

Horizon Fund

August 2009

Inception Date: March 1, 2005

NAV August 31, 2009 : JOD 91.114

Monthly Return : 1.15%

YTD Return : 2.51%

Return Since Inception : -8.89%

Fund Description

Investment Objective: The fund aims to achieve a long term capital appreciation of the Net Asset Value (NAV) of the fund through maximizing the market value of its investment in various asset classes on Local, Regional and Global basis while minimizing investment risk.

Investment Style: Long only.

Asset Allocation: The fund aims at reducing the investment risk and minimizing the effect of fluctuations in capital markets by balancing the portfolio and allocating the assets to different assets classes, ie.equity, fixed income and money market instrument.

Fund Key Facts

Fund Structure: Open-ended Mutual Fund
Currency: Jordanian Dinar
Par Value: JOD 100
Minimum Subscription: 10 Units
Management Fee: 1% per annum
Performance Fee: 20.0% on returns above 8% PA
Trustee Fee: 0.25% per annum
Subscription/Redemption: 2 working days prior to a Valuation Day
Valuation Day: Bi-Monthly
Investment Manager: Capital Bank of Jordan.
Investment Trustee: Jordan Kuwait Bank
Auditor: Ernst & Young

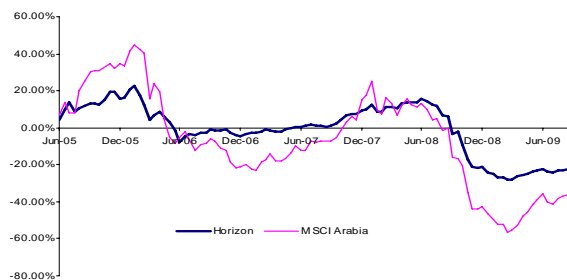
Commentary

In spite of the volatility that MENA markets witnessed during August, the MSCI A managed to add another brilliant 3.19% making it's YTD return 18.83%. The Horizon Fund showed also a positive return of 1.15% making it's YTD return 2.51%. Egypt was the best performing market increasing by 8.94% followed by Kuwait & Qatar which inched by 6.11% and 3.06% respectively. Saudi and Jordan, however, close slightly in the red. The main reason for underperforming the MSCI A is the fact that we are still very cautious overweighting cash balances.

Global equity markets continued it's uptrend direction as more positive US economic news came out indicating that the recession is bottoming out. However, economic recovery might take longer time than expected. The Fund manager increased equity allocation to 33%, giving more weight to Saudi Arabia, Qatar and Abu Dhabi as their macroeconomic pictures remain better than the others in the GCC, especially if the price of oil stabilizes above \$70 pb level. We will continue to increase our equity exposure over the coming few weeks. Yet, this will be made based on both momentum as well market retracements. Such market dips provide good opportunities to pick up some stocks at attractive valuation levels. Our focus is still on the oil & gas sector, in addition to companies that are expected to benefit from the respective government spending. However we are still underweighting real estate and banking sectors as uncertainty and lack of transparency remain a concern to investors.

Performance Analysis

Cumulative Performance



Performance Summary

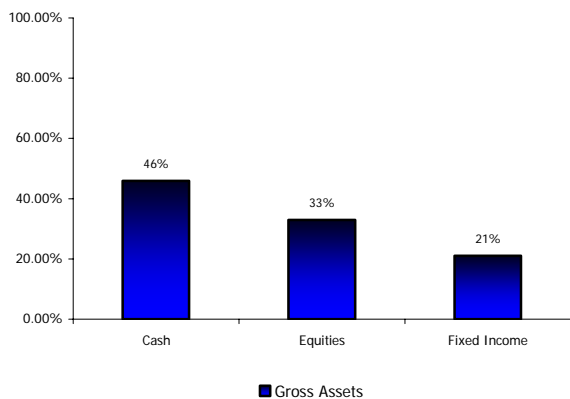
	Fund	*MSCI Arabian Markets
1-month return	1.15%	3.19%
3-month return	0.79%	4.46%
12-month return	-27.04%	-36.46%
Return since inception	-8.89%	-36.87%
Annualized Return Since Inception	-2.04%	-9.55%
YTD	2.51%	18.83%

Historical Monthly Returns

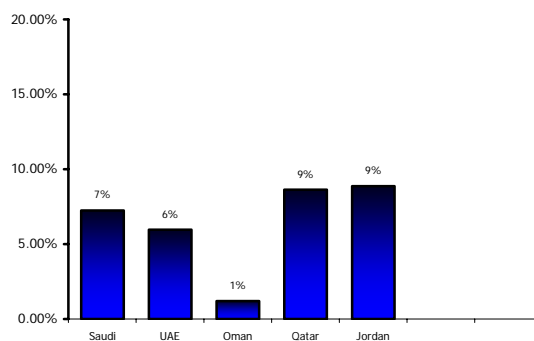
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005			5.56%	9.60%	1.42%	9.96%	-1.14%	3.18%	0.96%	1.39%	4.27%	-2.72	36.62%
2006	5.44%	-8.31%	-5.18%	-0.48%	-7.01%	-3.41%	0.67%	1.61%	0.66%	0.84%	-3.32%	0.92%	-16.99%
2007	0.73%	1.70%	-1.16%	1.03%	1.81%	0.19%	0.44%	-0.55%	1.52%	4.67%	0.61%	2.01%	13.67%
2008	-1.07%	2.31%	-0.38%	2.51%	0.12%	0.77%	-2.40%	-4.81%	-8.03%	-15.81%	-5.15%	-3.08%	-31.04%
2009	-3.29%	-1.48%	2.00%	2.15%	2.44%	-0.83%	0.48%	1.15%					2.51%

Asset Allocation

Asset Classes as % of the Fund



Geographical Equity Allocation % of the Fund



Sector Allocation % of the Fund

Sector	% of Fund
Banks	4.69%
Services	17.36%
Industrials	5.58%
Telecom	5.36%

Currency Exposure

Currency	Long
JOD	65.32%
USD	11.64%
AED	5.97%
SAR	7.24%
OMR	1.20%
QAR	8.63%

Top 3 Exposures

Name	% of the Fund	Country
Qatar Gas Transport	3.48%	Qatar
Gulf International services	2.88%	Qatar
Al-Rajhi Bank	2.39%	KSA

Fund Directory:

Investment Manager
Capital Bank of Jordan
Tel: +962 6 5100200

Fund Trustee
Jordan Kuwait Bank
Tel: +962 6 5629400

Fund Auditor
Ernst & Young
Tel: +962 6 5526111

DISCLAIMER: Investing in the fund entails risks associated with investments in financial securities and emerging markets, including the risk of sharp fluctuations of currencies and securities. These investment risks could affect the fund's Net Asset Value. The fund does not provide any type of return or capital guarantee. Past performance is not an indication of future performance. Prospective investors in the fund must obtain and read the fund's prospectus prior to making an investment in the fund.