



# The First Mazoon Fund JIA

December 2005

103<sup>rd</sup> Month

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	1.87%	0.79%
1 year	42.7%	44.4%
3 year	154.3%	154.1%
5 year	227.5%	142.3%
Since inception+	67.2%	29.2%

\* 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 3.73 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 1.481
Market Price	: RO 1.390
Last Dealing price/unit	: Bid: RO 1.286 offer: RO 1.337

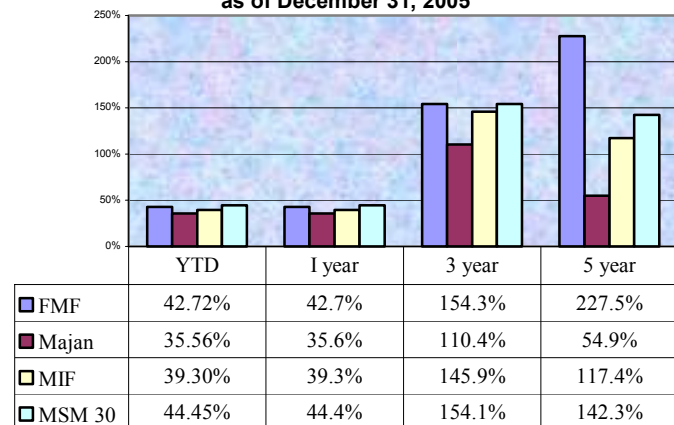
## Percentage Monthly Returns

	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%	-2.4%	-2.42	-2.78	1.87%	42.74%

## Market Review and Outlook

Muscat Securities Market returned a phenomenal gain of 44.45% in 2005. This is the fourth consecutive year where the MSM has gained. The regional stock markets too have reported a phenomenal gain in 2005 owing to higher liquidity presence and flowing oil money. The retention of surplus flow and aversion of investment into the western markets have enabled the regional stock markets to attract attention and re-rate the market over the years. The year 2005 also saw various milestones in the corporate world in Oman with the leading Banking company, Bank Muscat, going global through its issue of depository receipts, cross border acquisition of National Bank of Oman by Commercial Bank of Qatar, acquisition of Al Khaleej Poly by Dubai Poly and soon. The banking sector that showed improvement in their asset quality reported the highest return of 51.5%. The industry and service sectors underperformed the market with returns of 34% and 30% respectively. Among the regional markets Saudi and UAE recorded three digit growths during the year. In anticipation of higher volatility in the markets across the region, we intend to 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 December 31, 2005



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

## TOP 5 Holdings

	%
Oman Cement	9.99
Al Madina Fin & Invest Co	9.92
Renaissance Services	8.63
Ominvest	7.51
Bank Muscat	6.22

## Fund Review for the 103<sup>rd</sup> Month

The NAV was RO 1.481 at the end of the month and was up 42.74% on YTD basis as against the market's gain of 44.45%. The NAV has appreciated 1.87% in December'05 as against the index's appreciation of 0.79%. The average NAV during the month was RO 1.453 and average market discount declined to 8.7%. There were no redemptions during the month. The fund has outperformed during this month.

52-week	High	Low
MSM 30.Index*	5699.32	3331.67
Market Price+	RO 1.830	RO 0.904
NAV per Unit+	RO 1.630	RO 1.027

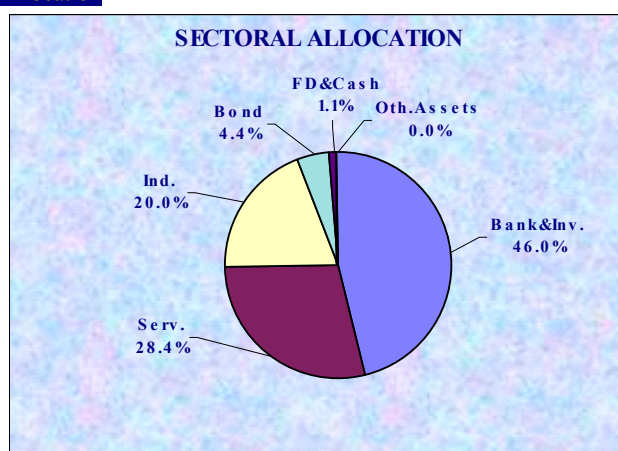
\*Rebased to 1000 on June 01, 2004

+ Adjusted for 14% Cash dividend and 14% Stock dividend w.e.f. April 17, 2005

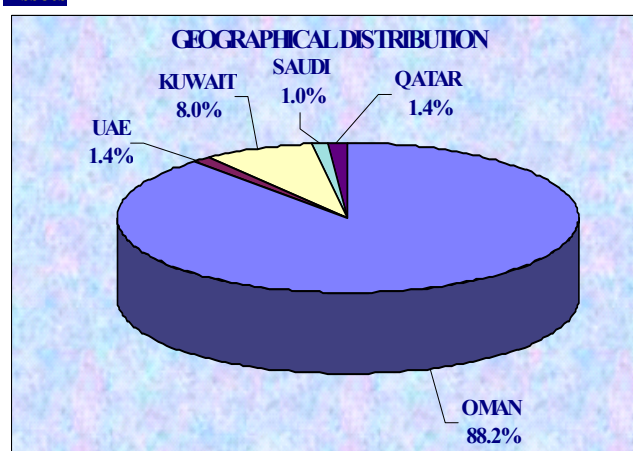
## Past Five years

	FMF	MSM
Average Monthly return	2.0%	1.5%
Monthly maximum loss	-3.2%	-7.8%
Month of Maximum loss	Aug-00	Apr-01
Annualized Return	26.8%	19.4%
Annualized Volatility	3.7%	4.4%
% of winning months (against benchmark)	58.3%	na
% of gained months	37%	36%
YTD	42.7%	44.4%
Sharpe (RF 6%)	5.55	3.07

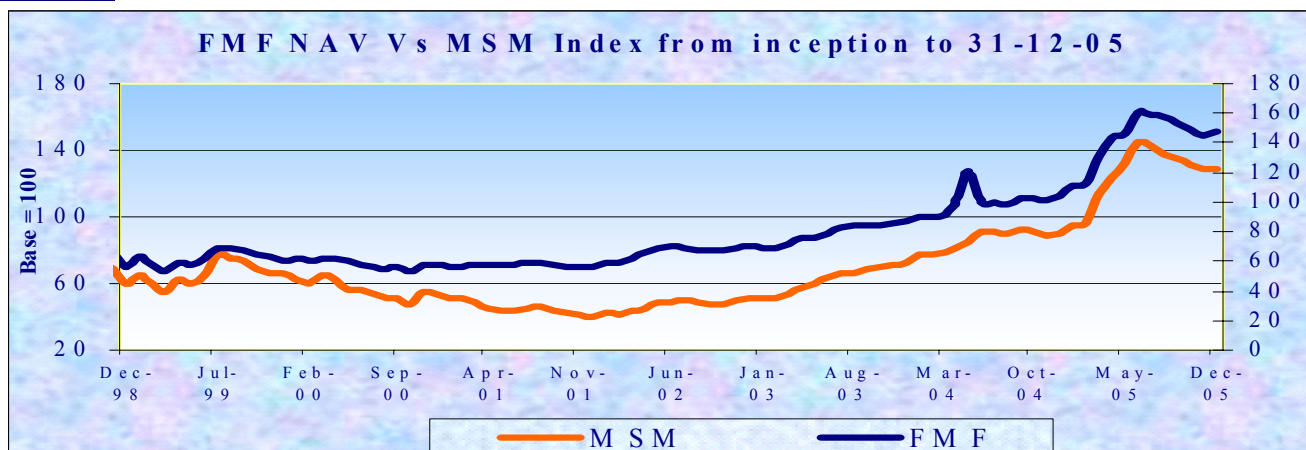
## Allocation



## Assets



## Performance



## Contact Information:

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## Managing Company



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

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