



# The First Mazoon Fund JIA

## August 2004

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### Objective

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	-0.9%	-0.8%
YTD	27.5%	25.2%
Previous year	23.9%	42.1%
Since inception+	10.4%	-9.5%

\* The First Mazoon FundJIA

### 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
Original Fund Size	: RO 10.33 million
Current Size	: RO 2.950 million
Units outstanding	: 2,322,400
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 1.270
Market Price	: RO 1.100
Last Dealing price/unit	: Bid: RO 1.134 offer: RO 1.180

### Market Review and Outlook

The positive announcements made by the government with regard to infrastructure development and privatization plans during the month did not infiltrate the MSM. The price of Oman Crude for October 2004 crossed US\$ 40 mark, the highest in two decades. The MSM 30 Index continued to remain flat and was down 26 points to close the month at 3414.27. The fall was led by the industry sector index which was down 2% and the services sector index shedding 1% for the month. The banking and investment sector too fell by 0.4%. With expectations for the crude price to hover above US\$ 35, encouraging economic data, and upbeat anticipation of the 3Q results, we expect the market to accelerate. In line with our strategy, we will continue to invest in blue chip growth stocks and divest in non-growth stocks where valuations appear to be stretched.

### Fund Review

August turned out to be another down month with the MSM 30 Index losing 0.8%. The fund's performance mirrored the benchmark index and lost 0.9% for the month. The NAV at the end of the month was RO 1.270. However, the fund continued to outperform the market for the first eight months of the year, by 9%: YTD the fund was up 27.5% against the MSM 30 Index's appreciation of 25.2%. At the end of the month, the Fund's units traded at RO 1.100 and the low price was RO 1.000. The average NAV for the month was RO 1.271. During the month, a total of 19,511 units were traded in the market at an average discount of 17.7% to the NAV. The total number of units redeemed during the month was 24,238.

### TOP 5 Holdings

Security	%
Bank Muscat	9.2
Oman International Bank	7.5
Ominvest	7.1
Shell Oman Marketing	6.9
DIDIC	6.5

52-week	High	Low
MSM 30.Index*	3487.36	2503.47
Market Price +	RO 1.100	RO 0.700
NAV per Unit	RO 1.287	RO 0.836

\*Rebased to 1000 on June 01, 2004

+ Adjusted for 15% Capital reduction w.e.f. May 1,2004

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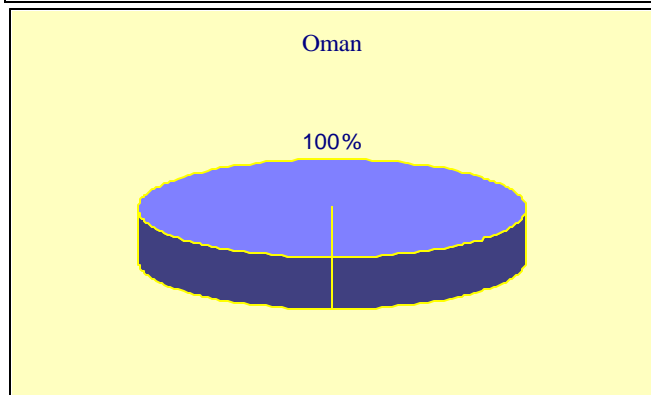
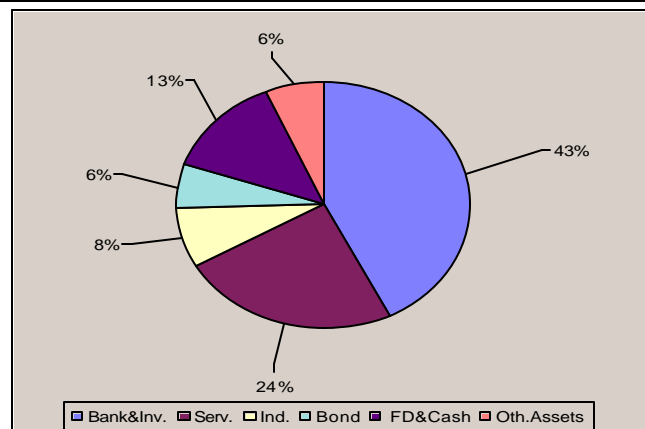
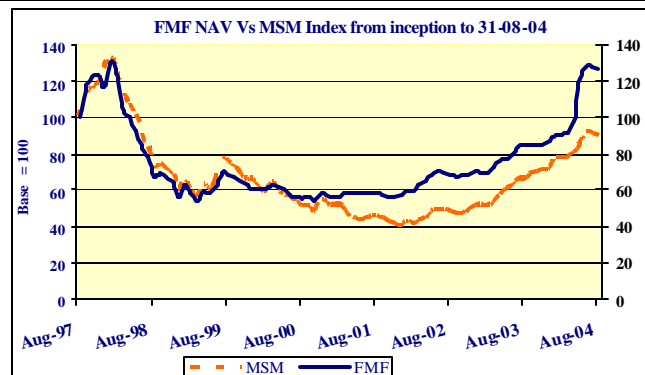
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Managing Company:

P E R F O R M A N C E

A S S E T S

A L L O C A T I O N



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