



The First Mazoon Fund JIA

August 2005

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

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	-1.07%	-3.03%
1 year	53.6%	48.7%
3 year	183.0%	188.2%
5 year	258.6%	167.3%
Since inception+	77.3%	37.6%

* The First Mazoon Fund JIA

Fund Details

Manager	: Gulf Investment Services Co SAOG
Intl. Investment Advisor	: HSBC Financial Services (ME) Ltd.
Custodian	: HSBC Bank Middle East, Oman
Launch Date	: June 10, 1997
Auditors	: KPMG
Current Size	: RO 3.96 million
Units outstanding	: 2,517,987
Type	: Semi Open-ended
Listing	: Muscat Securities Market (MSM)
Subscription/redemption	: Monthly
Dealing date	: Second Thursday of each month
Management fee	: 1.4% per annum
NAV/Unit	: RO 1.571
Market Price	: RO 1.380
Last Dealing price/unit	: Bid: RO 1.369 offer: RO 1.424

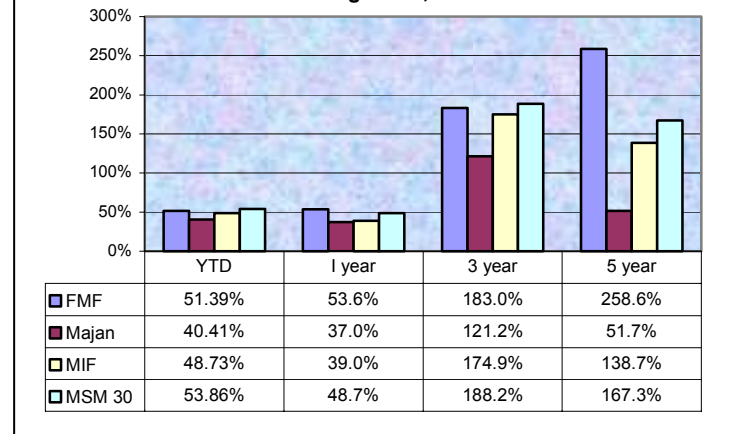
Percentage Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1997									21.0%	3.1%	1.2%	3.8%	31.0%
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%	-62.1%
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%	10.1%
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%	-6.7%
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%	29.1%
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%	28.9%
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%	38.2%
2005	6.7%	1.7%	15.7%	9.6%	2.9%	8.8%	-0.7%	-1.1%					51.4%

Market Review and Outlook

Muscat Securities Market witnessed a lackluster trading during the Month of August. The vacation season as well as lack of institution support drifted the market down. The market represented by the Benchmark MSM30 declined by 3% during the month. The primary sector that weighed down the market was Banking and investment which dropped close to 5%. Rumors surrounding the management issues of the two leading banks were instrumental in pushing the sector index down. However the cement sector bricked up the industry sector owing to record high cement prices under a high demand scenario. The industry sector was the lone gainer with a return of 2.55%. The lack of initial excitement in Omantel was seen with Volumes in market being significantly lower (-25%) than last month at just RO 126 million. The regional markets have been performing well with their respective indices touching historic highs. We will take actively look for trading opportunity in local as well as regional portfolio and add/accumulate fundamentally sound stocks at attractive levels to further our returns for the fund.

Funds Performance- Historical
as of August 31, 2005



Oryx / Vision / Al Amal – Ignored for continuity reason and lack of uniformity

TOP 5 Holdings

	%
Oman Cement	10.87
Renaissance Services	9.09
Bank Muscat	8.18
Al Madina Fin & Invest Co	8.42
Ominvest	7.61



الشركة الخليجية لخدمات الإستثمار (ش.م.ع.ع.)
Gulf Investment Services Co. (S.A.O.G.)

Fund Review

The NAV was RO 1.571 at the end of the month and was up 51.39% on YTD basis as against the market's gain of 53.9%. The NAV has dropped 1.07% for the month as against the index's decline of 3.03%. The average NAV during the month was RO 1.561 and average market discount widened to 9.7%. There were no redemptions during the month.

52-week	High	Low
MSM 30.Index*	5699.32	3302.36
Market Price+	RO 1.830	RO 0.789
NAV per Unit+	RO 1.630	RO 0.996

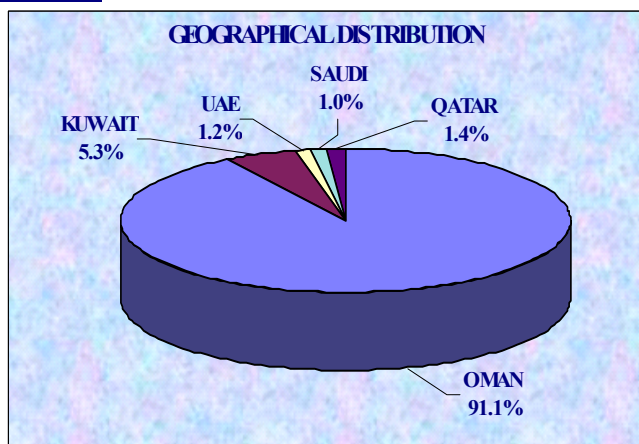
*Rebased to 1000 on June 01, 2004

+ Adjusted for 14% Cash dividend and 14% Stock dividend

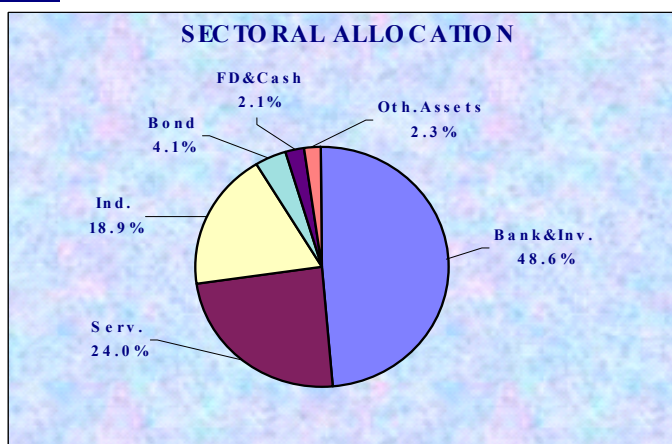
Past Five years

	FMF	MSM
Average Monthly return	2.2%	1.8%
Monthly maximum loss	-3.9%	-7.8%
Month of Maximum loss	Oct-00	Apr-01
Annualized Return	29.1%	21.7%
Annualized Volatility	3.9%	4.8%
% of winning months (against benchmark)	60.0%	na
% of gained months	38%	37%
YTD	51.4%	53.9%
Sharpe (RF 6%)	6.00	3.28

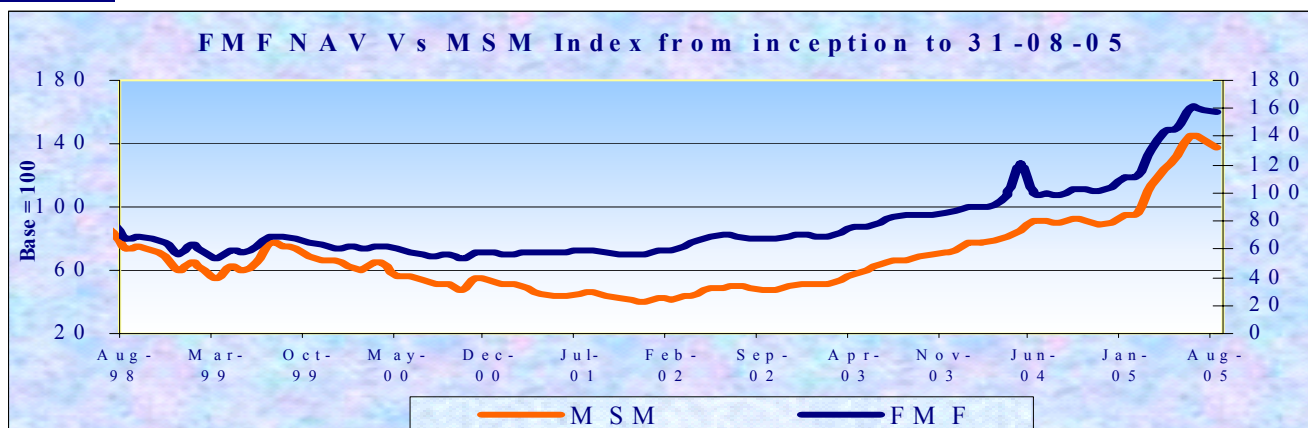
Allocation



Assets



Performance



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Managing Company



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