



# The First Mazoon Fund JIA

September 2006

112<sup>th</sup> Month

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The First Mazoon Fund

## 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	6.40%	7.01%
YTD	11.82%	11.71%
1 year	7.29%	7.30%
3 year	145.78%	111.46%
5 year	331.61%	225.84%
Since inception+	95.62%	44.31%

\* The First Mazoon Fund JIA

## Dividend Paid

Financial Year ended	Cash	Stock
2004	14%	14%
2005	10%	25%

## Fund Details

<b>Manager</b>	: Gulf Investment Services Co SAOG
<b>Custodian</b>	: HSBC Bank Middle East, Oman
<b>Launch Date</b>	: June 10, 1997
<b>Auditors</b>	: Moore Stephens
<b>Current Size</b>	: RO 3.10 million
<b>Units outstanding</b>	: 2,524,723
<b>Type</b>	: Open-ended
<b>Listing</b>	: Muscat Securities Market (MSM)
<b>Subscription/redemption</b>	: Monthly
<b>Valuation date</b>	: Second Thursday of each month
<b>Management fee</b>	: 1.4% per annum
<b>NAV/Unit</b>	: RO 1.230
<b>Market Price</b>	: RO 0.998
<b>Last Dealing price/unit</b>	: Bid: RO 1.100 Offer: RO 1.144

## Percentage Monthly Returns

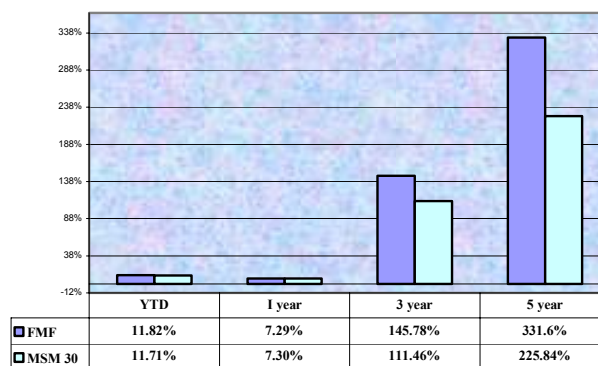
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%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

## Market Review and Outlook

The benchmark MSM 30 Index gained 7.01% during the month of September 2006 and closed at month high of 5446.05. Market has seen active buying interest from across the border. Regional and global funds have taken the opportunity on strong corporate fundamentals in Oman. In terms of YTD returns, the MSM 30 Index has gained 11.7% making it an outperformer among other regional indices. The only other regional index which ended positive in terms of YTD returns (1.8%) is Bahrain's All Share Index. However the Kuwaiti market recovered sharply by 4.6% during the month and still looks promising. Overall volumes in MSM remained healthy with broad based activity among Index and non Index scrips. Volumes for the month of September 2006 stood at 101.825 million shares on an aggregate market turnover of RO 149.464 million.

The rally was seen across the board, resulting in all three sectoral indices closing with good gains. Industry Index has marginally outperformed with 6.57% gains followed by Banking & Investments Index which ended up higher by 6.25% during the month. Services & Insurance Index closed with 4.31% gains on the back of Omantel recovery. We continue to maintain our positive outlook on Banking, Cement, Leasing, Oil Marketing & Select Industry sector stock. Moving forward the momentum is likely to continue on expectations of third quarter performances.

Funds Performance- Historical  
as of September 30, 2006



## TOP 5 Holdings

	%
Oman Cement	10.98
Bank Muscat	9.77
Renaissance Services	9.26
Ominvest	8.15
Oman International Bank	6.61

## Fund Review for the 112<sup>th</sup> Month

The NAV was RO 1.230 at the end of the month and was up 11.82% on YTD basis as against the market's gain of 11.71%. During the month the NAV has gone up 6.40% as against the index's gain of 7.01%. The average NAV during the month was RO 1.209 and the fund quoted at an average discount of 18% in the Market. A total of 119,400 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.

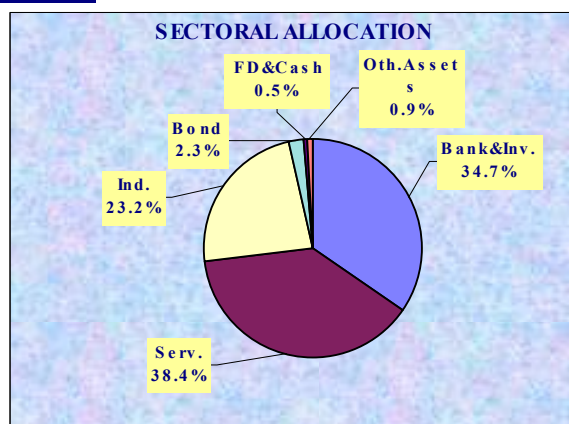
52-week	High	Low
MSM 30.Index	5522.20	4657.16
Market Price+	RO 1.280	RO 0.825
NAV per Unit+	RO 1.234	RO 1.047

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

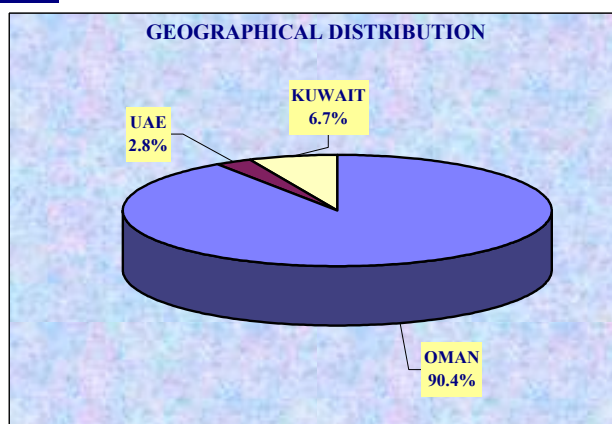
## Past Five years

	FMF	MSM
Average Monthly return	2.5%	2.0%
Monthly maximum loss	-6.3%	-4.2%
Month of Maximum loss	May-06	Apr-06
Annualized Return	34.0%	26.6%
Annualized Volatility	4.7%	4.5%
% of winning months (against benchmark)	58.3%	na
% of gained months	38%	37%
YTD	11.8%	11.7%
Sharpe (RF 6%)	5.98	4.60

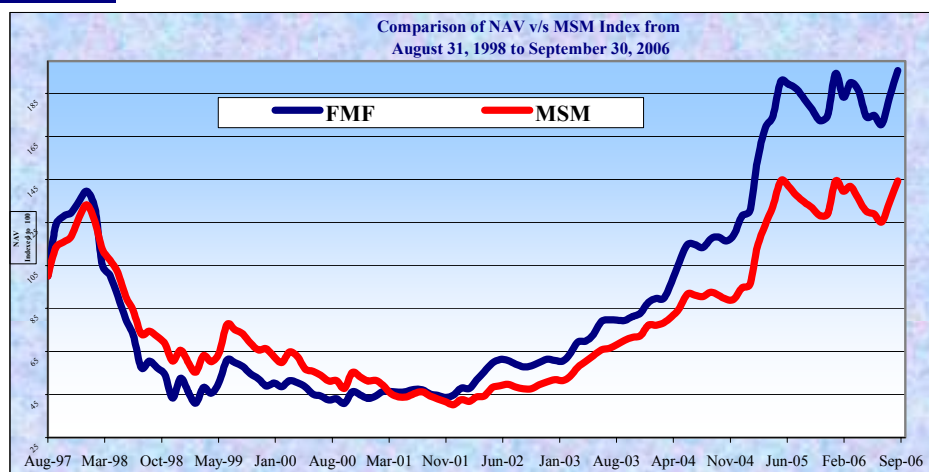
## Allocation



## Assets



## Performance



## Asset Management Team:

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## Managing Company



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

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