



The First Mazoon Fund

The First Mazoon Fund JIA

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July 2007
122nd 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	2.27%	1.38%
YTD	16.93%	15.14%
1 year	33.71%	35.95%
3 year	103.93%	86.79%
5 year	311.63%	242.06%
Since inception+	136.57%	70.29%

* 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 2.79 million
Units outstanding	: 2,144,927
Type	: Open-ended
Listing	: Muscat Securities Market (MSM)
Subscription/redemption	: Monthly (First Thursday)
Valuation date	: Second Thursday of each month
Management fee	: 1.4% per annum
NAV/Unit	: RO 1.304
Market Price	: RO 1.123
Last Dealing price/unit	: Bid: RO 1.194 Offer: RO 1.254

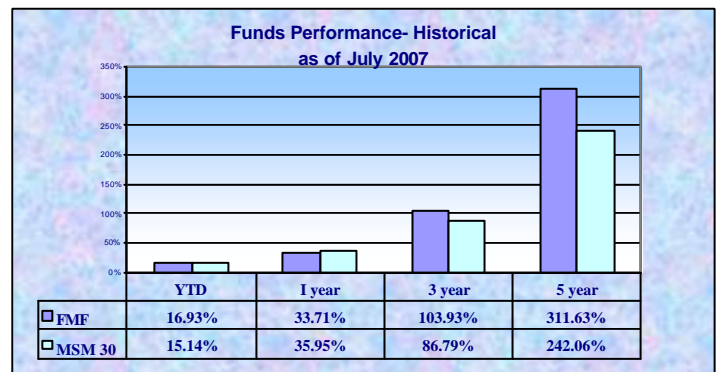
Percentage Monthly Returns

	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%					

Market Review and Outlook

Muscat securities Market witnessed yet another month of continued bullish trend as the bench mark broke the 6500 barrier in the middle of the month before closing the month at 6426.66. The benchmark appreciated by 1.38% for the month. Among the sectoral indices, the Banking and Investment sector was the out performer as the sector gave a return of 3.09% during the month followed by the Service and Insurance Index with a gain of 1.96%. The Industry Index too came close with an appreciation of 1.56% during the month. The YTD returns from the benchmark on 31st July 2007 stood at 15.14%. Among the regional markets, except for UAE, all other markets posted healthy returns. Saudi market, with a return of 9.18% for the month, led the pack by far. Bahrain stood next with a return of 6.67%. Qatar and UAE returned 3.66% and -3.07% respectively. However, on an YTD basis, Saudi is the only market which continues to remain in the red while all other markets, including UAE are in the positive zone.

Moving forward, the long awaited IPO of Galfar will open next month in Oman. Though its affect in entirety will be felt more in September, yet the market may see some corrections as investors resort to profit booking to accumulate funds for investing in the IPO. This aside, we foresee growth in all three sectors in the quarters to come as the economy continues to do well and regional interest in Oman economy grows. We also maintain a positive outlook on the region



TOP 5 Holdings

	%
Renaissance Services	11.25
Raysut Cement	8.97
Ominvest	8.33
Shell Oman Marketing	6.99
Bank Muscat	5.01

Fund Review for the 122nd Month

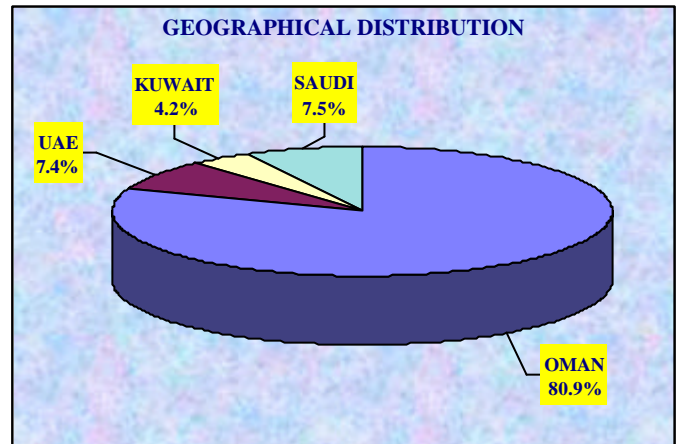
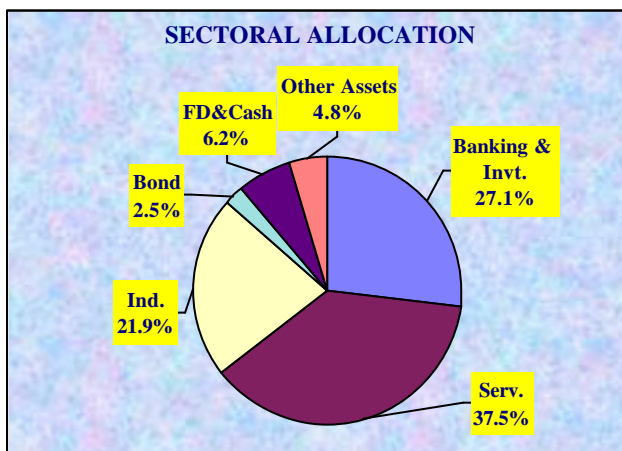
The NAV was RO 1.304 at the end of the month and was up 16.93% on YTD basis as against the market gain of 15.14%. The average NAV during the month was RO 1.301 and the fund quoted at an average discount of 15.6% in the Market. A total of 40,722 units were redeemed during this month.

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

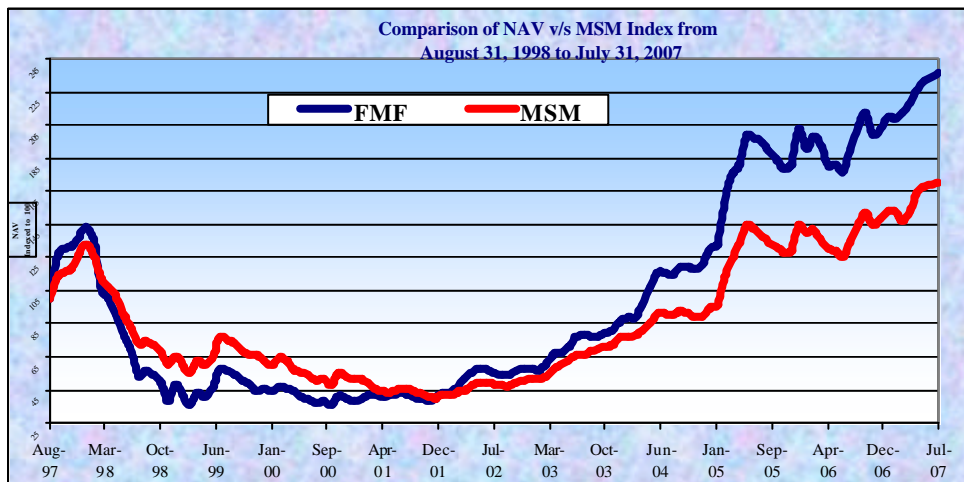
52-week	High	Low
MSM 30.Index	6504.18	4657.16
Market Price+	RO 1.123	RO 0.738
NAV per Unit+	RO 1.311	RO 0.965

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

Asset Allocations:



Performance



Asset Management Team:

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Investment Manager



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

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