



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

January 2007
116th Month

Objective s

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	2.93%	3.38%
YTD	2.93%	3.38%
1 year	3.39%	5.94%
3 year	128.76%	98.08%
5 year	319.43%	258.47%
Since inception+	100.87%	52.89%

* The First Mazoon Fund JIA

Dividend Paid

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

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 2.92 million
Units outstanding	: 2,313,260
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 1.263
Market Price	: RO 1.128
Last Dealing price/unit	: Bid: RO 1.169 Offer: RO 1.227

Percentage Monthly Returns

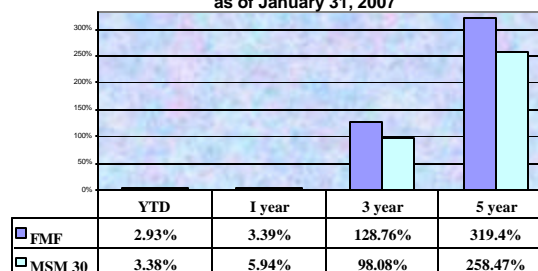
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%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

Market Review and Outlook

After ending on a positive note for the year 2006 (up by 14.5%), strong buying interests took the benchmark to its life time high during the first month of 2007. MSM 30 index touched its life time high of 5956.46 on 18th of January 2007. This represents a year to date gain of 6.7%. Momentum was built among frontline counters on expectations of healthy dividend and full year earnings announcements. Foreign Institutional interests along with fresh money from funds propelled market activity. Volumes improved during the month compared to its daily average. However, profit bookings during the later part of the month took MSM 30 Index down to close at 5769.99, resulting in a lower return of 3.4% during the month. During the month MSM 30 index was the only one among regional indices to post gains.

All Sectoral indices posted healthy gains during the month. Services & Insurance Index ended as the major gainer, which was up by 6.3%. Industry Index ended with monthly gain of 3.9% while, Banking & Investment Index ended up by 3.7%. Overall volumes have improved in the market as stated earlier. Moving forward, activity will depend on earnings announcements and indicators for performance for the year 2007. While all macro factors remain positive suggesting healthy economic growth, geopolitical factors may impact on foreign institutional sentiments. We believe that, core earnings growth for sectors including Banking, Cement, Oil Marketing, telecom and leasing sector will be healthy. At same time individual corporate growth stories from Industry sector and Renaissance Services will attract investors' interests.

Funds Performance- Historical
as of January 31, 2007



TOP 5 Holdings

	%
Renaissance Services	10.86
Oman Cement	9.90
Ominvest	8.45
Shell Oman Marketing	6.95
Oman International Bank	6.18

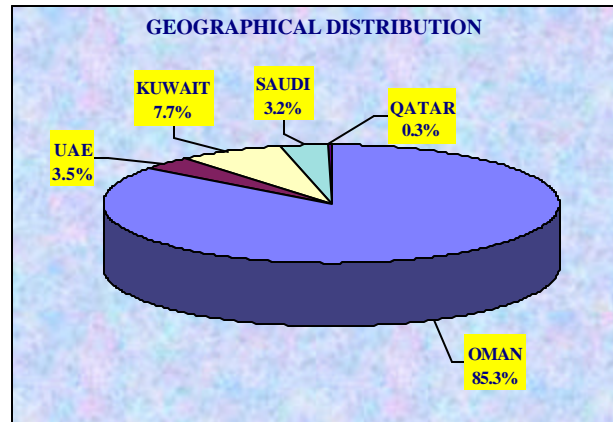
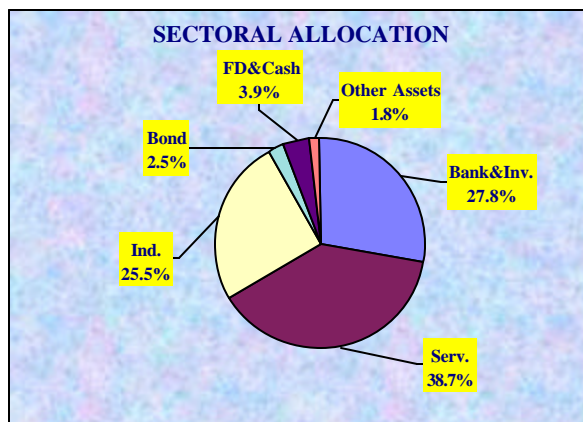
Fund Review for the 116th Month

The NAV was RO 1.263 at the end of the month and was up 2.93% on YTD basis as against the market's gain of 3.38%. The average NAV during the month was RO 1.266 and the fund quoted at an average discount of 12.7% in the Market. A total of 8,338 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.

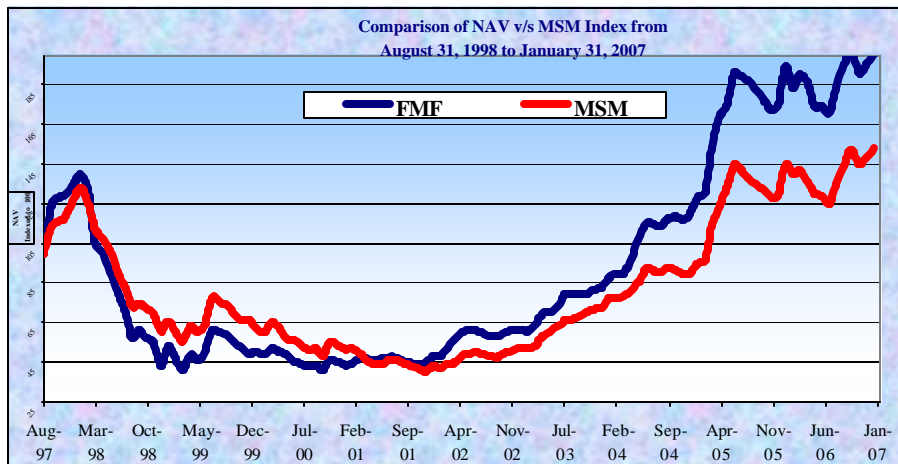
52-week	High	Low
MSM 30.Index	5956.46	4657.16
Market Price+	RO 1.280	RO 0.825
NAV per Unit+	RO 1.292	RO 1.047

+ Adjusted for 35% and 28% dividend for 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

Disclaimer: This document has been prepared and issued for informational and illustration purpose only on the basis of publicly available information, internally developed data and other sources believed to be reliable. While all care has been taken to ensure that the facts stated are accurate and the opinions given are reasonable, neither Gulf Investment Services Co. SAOG nor any employee shall be in anyway responsible for the contents of this report. Past performance of the Fund as illustrated herein is not a guarantee of future returns. This is not an offer to buy or sell the investments referred therein.

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