

# Horizon Fund

Jul-09  
Inception Date 1-Mar-2005

NAV 31/07/2009 JOD 90.078  
Monthly Return 0.48%  
YTD Return 1.34%

## 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 investments in various asset classes on local, regional, and global basis while minimizing investment risk through

**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 asset classes , ie. equity , fixed income and money market instruments .

## Fund Key Facts

**Fund Structure:** Open Ended Mutual Fund  
**Domicile:** Jordan  
**Currency:** Jordanian Dinar JOD  
**Par Value:** JOD 100  
**Minimum Subscrip:** 10 units  
**Management Fees:** 1% per annum  
**Performance Fees:** 20% of returns exceeding 8% per annum  
**Trustee Fees:** 0.25% per annum  
**Subscription / Redemption:** 2 working days prior to valuation day  
**Valuation Day:** The fifteenth and the last day of each month  
**Investment Manager :** Capital Bank of Jordan

## Commentary

The performance of the Arabian markets was mixed during July. MSCI A Index rose by 3.3 % led by Egypt capital market and Abu Dhabi securities exchange recording a rise of 9.5% and 6.4% respectively, the worst performance however, was recorded by the Palestinian securities exchange followed by the Bahrain stock exchange which plunged by 6.9% and 5% respectively.

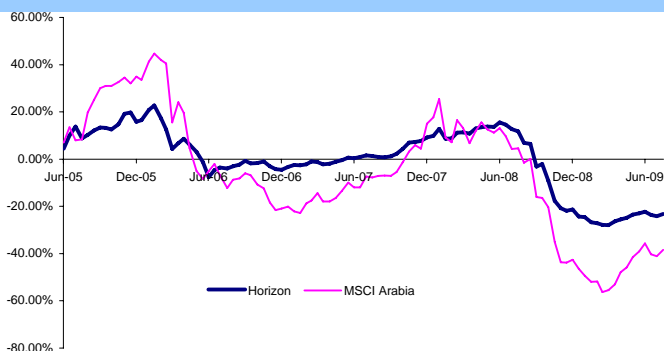
The Investment Manager maintained its conservative policy, capping its equity allocation at 20% of the total fund. Given the current level of uncertainty, we shall maintain our conservative investment approach yet we shall be adding to our equity allocation as we read more stability in oil prices and global equity markets.

Our focus is still on Qatar, Saudi and Abu Dhabi as we believe the macroeconomic picture of those markets are relatively better particularly with oil prices stabilizing at \$70 pb. Our focus is on sectors and companies that are linked to and expected to benefit from the respective government strong spending pattern.

However we believe the banking sector is expected to witness more deterioration in asset quality which could have a significant impact on the performance. Having said that and in spite of our massive drop in prices we are still worried that more drop yet to come due to lack transparency that some of the banks in the region are showing in their financials. Several companies have started announcing their semi-annual results which varied between different sectors, with the banking and real estate sectors witnessing a drop in prices. We do not anticipate a significant improvement in the performance of these two sectors in the near future as consumer confidence and spending still at lowest levels.

## Performance Analysis

### Cumulative Performance



### Performance Summary

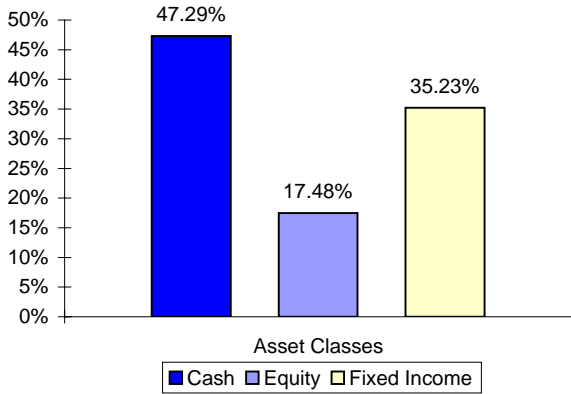
	Fund	MSCI Arabia
1-Month Return	0.48%	3.26%
3-Month Return	2.08%	13.79%
12-Month Return	-31.34%	-41.07%
YTD	1.34%	15.16%
Return Since Inception	-9.92%	-38.34%
Annualized Return Since Inception	-23.23%	-10.36%

## Historical Monthly Returns

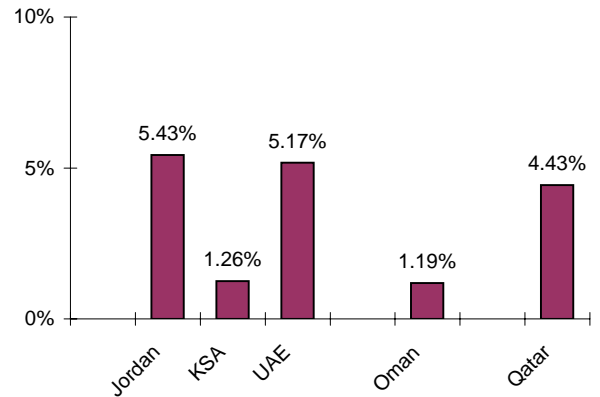
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005			5.56%	9.60%	1.42%	9.96%	-1.14%	3.18%	0.96%	1.39%	4.27%	-2.72%	36.62%
2006	5.44%	-8.31%	-5.18%	-0.48%	-7.01%	-3.41%	0.67%	1.61%	0.66%	0.84%	-3.32%	0.92%	-16.99%
2007	0.73%	1.70%	-1.16%	1.03%	1.81%	0.19%	0.44%	-0.55%	1.52%	4.67%	0.61%	2.01%	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%						1.34%

## Asset Allocation

### Asset Classes As % Of The Fund



### Geographical Allocation % Of The Fund



### Sector Allocation % of the fund

Sector	% Of The Fund
Banks	0.55%
Services	11.07%
Industrial	1.75%
Telecom	4.10%

### Currency Exposure

Currency	% Of The Fund
JOD	75.73%
USD	12.22%
AED	5.17%
KWD	
SAR	1.26%
OMR	1.19%
EGP	
QAR	4.43%

### Top 3 Exposures

Name	% Of The Fund	Country
Qatar Gas Transport	2.76%	Qatar
Jordan Telecom	1.96%	Jordan
Air Arabia	1.87%	UAE

### Fund Directory

Investment Manager  
Capital Bank of Jordan  
Tel: +962 6 5100200 - 494

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