



The First Mazoon Fund

The First Mazoon Fund JIA

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June 2007
121st Month

Objective

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	2.33%	2.20%
YTD	14.33%	13.57%
1 year	27.62%	30.38%
3 year	99.60%	83.31%
5 year	299.56%	242.07%
Since inception+	148.64%	67.97%

* 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 2.78 million
Units outstanding	: 2,185,649
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 1.275
Market Price	: RO 1.078
Last Dealing price/unit	: Bid: RO 1.131 Offer: RO 1.188

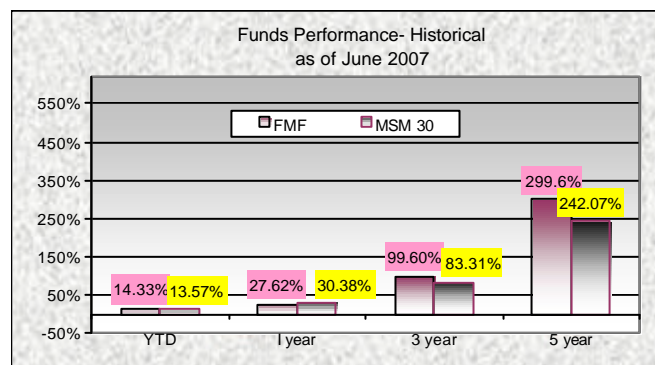
Percentage Monthly Returns

	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%						

Market Review and Outlook

Muscat Securities Market overcame the calamity caused by cyclone GONU during the month of June and recorded significant activity. The MSM benchmark gained 2.2% for the month and closed at 6338.96 points, the highest since inception. The Industry sector led the pack with a return of 5.91% during the month among the three sectoral indices. The Banking & Inv Index was next with a gain of 4.45%. The Service Sector, however, ended the month marginally lower by 0.44%. The YTD returns from the bench mark on 30th June 2007 stood at 13.57%. Among the regional markets, Kuwait and Bahrain performed well giving returns of 5.59% and 4.26% respectively, while Saudi and UAE posted negative returns of 7.7% and 1.5% respectively for the month of June. Qatar's returns for the month were 0.57%. However, on an YTD basis, all the markets except for Saudi are in the green.

The corporate performance for the half year showed the continued growth from the private sector. We foresee the industrial projects in the northern parts of Oman to fuel further benefits to the industrial and service sector companies in the quarters to come and step pace the corporate earnings. We also maintain a positive outlook on the region and have thereby, increased our exposure to the GCC region in order to obtain maximum returns for our unit holders



TOP 5 Holdings

Company	%
Renaissance Services	10.91
Raysut Cement	7.99
Ominvest	7.76
Shell Oman Marketing	7.02
Bank Muscat	4.92

Fund Review for the 121st Month

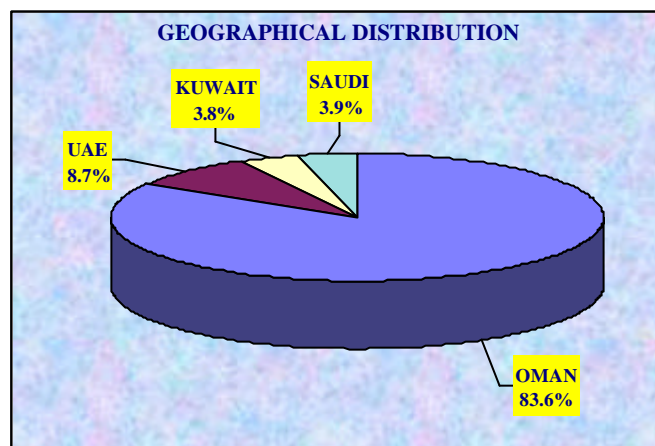
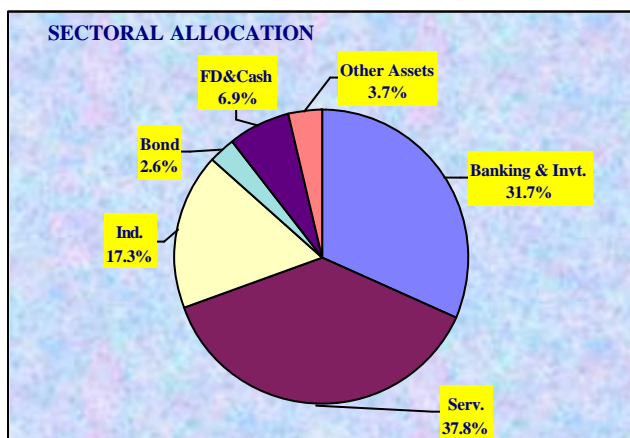
The NAV was RO 1.275 at the end of the month and was up 14.33% on YTD basis as against the market gain of 13.57%. The average NAV during the month was RO 1.260 and the fund quoted at an average discount of 18.5% in the Market. A total of 57,143 units were redeemed during this month.

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

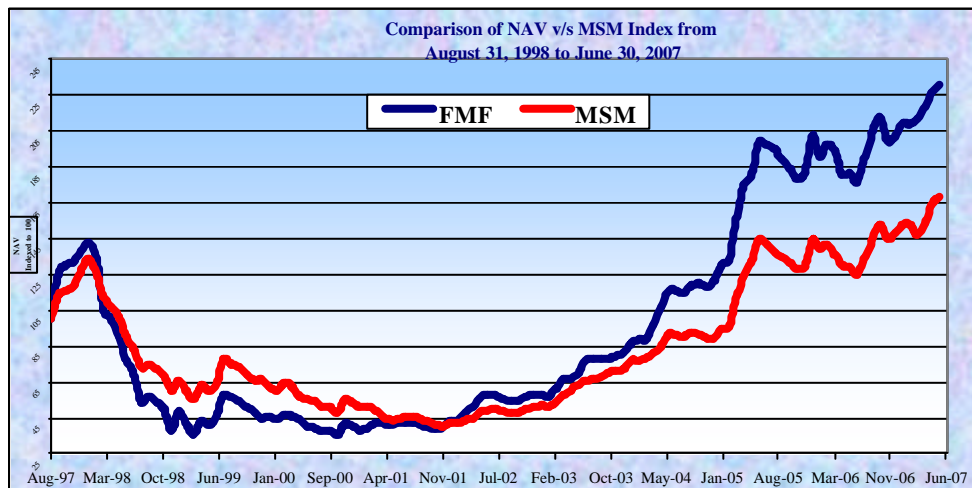
52-week	High	Low
MSM 30.Index	6338.96	4657.16
Market Price+	RO 1.078	RO 0.738
NAV per Unit+	RO 1.275	RO 0.965

+ 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



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