



# The First Mazoon Fund JIA

January 2005

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Objective	Fund Details																		
<p><b>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.</b></p>	<p><b>Manager</b> : Gulf Investment Services Co SAOG  <b>Intl. Investment Advisor</b> : HSBC Financial Services (ME) Ltd.  <b>Custodian</b> : HSBC Bank Middle East, Oman  <b>Launch Date</b> : June 10, 1997  <b>Current Size</b> : RO 3.1 million  <b>Units outstanding</b> : 2,212,677  <b>Type</b> : Semi Open-ended  <b>Listing</b> : Muscat Securities Market (MSM)  <b>Subscription/redemption</b> : Monthly  <b>Dealing date</b> : Second Thursday of each month  <b>Management fee</b> : 1.4% per annum  <b>NAV/Unit</b> : RO 1.402  <b>Market Price</b> : RO 1.170  <b>Last Dealing price/unit</b> : Bid: RO 1.200 offer: RO 1.248</p>																		
Performance																			
<table border="1"> <thead> <tr> <th></th> <th>FMF*</th> <th>MSM 30 Index</th> </tr> </thead> <tbody> <tr> <td>For the month</td> <td>7.10%</td> <td>5.87%</td> </tr> <tr> <td>1 year</td> <td>34.7%</td> <td>22.7%</td> </tr> <tr> <td>3 year</td> <td>105.2%</td> <td>122.0%</td> </tr> <tr> <td>5 year</td> <td>98.9%</td> <td>51.6%</td> </tr> <tr> <td>Since inception+</td> <td>21.9%</td> <td>-5.3%</td> </tr> </tbody> </table> <p>* The First Mazoon FundJIA</p>		FMF*	MSM 30 Index	For the month	7.10%	5.87%	1 year	34.7%	22.7%	3 year	105.2%	122.0%	5 year	98.9%	51.6%	Since inception+	21.9%	-5.3%	
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**Market Review and Outlook**

After an outstanding 2004, the MSM index began the New Year 2005 with a bang. The early-January rally, a feature witnessed in the past two years, happened this year too with the funds and investment companies reshuffling their portfolios and bringing in fresh funds in the beginning of the year. This compounded with the AES Barka IPO effect led to several stocks seeing some decent gains in January. With the oil prices remaining higher, the fiscal situation is expected to be better than the budget figures for 2005, thus assisting the market in general and the banking and investment sector in particular. The Banking sector index surged ahead nearly 9 per cent, propping with it the MSM 30 by 6 per cent which closed at 3573. Along with this the service sector companies have been on investors shopping list leading the index to move up sharply by 5.8 per cent to close at a new 6 year high of 1642.97. However the industry sector index which was the best performing index for financial year 2004 faced lack luster sentiments and was the up only 2.8per cent for the month.

**Fund Review**

The fund excelled well in January due to its asset diversification and geographical coverage. The NAV jumped 7.10% as against the benchmark MSM 30 Index's return of 5.87%. The NAV was RO 1.402 at the end of month – an appreciation of 7.1% YTD. The average NAV during the month was RO 1.370. The market price at the end of the month was RO 1.170. A total of 34,626 units were traded in the market at an average discount of 14.6% to the NAV. The total number of units redeemed during the month was 51,055 at a dealing price of RO 1.200. We intend to increase our exposure to the other GCC markets and be prepared for the IPO implications in the local market.

TOP 5 Holdings	%
Bank Muscat	9.56
Oman Cement	9.00
Al Madina Fin & Invest Co	7.81
Oman International Bank	7.31
Ominvest	6.60

  

52-week	High	Low
MSM 30.Index*	3587.35	2928.29
Market Price +	RO 1.230	RO 0.740
NAV per Unit	RO 1.405	RO 0.868

\*Rebased to 1000 on June 01, 2004  
+ Adjusted for 15% Capital reduction w.e.f. May 1,2004  
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