



The First Mazoon Fund JIA

July 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	0.1%	-0.5%
YTD	28.8%	26.2%
Previous year	23.9%	42.1%
Since inception+	9.6%	-8.8%
* 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
Original Fund Size	: RO 10.33 million
Current Size	: RO 3.009 million
Units outstanding	: 2,346,638
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 1.282
Market Price	: RO 1.010
Last Dealing price/unit	: Bid: RO 1.110 offer: RO 1.154

Market Review and Outlook
 The summer slowdown infiltrated the MSM, bringing with it lack-luster trading and bearish sentiments. Despite continuing high oil prices and good 1HY results declared by most of the companies, the MSM 30 remained flat moving down a marginal point to close the month at 3440.54. The banking and investment sector index led the fall with a dip of 1.7% to close at 4632.39. The industry sector index too shed 1.6% to end the month at 2833. However, the services and insurance sector index was up by 4.9% and the sector index was at a 6-year high, ending at 1540.61 for the month. With the onset of the holiday season, we expect the MSM 30 to continue to languish at current levels. In line with our strategy we will, at this stage, look to snap up blue chip stocks at attractive valuations and prices for inclusion in the portfolio.

Fund Review
 While the MSM 30 was down 0.5% for the month, the Fund's NAV appreciated 0.1% for the same period to end at RO 1.282. The fund outperformed the market, for the first seven months of the year, by 10%. YTD the fund was up 28.8% against the MSM 30 Index's appreciation of 26.2%. At the end of the month, the Fund's units traded at RO 1.010 and the low price was RO 1.000. The average NAV during the month was RO 1.278. During the month, a total of 13,188 units were traded in the market at an average discount of 19.8% to the NAV. The total number of units redeemed through the Manager was 92,837.

TOP5 Holdings		
Security		%
Bank Muscat		9.1
Oman International Bank		7.3
Ominvest		7.2
Shell Oman Marketing		7.1
DIDIC		6.5
52-week	High	Low
MSM 30.Index*	3487.36	2458.53
Market Price+	RO 1.050	RO 0.700
NAV per Unit	RO 1.287	RO 0.950

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

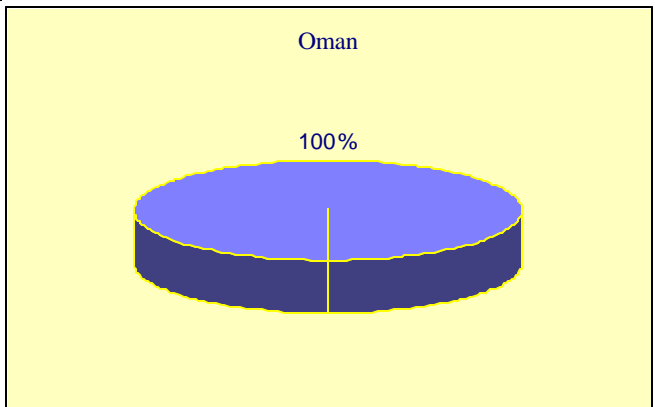
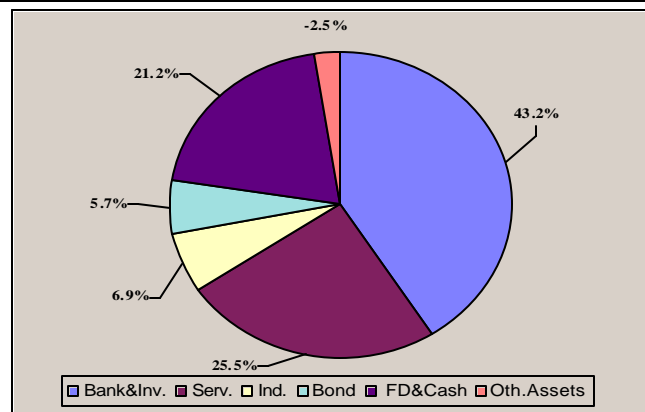
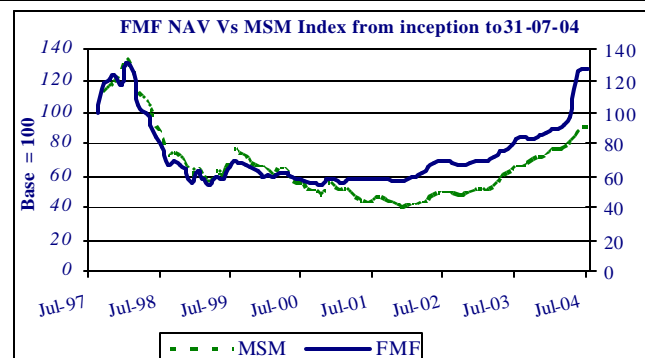
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Managing Company:

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 Gulf Investment Services Co. (S.A.O.G.)