



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

March 2007
118th 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	1.44%	-3.86%
YTD	4.73%	-0.56%
1 year	7.11%	3.72%
3 year	138.50%	87.58%
5 year	345.42%	234.91%
Since inception+	111.90%	47.08%

* 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 2.72 million
Units outstanding	: 2,332,894
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 1.168
Market Price	: RO 0.960
Last Dealing price/unit	: Bid: RO 1.129 Offer: RO 1.186

Percentage Monthly Returns

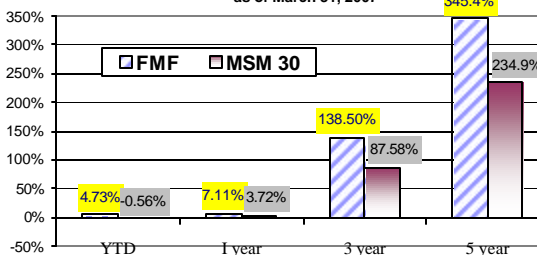
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	4.9%	-16.1%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%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

Market Review and Outlook

Dividend adjustments during the month of March 2007 drifted the benchmark MSM 30 Index to 5550.47, which is 3.9% lower from its previous months close. All three sectoral indices too went with the similar fate during the month. This resulted in the first quarter return of MSM30 to move into negative zone at 0.56%. Among regional markets only Kuwaiti Index closed positive with year to date gain of 1.53%. The major loser was Qatar's DSM 20 Index which dropped 15.18% during the first quarter of 2007. DFM that witnessed selling pressure throughout the year closed with a return of -9.69%. Saudi's TASI too ended with 3.37% loss on selling pressure triggered during the later part of the quarter wiping out its initial gains during the year. Bahrain's All Share Index closed -2.61% during the quarter.

The current year corporate performance in Oman is likely to be healthy as the economic prospects are enabling the continuity of the trend. In addition the recent government initiatives towards the investment in certain industrial projects in the northern and southern parts of Oman are likely to materialize in the second half of the year. Also the prevailing high liquidity situation pronounces healthy asset creation and good consumer spending leading to better productivity. We remain positive on Cement, Banking, Leasing, Oil Marketing and select industry stocks like Oman cables, Al Hassan Engineering etc. Moving forward cues on first quarter corporate performance may drive the momentum in the market. Also, the market is likely to witness reploving of dividend money, which may bring in fresh buying among fundamentally sound companies.

Funds Performance- Historical
as of March 31, 2007



TOP 5 Holdings

Company Name	%
Renaissance Services	10.24
Oman Cement	7.93
Ominvest	7.52
Shell Oman Marketing	7.51
Raysut Cement	6.34

Fund Review for the 118th Month

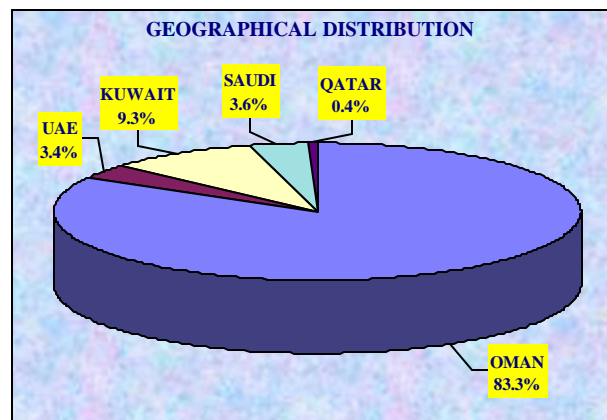
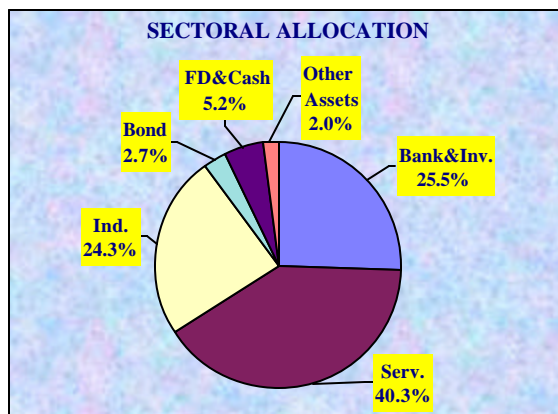
The NAV was RO 1.168 at the end of the month and was up 4.73% on YTD basis as against the market's decline of 0.56%. The average NAV during the month was RO 1.146 and the fund quoted at an average discount of 17.5% in the Market. A total of 89,351 units were redeemed during this month. At the AGM held on March 17, 2007 Unitholders have approved a cash dividend of 5% and a stock dividend of 5% for the financial year ended 2006.

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

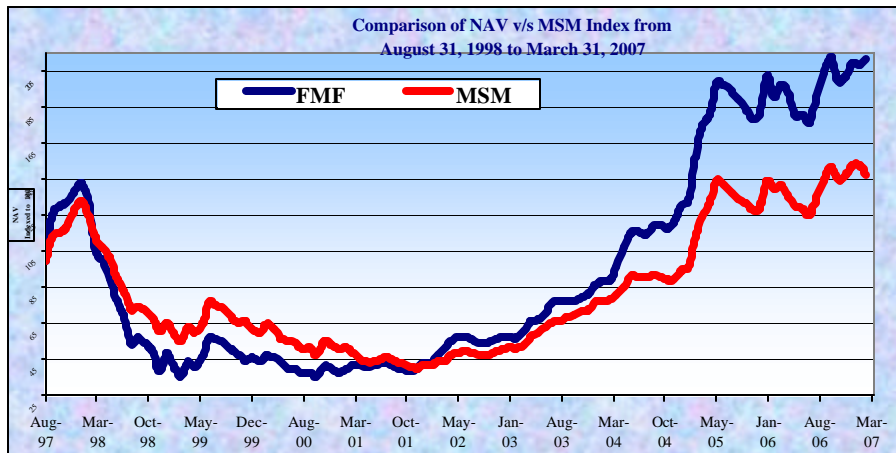
52-week	High	Low
MSM 30.Index	5956.46	4657.16
Market Price+	RO 1.053	RO 0.738
NAV per Unit+	RO 1.183	RO 0.950

+ Adjusted for 10%, 35% and 28% dividend for 2006, 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