



The First Mazoon Fund JIA

July 2005

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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	-0.68%	-1.7%
1 year	60.2%	56.8%
3 year	181.0%	192.5%
5 year	265.9%	176.8%
Since inception+	79.2%	41.9%

* 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
Auditors	: KPMG
Current Size	: RO 3.99 million
Units outstanding	: 2,517,987
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 1.588
Market Price	: RO 1.440
Last Dealing price/unit	: Bid: RO 1.417 offer: RO 1.474

Market Review and Outlook

The OMANTEL IPO witnessed an overwhelming response resulting in a collection of RO 720 million. This led to the drop in interest on other stocks leading to the decline in all the indices other than Services and insurance sector. The start of the vacation season also played a role in lower activity. The Oil marketing companies posted good first half results, leading to the stocks in the sector posting 10%-15% return during the month. This led to the service sector index gain by 3.54%. The market heavy weight banking and investment index recorded a month to date loss of 2.52 per cent and closed at 7622.11. The industry index was the major loser with a decline of 4.41%. Volumes in market during the month of July were higher than last month primarily due to the listing of Omantel, which attracted 14% of the overall of turnover of RO 167 million. Notably it saw trading only for 2 days during the month. With the second quarter results still to flow from leading corporate, we expect better activity in the market. We will continue to take advantage of any dips in the local market for our trading portfolio and avail the opportunity to enter fundamentally sound stocks at attractive levels to further our returns for the fund.

Fund Review

The NAV was RO 1.588 at the end of the month and was up 53.04% on YTD basis as against the market's gain of 58.7%. The NAV has dropped 0.68% for the month as against the index's decline of 1.7%. The average NAV during the month was RO 1.592 and average market discount widened to 7.7%. There were no redemptions during the month.

TOP 5 Holdings

TOP 5 Holdings	%
Oman Cement	10.33
Renaissance Services	9.48
Bank Muscat	8.78
Al Madina Fin & Invest Co	8.33
Ominvest	7.77

52-week	High	Low
MSM 30.Index*	5699.32	3302.36
Market Price+	RO 1.830	RO 0.754
NAV per Unit+	RO 1.630	RO 0.987

*Rebased to 1000 on June 01, 2004

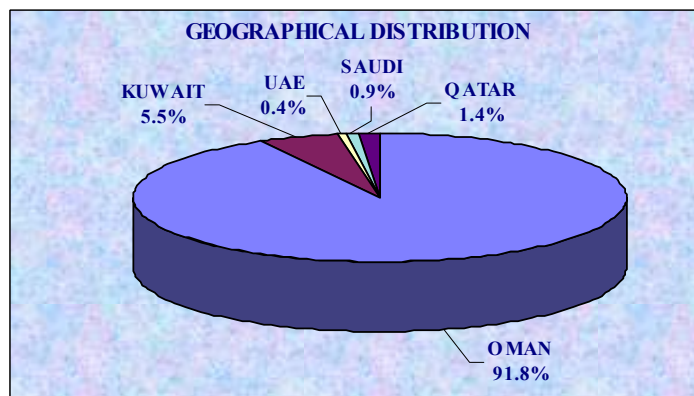
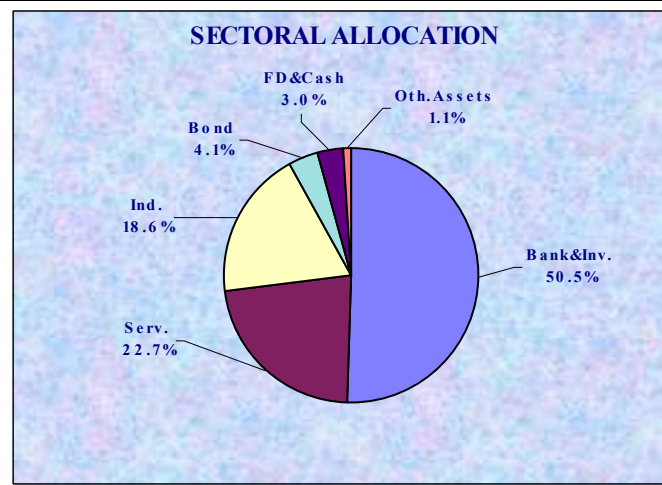
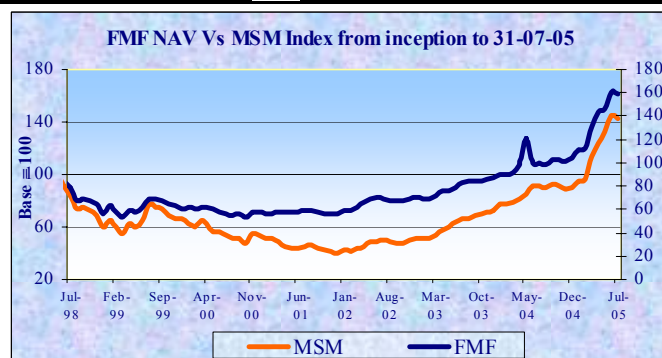
+ Adjusted for 14% Cash dividend and 14% Stock dividend w.e.f. April 17,2005

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PERFORMANCE

ASSETS

ALLOCATION



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