



The First Mazoon Fund JIA

November 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	-0.7%	-3.5%
YTD	30.2%	23.6%
Previous year	23.9%	42.1%
Since inception+	12.8%	-10.7%

* 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 2.95 million
Units outstanding	: 2,271,686
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 1.297
Market Price	: RO 1.100
Last Dealing price/unit	: Bid: RO 1.156 offer: RO 1.202

Market Review and Outlook

Weakening oil prices added momentum to the bearish trend which continued in the market from last month. Lack luster trading along with the holiday mood led all the indices to close the month in the negative territory. The pivotal index MSM 30 recorded a dip of 2.17 per cent bringing its YTD gains to 23 per cent. Despite the industry sector reporting a bottom line growth of 51 per cent for 9 months ending 30th September, 2004, the industry sector index displayed weakness and was down 3.18 per cent. The Service Sector index which has traditionally always been defensive also recorded a downfall of 3.08 per cent. The banking and investment sector index seemed to be the least affected by the weak sentiments and fell 1.59 per cent to close at 4505.59. The primary market with AES Barka open for subscription and Omantel on the brink of being offered seems to be sucking out the liquidity in the market. We expect the Oman market to remain range bound for the first fortnight of December before moving upwards towards the end of the fiscal year in anticipation of good corporate results and dividend yields.

Fund Review

Negative sentiment reflected in the fund too as the NAV declined 0.7% as against the benchmark MSM 30 Index's decline of 3.5%. The portfolio gained support from its GCC (Excl-Oman) constituents that arrested the slide. The NAV was RO 1.297 at the end of month – an appreciation of 30.2% YTD. The average NAV during the month was RO 1.309. The market price at the end of the month was RO 1.100 which was also the lowest price. A total of 26,179 units were traded in the market at an average discount of 16% to the NAV. The total number of units redeemed during the month was 10,860 at a dealing price of RO 1.156. We have made a successful foray into the GCC markets and will continue to expand our geographic allocation to the region as and when we see good opportunities.

TOP 5 Holdings

	%
Bank Muscat	9.1
Oman Cement	9.1
Oman International Bank	7.5
Al Madina Fin & Invest Co	7.2
Ominvest	6.9

52-week	High	Low
MSM 30 Index*	3580.73	2706.48
Market Price +	RO 1.110	RO 0.710
NAV per Unit	RO 1.327	RO 0.854

*Rebased to 1000 on June 01, 2004

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

Contact information:

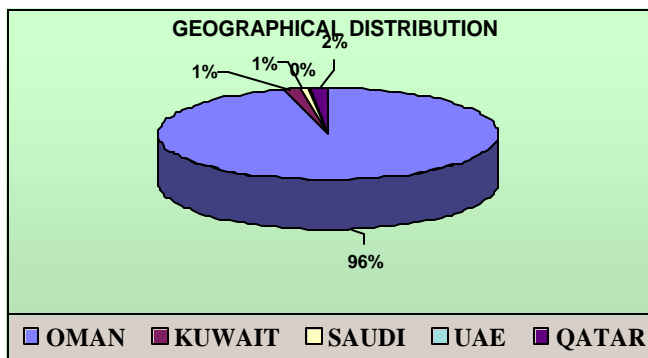
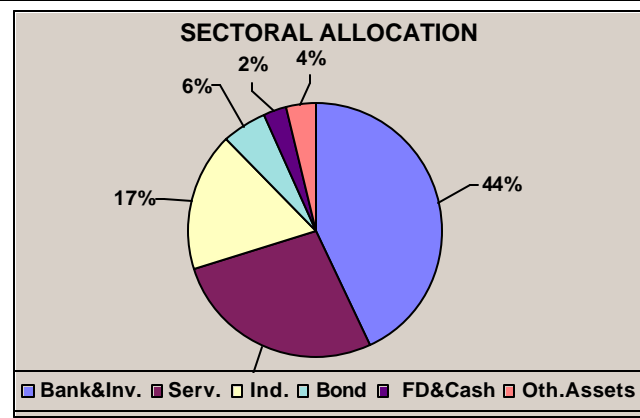
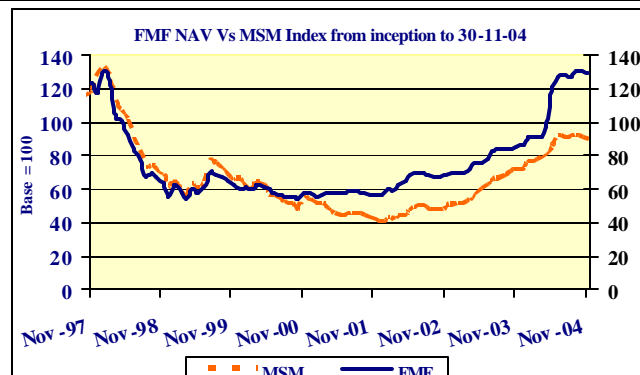
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Managing Company:



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