



# The First Mazoon Fund JIA

May 2005

P O Box 974, Ruwi, Postal Code 112, Oman – Tel: +968 24790614 Fax: +968 24790612

## 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	2.87%	6.89%
1 year	46.8%	44.5%
3 year	152.7%	169.6%
5 year	222.7%	137.1%
Since inception+	65.8%	32.4%

\* 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
Auditors	: KPMG
Current Size	: RO 3.70 million
Units outstanding	: 2,518,186
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 1.469
Market Price	: RO 1.330
Last Dealing price/unit	: Bid: RO 1.227 offer: RO 1.276

## Market Review and Outlook

After the initial announcement of the OMANTELE IPO on 1st of May, 2005, the market saw some negative reaction. The downward movement was sharp but only momentarily with the index seeing a decline of about 4 per cent in two trading sessions. This led to a large no of stocks coming to attractive levels leading to a buying spree. The buying momentum and flow boosted the index to touch the much awaited 5000 mark in the last trading day before retracing to close the month at 4996.72, an increase of 9.9 per cent. This is the best monthly return among the regional markets for the month. The current month's rally was led by the banking and investment sector index which spurred 849 points to close the month above its 7000 mark at 7096, a gain of 13 per cent. The industry sector and service sector were rather complacent as compared to the banking index with the industry index gathering about 186 points and service sector increasing 32 points.

We expect the market to remain at current levels as the OMANTELE IPO will be open for subscription from the 11<sup>th</sup> of June 2005 to the 10th of July, 2005. 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 1.469 at the end of the month and was up 41.6% on YTD basis as against the market's gain of 48.0%. The NAV was up 2.9% for the month as against the index's return of 6.9%. This was primarily due to our strategy to hold cash in view of the volatility in the regional markets. The average NAV during the month was RO 1.399 and average discount widened to 5.9%. The total number of units redeemed during the month was 607, at a dealing price of RO 1.227.

## TOP 5 Holdings

	%
Renaissance Services	13.29
Bank Muscat	10.81
Oman Cement	10.30
Ominvest	8.27
Al Madina Fin & Invest Co	7.57

52-week	High	Low
MSM 30.Index*	4996.72	3204.99
Market Price	RO 2.000	RO 0.940
NAV per Unit+	RO 1.469	RO 0.935

\*Rebased to 1000 on June 01, 2004

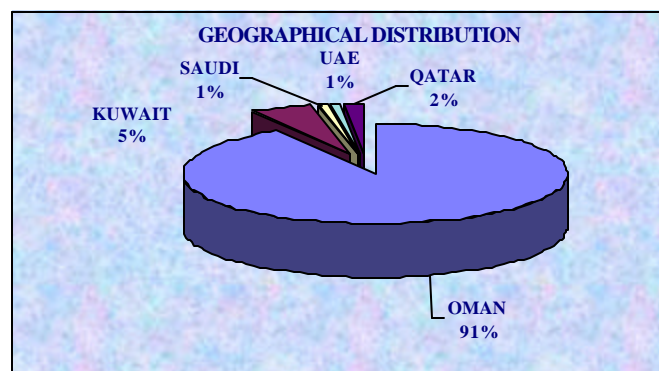
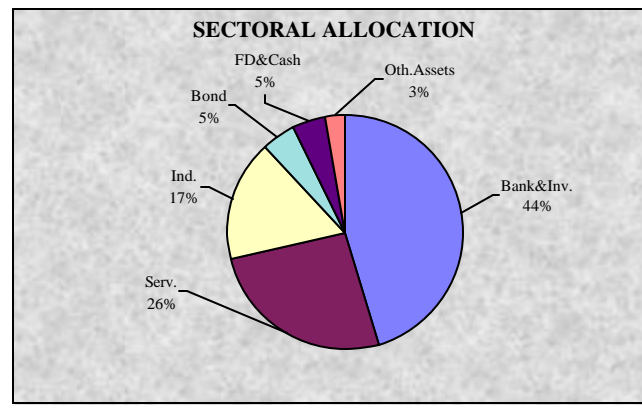
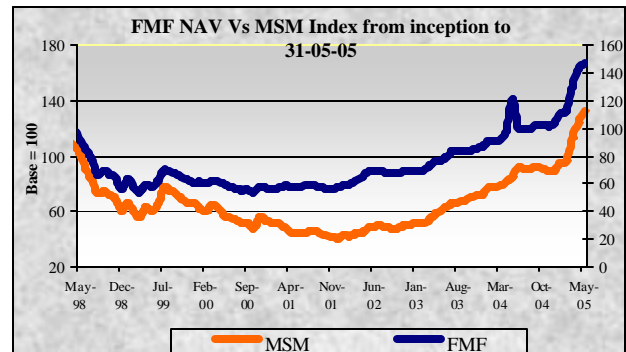
+ Adjusted for 14% Cash dividend and 14% Stock dividend w.e.f. April 17, 2005

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