



The First Mazoon Fund

The First Mazoon Fund JIA

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September 2007
124th Month

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	3.89%	5.05%
YTD	24.64%	25.17%
1 year	23.69%	28.29%
3 year	112.06%	100.03%
5 year	364.71%	287.80%
Since inception+	171.07%	85.13%

* 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 2.96 million
Units outstanding	: 2,133,941
Type	: Open-ended
Listing	: Muscat Securities Market (MSM)
Subscription/redemption	: Monthly (First Thursday)
Valuation date	: Second Thursday of each month
Management fee	: 1.4% per annum
NAV/Unit	: RO 1.390
Market Price	: RO 1.200
Last Dealing price/unit	: Bid: RO 1.198 Offer: RO 1.247

Percentage Monthly Returns

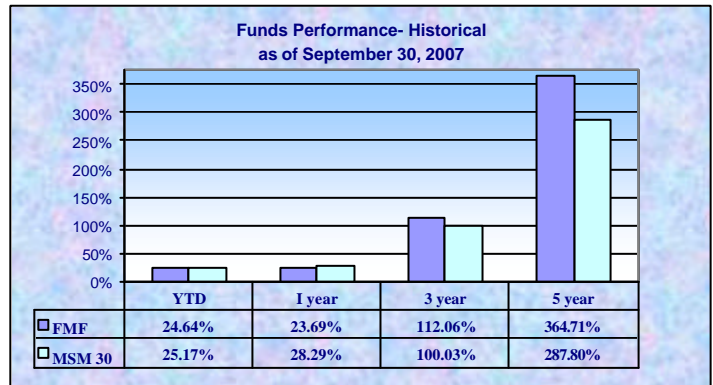
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997									21.0%	3.1%	1.2%	3.8%
1998	3.1%	-5.3%	-18.1%	-4.2%	-8.6%	-10.2%	-8.6%	-17.2%	4.4%	-4.2%	-4.9%	-16.1%
1999	16.7%	-10.2%	-8.5%	13.6%	-4.4%	8.8%	16.2%	-1.6%	-2.5%	-4.7%	-3.6%	-5.1%
2000	2.3%	-2.6%	4.6%	-1.6%	-2.8%	-5.6%	-1.6%	-3.2%	0.9%	-3.9%	10.1%	-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%	2.27%	2.61%	3.89%			

Market Review and Outlook

During the month of September 2007 broad based buying interests propelled by healthy earnings expectations during the third quarter of current have lifted the MSM 30 Index up by 5.1% to close at 6986.64. After this the year to date returns on the benchmark works out to 25.17%. During the month the Index crossed 7000 mark and touched month high close of 7015.55. Market has seen healthy subscription numbers in Galfar IPO, which has routed excess money back into the market during the month. All three indices ended with healthy gains. Industry Index ended as the outperformer with monthly gain of 7.4% followed by Services & Insurance Index which closed up by 5.3%. Banking & Investment Index closed with monthly gain of 4.3%. Overall market volumes have improved to commendable levels during the month. Overall volumes stood at 167.56 million with aggregate turnover of RO 126.236 million.

Among regional markets, Qatar has seen healthy buying interests on expectations of healthy earnings growth during the third quarter of current year. Qatari equity market Index went up by 8.19% during the month to close at 8097.03. The year to date returns on the Index ended at 13.52%. Meanwhile, Oman ended as the second best performing market in the region. Saudi market s have ended with a monthly loss of 4.78%, while other three markets UAE (DFM), Kuwait and Bahrain ended almost flat.

We remain positive on Omani equities, which is expected to attract investors on healthy fundamentals augmented by positive macro economic environment and corporate growth.



TOP 5 Holdings

	%
Raysut Cement	13.74
Renaissance Services	11.44
National Bank of Oman	9.64
Shell Oman Marketing	6.76
Bank Muscat	5.02

Fund Review for the 124th Month

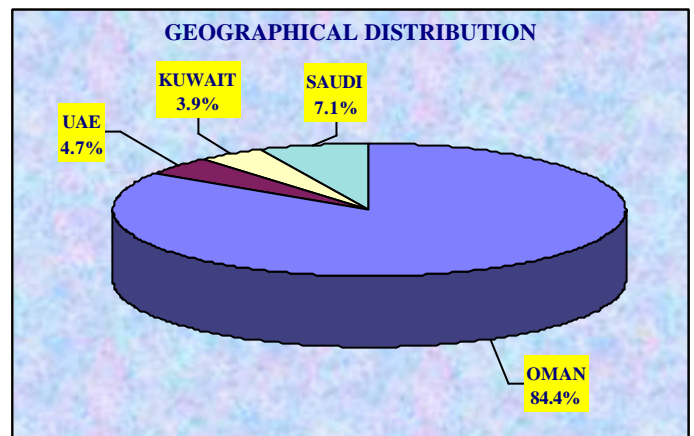
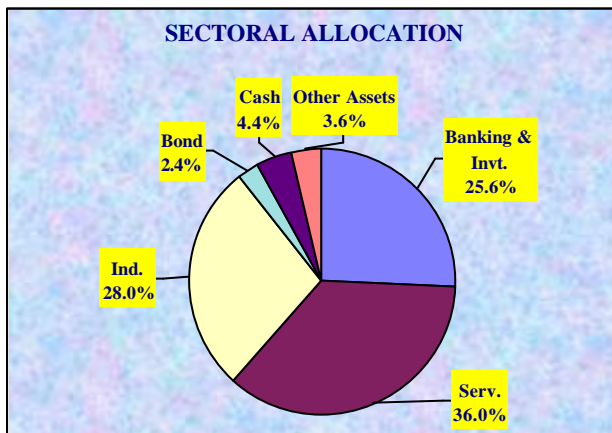
The NAV was RO 1.390 at the end of the month and was up 24.64% on YTD basis as against the market gain of 25.17%. The average NAV during the month was RO 1.351 and the fund quoted at an average discount of 14.9% in the Market. A total of 7,448 units were redeemed during this month.

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

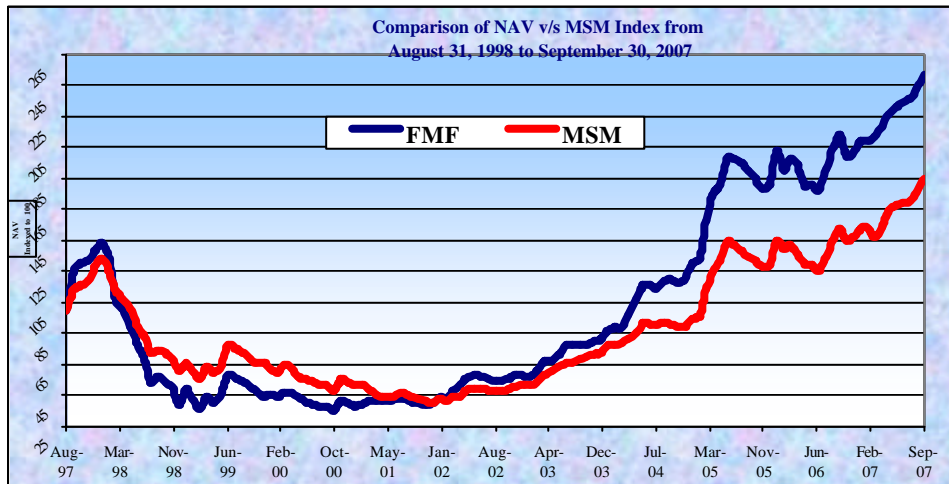
52-week	High	Low
MSM 30.Index	7015.550	5399.290
Market Price+	RO 1.200	RO 0.900
NAV per Unit+	RO 1.392	RO 1.079

+ 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



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

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