



The First Mazoon Fund JIA

September 2005

100th Month

P O Box 974, Ruwi, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790612

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	-2.43%	-2.26%
1 year	48.9%	47.3%
3 year	174.7%	182.3%
5 year	264.2%	181.0%
Since inception+	73.0%	34.5%

* The First Mazoon Fund JIA

Fund Details

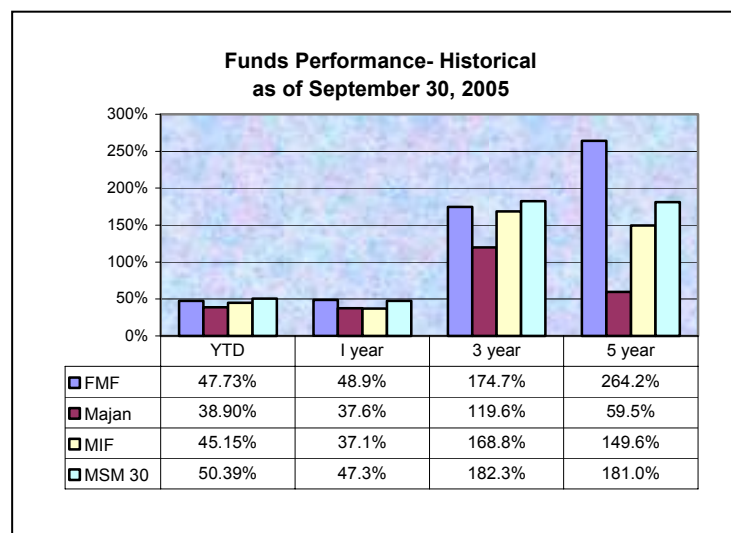
Manager	: Gulf Investment Services Co SAOG
Intl. Investment Advisor	: HSBC Financial Services (ME) Ltd.
Custodian	: HSBC Bank Middle East, Oman
Launch Date	: June 10, 1997
Auditors	: KPMG
Current Size	: RO 3.86 million
Units outstanding	: 2,517,987
Type	: Semi Open-ended
Listing	: Muscat Securities Market (MSM)
Subscription/redemption	: Monthly
Dealing date	: Second Thursday of each month
Management fee	: 1.4% per annum
NAV/Unit	: RO 1.533
Market Price	: RO 1.250
Last Dealing price/unit	: Bid: RO 1.383 offer: RO 1.438

Percentage Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1997									21.0%	3.1%	1.2%	3.8%	31.0%
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%	-62.1%
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%	10.1%
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%	-6.7%
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%	-0.2%
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%	29.1%
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%	28.9%
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%	38.2%
2005	6.7%	1.7%	15.7%	9.6%	2.9%	8.8%	-0.7%	-1.1%	-2.4%				47.7%

Market Review and Outlook

The month of September was marked by deep correction amidst significantly lower volumes. The liquidity was absorbed by the regional IPOs and Omantel to an extent leaving other blue chip stocks dearth of any genuine interest. The market represented by the Benchmark MSM30 declined 2.3% during the month subsequent to 3% in August'05. The major sector that weighed down the market was Banking and investment, which dropped close to 2.5%. Industry and Service sector too were instrumental in pulling the index down with losses of 1.3% and 2.5% respectively. The volumes in the market were just 31 mln shares accounting for a turnover of RO 89 mln. The regional markets have been performing well with their respective indices touching historic highs. UAE and Kuwait recorded 9% and 6% return in the month of September. We will actively look for trading opportunity in local as well as regional portfolio and add/accumulate fundamentally sound stocks at attractive levels to further our returns for the fund.



Oryx / Vision / Al Amal – Ignored for continuity reason and lack of uniformity

TOP 5 Holdings

	%
Oman Cement	11.29
Renaissance Services	9.22
Ominvest	7.68
Al Madina Fin & Invest Co	7.67
DIDIC	6.57



الشركة الخليجية لخدمات الإستثمار (ش.م.ع.ع.)
Gulf Investment Services Co. (S.A.O.G.)

Fund Review for the 100th month

The NAV was RO 1.533 at the end of the month and was up 47.71% on YTD basis as against the market's gain of 50.4%. The NAV has dropped 2.43% for the month as against the index's decline of 2.26%. The average NAV during the month was RO 1.552 and average market discount widened to 14.1%. There were no redemptions during the month.

52-week	High	Low
MSM 30.Index*	5699.32	3302.36
Market Price+	RO 1.830	RO 0.789
NAV per Unit+	RO 1.630	RO 1.002

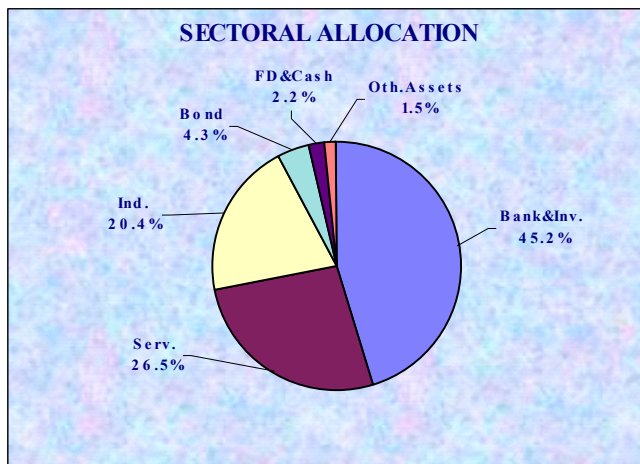
*Rebased to 1000 on June 01, 2004

+ Adjusted for 14% Cash dividend and 14% Stock dividend

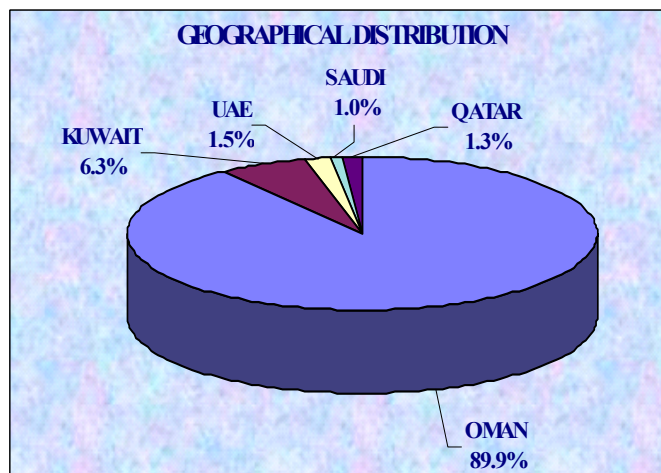
Past Five years

	FMF	MSM
Average Monthly return	2.2%	1.7%
Monthly maximum loss	-3.9%	-7.8%
Month of Maximum loss	Oct-00	Apr-01
Annualized Return	29.5%	22.9%
Annualized Volatility	3.9%	4.8%
% of winning months (against benchmark)	58.3%	na
% of gained months	37%	36%
YTD	47.7%	50.4%
Sharpe (RF 6%)	6.03	3.51

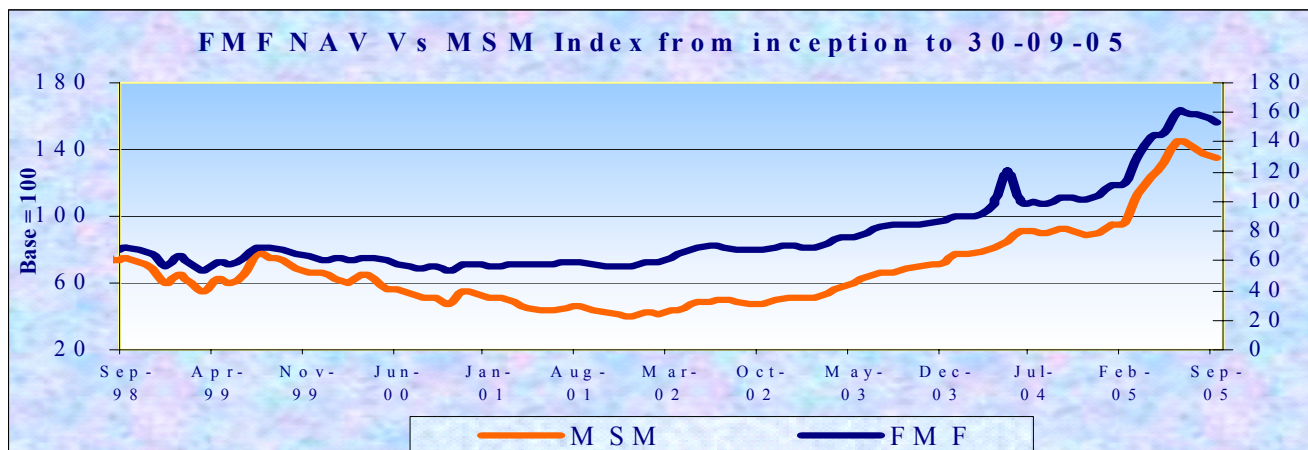
Allocation



Assets



Performance



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Managing Company



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