



The First Mazoon Fund JIA

November 2006

114th Month

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The First Mazoon Fund

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	-6.02%	-4.94%
YTD	9.36%	12.14%
1 year	11.06%	13.02%
3 year	135.44%	102.14%
5 year	338.27%	248.02%
Since inception+	91.33%	44.86%

* 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 2.91 million
Units outstanding	: 2,421,598
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 1.203
Market Price	: RO 1.070
Last Dealing price/unit	: Bid: RO 1.126 Offer: RO 1.171

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%	

Market Review and Outlook

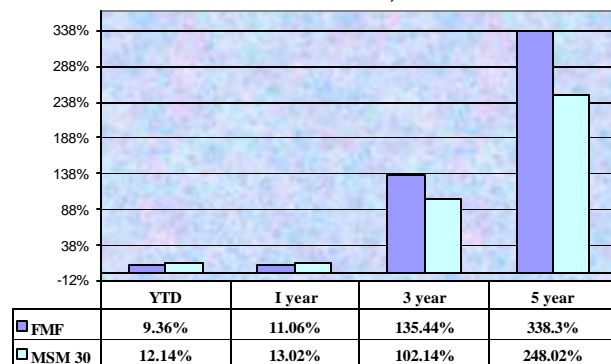
During the month of November '06 the Muscat Securities Market represented by the benchmark MSM 30 Index lost almost the entire gain that it posted last month. The sporadic selling by the retail share holders drove the market down. In addition the regional funds that faced severe redemption pressure pressed the market down. With the decline in the market the YTD returns dropped to 12.14%. However this still keeps MSM tall as it holds the fort being the best performing market in the region. Overall activity in MSM was lacklustre. Volumes for the month of November 2006 stood at just 60.2 million shares on aggregate market turnover of RO 50.7 million.

The fall was seen across the board, resulting in all three sectoral indices closing in red. On a relative comparison Banking and Investment Sector declined the most at 6.9% followed by Industry sector by 2.9%. The cement sector among the industry stocks were the worst affected with both companies under performing the market.

Across the board all the regional markets posted loss for the month as investors cashed out to invest in the PO opportunities, which in turn triggered margin calls from the banks. Kuwait market was marred by political consequences and eventual cancellation of contracts to few public listed stocks including Public Warehousing, the market leader. This led to a sharp fall in the market which is otherwise opined to be a fundamentally strong one.

The remaining part of the year is likely to be flat for MSM as December '06 would witness the launch of the only IPO for the year in Bank Sohar. However we opine that Saudi, Kuwait and UAE may start witnessing recovery from the current levels as the valuation parameters have reached realistic levels.

Funds Performance- Historical
as of November 30, 2006



TOP 5 Holdings

	%
Oman Cement	11.58
Bank Muscat	10.06
Renaissance Services	9.63
Ominvest	8.14
Shell Oman Marketing	6.89

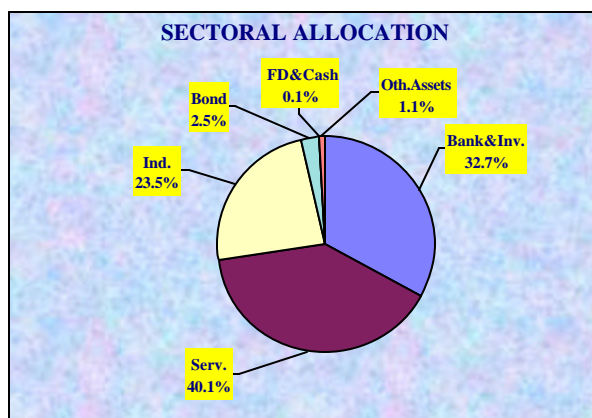
Fund Review for the 114th Month

The NAV was RO 1.203 at the end of the month and was up 9.36% on YTD basis as against the market's gain of 12.14%. During the month the NAV has declined 602% as against the index's decline of 4.94%. The average NAV during the month was RO 1.229 and the fund quoted at an average discount of 10% in the Market. A total of 3,125 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 as well as regional markets.

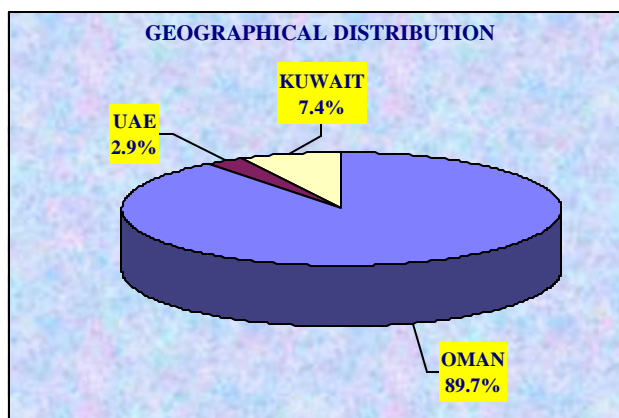
52-week	High	Low
MSM 30.Index	5799.77	4657.16
Market Price+	RO 1.280	RO 0.825
NAV per Unit+	RO 1.292	RO 1.047

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

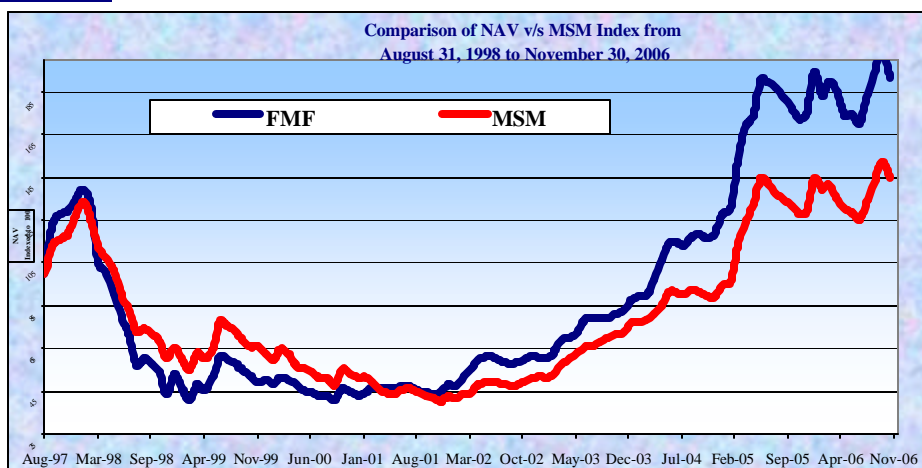
Allocation



Assets



Performance



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Managing Company



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

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