



The First Mazoon Fund

The First Mazoon Fund JIA

P O Box 974, Ruwi, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790 612

April 2007
119th Month

Objectives

The Fund provides investors with the opportunity to invest in a basket of predominantly blue-chip Omani equities in order to achieve substantial capital gains.

Performance

	FMF *	MSM 30 Index
For the month	3.34%	4.41%
YTD	8.23%	3.83%
1 year	13.16%	13.08%
3 year	125.90%	89.22%
5 year	323.09%	245.99%
Since inception+	118.97%	53.56%

* The First Mazoon Fund JIA

Dividend Paid

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

Fund Details

Manager	: Gulf Investment Services Co SAOG
Custodian	: HSBC Bank Middle East, Oman
Launch Date	: June 10, 1997
Auditors	: Moore Stephens
Current Size	: RO 2.72 million
Units outstanding	: 2,252,476
Type	: Open-ended
Listing	: Muscat Securities Market (MSM)
Subscription/redemption	: Monthly
Valuation date	: Second Thursday of each month
Management fee	: 1.4% per annum
NAV/Unit	: RO 1.207
Market Price	: RO 0.960
Last Dealing price/unit	: Bid: RO 1.063 Offer: RO 1.116

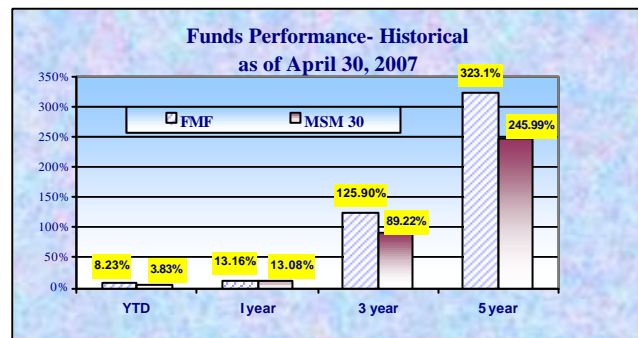
Percentage Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
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%
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%
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%
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%
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%
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%
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%
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%
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%
2007	2.93%	-0.32%	1.44%	3.34%								

Market Review and Outlook

The Musat Securities Market witnessed significant activity during the month of April as the benchmark MSM 30 Index closed higher by 4.4% at 5795.30. All three sectoral indices recorded gains, however the industry sector continued to be in the limelight with a gain of 6% for the month. This resulted in the return of the industry sector for the year to go up to 9.9% way above the benchmark's return of 4.4%. Among regional markets the only other market that is in green for the year is the Kuwaiti market, which once again recorded a gain of 4.8%. During the month UAE and Qatar posted gains, but remained negative for the year. Saudi was a major loser as the few initial offering absorbed the liquidity leaving the market dry.

The corporate performance for the first quarter showed the continued growth from the private sector. The additional capital that is being pumped in by the Government in the infrastructure and non oil related sector is bearing fruits. We foresee the industrial projects in the northern parts of Oman to likely fuel further benefits to the industrial and service sector companies in the quarters to come and step pace the corporate earnings. We continue to remain positive on infrastructure related sectors and Banking. Moving forward while we have a positive outlook for Oman during the year, the summer impact and the forthcoming IPOs could lead to partial sell off and profit taking in the intermediate term. The regional markets meanwhile would catch up to the earnings and move forward.



TOP 5 Holdings

Company Name	%
Renaissance Services	11.05
Bank Muscat	8.48
Ominvest	7.74
Shell Oman Marketing	7.50
Raysut Cement	7.46

Fund Review for the 119th Month

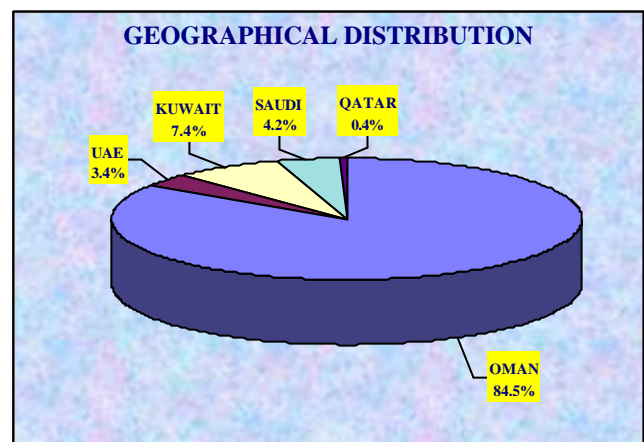
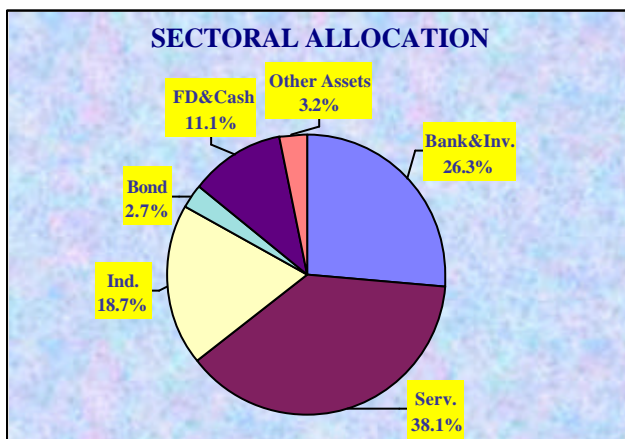
The NAV was RO 1.207 at the end of the month and was up 8.23% on YTD basis as against the market's decline of 3.83%. The average NAV during the month was RO 1.191 and the fund quoted at an average discount of 20.9% in the Market. A total of 80,418 units were redeemed during this month.

We will continue to actively manage our portfolios owing to market volatility and look for trading opportunities in local, GCC and all regional markets.

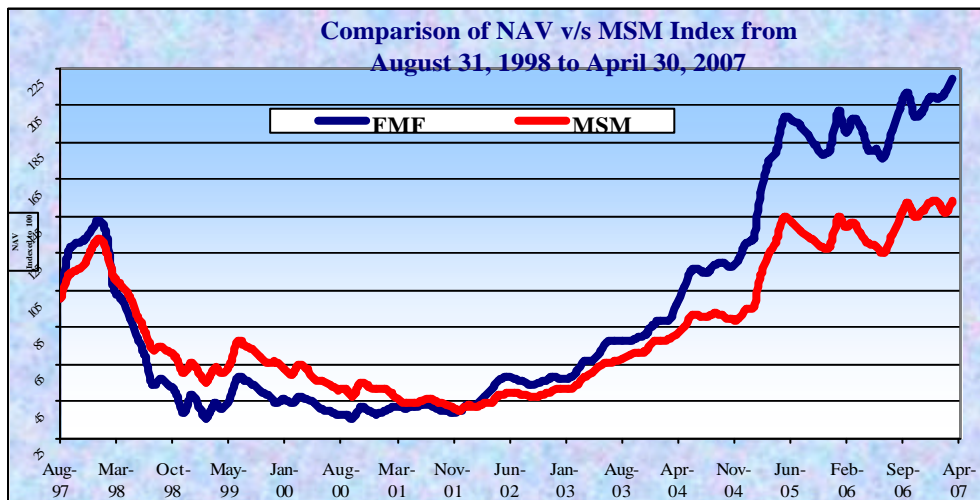
52-week	High	Low
MSM 30.Index	5956.46	4657.16
Market Price+	RO 1.053	RO 0.738
NAV per Unit+	RO 1.214	RO 0.950

+ Adjusted for 10%, 35% and 28% dividend for 2006, 2005 and 2004 respectively.

Asset Allocations:



Performance



Asset Management Team:

Mr Bashar Saleh Al-Thaher
Fund Manager
Tel: +968 24790 614 Ext- 108
Gsm: +968 99323860
Email: bashar@gisoman.net

Mr Mohammed Al Maashani
Executive-Asset Management
Tel: +968 24790 614 Ext- 114
Email: almashani@gisoman.net

Mr. P.P.A. Venkateshwaran
Fund Administrator
Tel: +968 24790 614 Ext - 107
Email: venkat@gisoman.net

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Investment Manager



الشركة الخليجية لخدمات الإستثمار (ش.م.ع.ع.)

Gulf Investment Services Co. (S.A.O.G.)

P.O.Box 974, Postal Code 112, Oman - Tel: +968 24790614 Fax: +968 24790612