



The First Mazoon Fund JIA

September 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	2.8%	2.3%
YTD	31.1%	28.1%
Previous year	23.9%	42.1%
Since inception+	13.6%	-7.4%

* 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
Original Fund Size	: RO 10.33 million
Current Size	: RO 3.02 million
Units outstanding	: 2,314,530
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 1.306
Market Price	: RO 1.090
Last Dealing price/unit	: Bid: RO 1.141 offer: RO 1.187

Market Review and Outlook

The MSM corridors buzzed with news of mergers, contract renewals, corporate actions, etc. leading to extensive trading. During the month, the MSM-30 surged to a new high of 3564 before succumbing to losses in view of certain negative announcements by corporate heavyweights. However the index closed positive by 2.3 per cent for the month at 3492. The banking and investment sector index crossed the 4900 level before settling at 4738 on comprehending the merger of the two banking heavyweights. The industry sector index was up 3.15 per cent this month in view of some key industry stocks showing promising gains. The service sector tagged along on marginal gains of 0.39 per cent. With the price of crude continuing to new highs and the fundamentals remaining strong, we expect the market to move ahead from the current levels. We will continue with our strategy of diversification and seek value stocks in Oman and other GCC markets.

Fund Review

The fund outperformed the MSM 30 Index gaining 2.8% for the month against the bench mark appreciation of 2.3%. During the month, the fund commenced investing in the GCC market and the gains made were reflected in the NAV. The NAV at the end of the month was RO 1.306. The fund continued to outperform the MSM 30 bench mark for the nine months of the year, by 11%. At the end of the month, the Fund's units traded at RO 1.090 and the low price was RO 1.090. The average NAV for the month was RO 1.294. During the month, a total of 27,166 units were traded in the market at an average discount of 5.7% to the NAV. The total number of units redeemed during the month amounted to 7,870.

TOP 5 Holdings

	%
Bank Muscat	9.2
Oman Cement	7.5
Oman International Bank	7.1
Al Madina Fin & Invest Co	6.9
Ominvest	6.5

52-week	High	Low
MSM 30.Index*	3580.73	2570.37
Market Price +	RO 1.100	RO 0.710
NAV per Unit	RO 1.317	RO 0.836

*Rebased to 1000 on June 01, 2004

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

Contact information:

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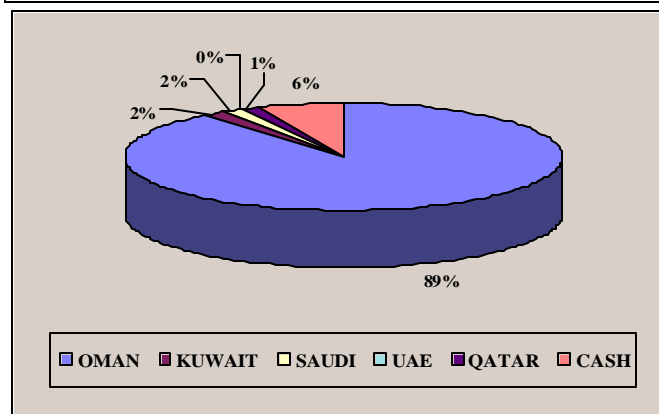
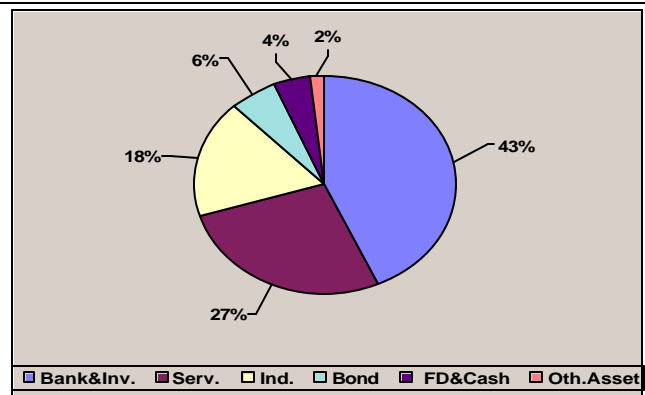
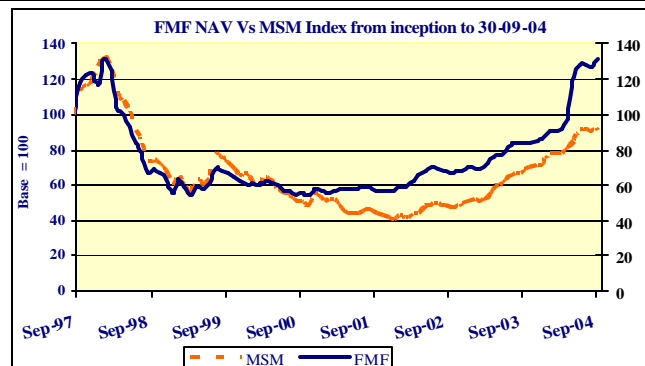
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Managing Company:

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