividends paid		-
Net redemption proceeds	-	0.001
Net (decrease)/increase in Net Asset Value	0.114	(0.005)
Net Asset Value at the beginning of the year	0.998	1.045
Net Asset Value at the end of the period	1.112	1.040
Brokerage commissions and markups	0.004	0.006

21 Ratios

Net Asset Value is calculated by dividing the net assets by the number of outstanding units at reporting date. Total Return, Growth of an Assumed Investment and Simple Return are based on the dividends paid to the unitholders, and the growth in the Net Asset Value during the period. These ratios are based on, or affected by, the price at which the units were purchased in the market, or the price for which units may be sold in the market.

	30-06-2018	30-06-2017
	%	%
Simple return (not annualised): [(Loss)/profit to opening Net Asset Value]	11.37%	(0.54)%
Expense ratio (annualised): (Expenses to average Net Asset Value)	1.35%	1.16%
Brokerage expense ratio (annualised): (Brokerage expense to average Net Asset Value)	0.73%	0.53%
Portfolio turnover rate (annualised): (Securities traded to average Net Asset Value)	333.68%	224.98%
Liability ratio: (Liabilities to Net Asset Value)	0.71%	1.95%

THE FIRST MAZOOON FUND

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 (continued)

22 Definition of ratios

Simple return

Calculated by dividing the per unit after tax profit for the period, by the per unit NAV at the beginning of the year. Or, calculated by dividing the sum of per unit dividends and change in the net asset value during the year, by the per unit NAV at the beginning of the year.

Expense ratio

Expenses during the period (interest expenses + all Management and other expenses excluding brokerage commissions), divided by average NAV amount $[(\text{opening NAV} + \text{closing NAV}) \div 2]$ for the period.

Brokerage expense ratio

Brokerage commissions during the period divided by average NAV amount for the period.

Portfolio turnover rate

Average of the price of assets bought and the price of the assets sold $[(\text{purchases} + \text{sales}) \div 2]$, during the period, divided by average NAV amount for the period.

Liability ratio

Liabilities at the end of the period, divided by the NAV amount at the end of the period.