



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

December 2007
127th 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	9.99%	7.02%
YTD	58.89%	61.88%
1 year	58.89%	61.88%
3 year	165.73%	167.71%
5 year	453.98%	370.94%
Since inception+	221.47%	139.42%

* 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 3.64 million
Units outstanding	: 2,053,444
Type	: Open-ended
Subscription/redemption	: Daily
Valuation date	: Daily
Entry Fee	: 2%
Management fee	: 1.4% per annum
Redemption Fee	: 1% < 1 year
NAV/Unit	: RO 1.772

Percentage Monthly Returns

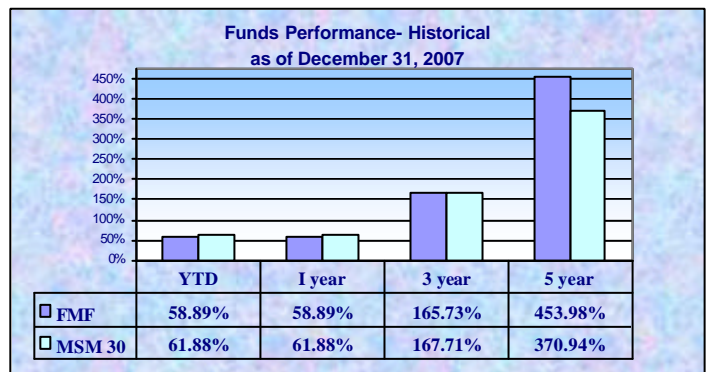
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%	-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%	3.23%	2.33%	2.27%	2.61%	3.89%	8.91%	6.48%	9.99%

Market Review and Outlook

The last month of the year 2007 proved to be the most successful one for the entire GCC region as all the 6 regional markets gave positive returns for the month. The MSM Index appreciated by 7.02% during the month and thus ended the year 2007 at 9035.48 points with a YTD return of 61.88%, making Oman the best performing market in the region in terms of return. The month of December also saw unprecedented volumes of shares traded in the market. A total of 700.093 million shares got traded during the month amounting to an aggregate turnover of RO 473.956 million. The Banking & investment Sector, like the previous month, was once again the best performing sector from among its peers in terms of return. The sector has generated a return of 71.50% for the year, and is the out performer of the year 2007.

From among the regional markets, Saudi was by far the leader with a gain of 17.85% for the month of December 2007 and 40.87% for the year. UAE market witnessed a gain of 12.56% for the month and ended the year with a return of 43.72%. Qatar, Bahrain and Kuwait gained 34.3%, 24.25% and 24.75% respectively for the year.

Moving forward, healthy earnings and dividend declaration for the year 2007 is likely to keep the market active. From among the regional markets, we remain positive on Saudi and Kuwait market.



TOP 5 Holdings

	%
Renaissance Services	12.92
Raysut Cement	10.93
National Bank of Oman	9.28
Shell Oman Marketing	6.11
Bank Muscat	5.28

Fund Review for the 127th Month

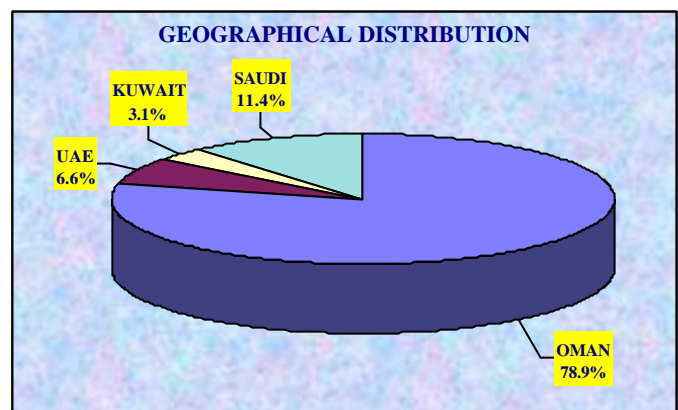
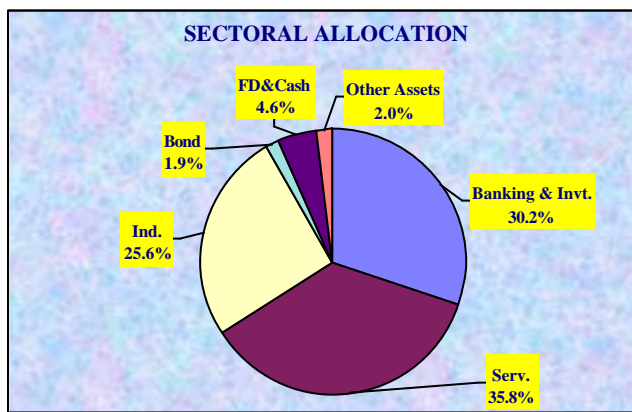
The NAV was RO 1.772 at the end of the month and was up 58.89% on YTD basis as against the market gain of 61.88%. The average NAV during the month was RO 1.709 and the fund quoted at an average discount of 20.7% in the Market which was the last month of trading. A total of 13,217 units were redeemed during this month. The fund has now been delisted from the market.

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

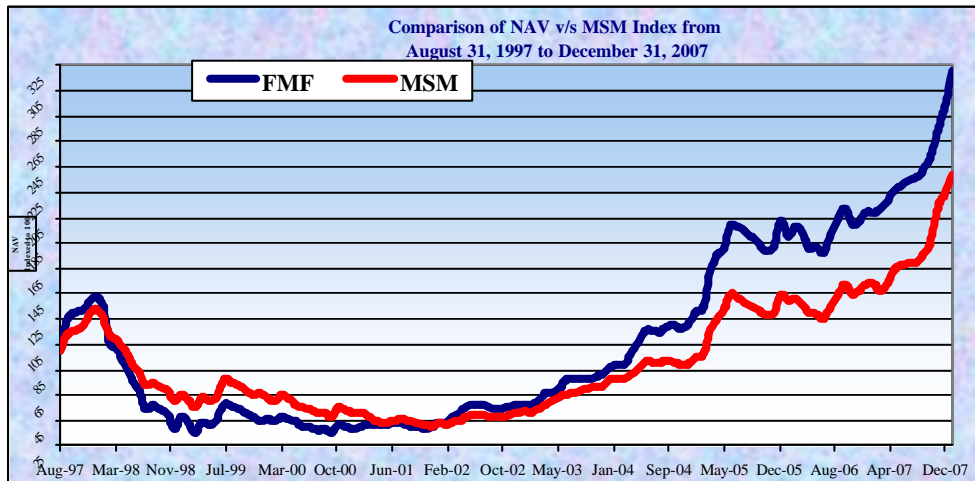
52-week	High	Low
MSM 30.Index	9108.510	5532.640
Market Price+	RO 1.450	RO 0.900
NAV per Unit+	RO 1.777	RO 1.115

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

Asset Allocations:



Performance



Asset Management Team:

Mr Sankar Kailasam
 VP- Asset Management
 Tel: +968 24790 614 Ext – 109
 Gsm: +968 99887207
 Email: sankar@gisoman.net

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

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Investment Manager



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 GULF BAADER CAPITAL MARKETS S.A.O.C.

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