

Horizon Fund

June 2010

Inception Date: March 1, 2005

NAV June. 30, 2010	: JOD 83.953
Monthly Return	: -1.78 %
YTD Return	: -3.83 %
Return Since Inception	: -16.05%

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 to reduce the investment risk and minimize the impact of capital markets fluctuations by rebalancing the portfolio among different assets classes including equities, fixed income and money market instruments.

Fund Key Facts

Fund Structure: Open-ended Mutual Fund
Domicile: Jordan
Currency: Jordanian Dinar
Par Value: JOD 100
Minimum Subscription: 10 Units
Management Fee: 1% per annum
Performance Fee: 20% on returns above 8%
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

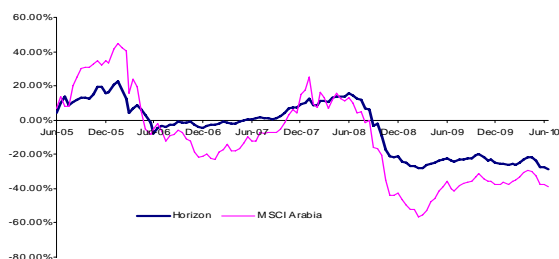
Commentary

Stocks continued sliding which began in May to renew fears about possible double dip in global economy. MENA markets were not immune from this retreat to suffer losses across the region. Egypt Dubai, Oman, Bahrain, Abu Dhabi, Kuwait, Jordan and KSA went down by 7.88%, 7.45%, 3.75%, 3.72%, 3.46%, 2.34%, 2.21% and 0.44% in a row. Qatar was the only gainer in June which rose by 1.68%. The MSCI A lost 2.78% making its YTD return -2.12%. Horizon declined by 1.78% in May making its YTD return -3.83%.

Investor's worries continued to overshadow equity markets for number of reasons; US employment and Housing data came worse than expected, which raised a big question about the health of the US economic recovery. The growth in the manufacturing sector in China began to show signs of slower growth, concerns on Euro zone credit quality and banking funding muted investor confidence, but there is still strong government support to keep capital markets open and liquidity flush. China has decided to allow flexibility to the CNY which was received positively by markets, but doubts about speed and magnitude of Chinese intentions are still exist which kept uncertainty at this stage. Group of 20 leaders failed to reassure investors about the strength of the global economic recovery. We are waiting for the US earnings season to kick off, Q2 results are expected to be close to Q1, but the expectations for the rest of the year are still vague and may not be promising. Commodities, emerging market assets and oil fluctuated sharply in June, but unfortunately end of month witnessed large drop in risk appetite and the oil price returned to the area of US\$71 pb. Which affected the GCC markets negatively, especially the petrochemical sector. The real estate sector is still weak in Dubai and expected to stay so for the rest of the year. We are waiting for the earnings of the banking sector to have a better outlook about the pace of provisioning. It seems that the current market conditions may stay at least till the end of the third quarter.

Our long term view is still positive although volatility and risk aversion might remain strong on the short run. Focus will remain on KSA, Qatar and Egypt as these economies are still showing the best fundamentals in the region. We will not increase equity exposure unless there are clear signs that the current down trend reaches a bottom.

Cumulative Performance



Performance Summary

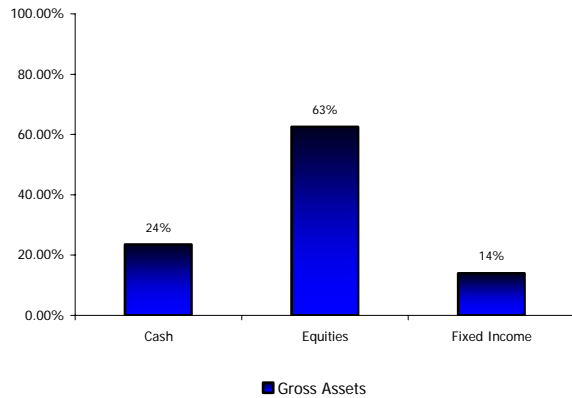
	Fund	MSCI Arabian Markets
1-month return	-1.78%	-2.78%
3-month return	-6.94 %	-12.23%
12-month return	-6.35 %	1.97%
Return since inception	-16.05%	-39.11%
Annualized Return Since Inception	-3.23%	-8.88%
YTD	-3.83 %	-2.12%

Historical Monthly Returns

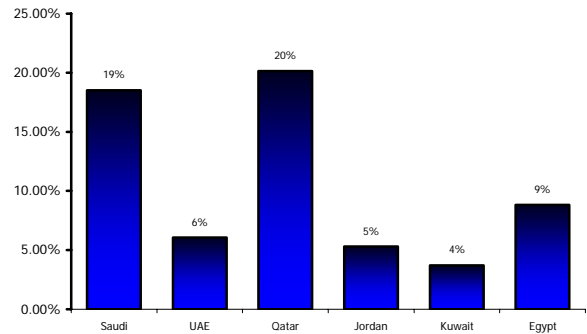
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-1.09%	0.70%	3.76%	1.49%	-6.64%	-1.78%							-3.83%
2009	-3.29%	-1.48%	2.00%	2.15%	2.44%	-0.83%	0.48%	1.15%	2.46%	-1.45%	-1.84%	-3.35%	-1.79%
2008	-1.07%	2.31%	-0.38%	2.51%	0.12%	0.77%	-2.40%	-4.81%	-8.03%	-15.81%	-5.15%	-3.08%	-31.04%
2007	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%
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%
2005			5.56%	9.60%	1.42%	9.96%	-1.14%	3.18%	0.96%	1.39%	4.27%	-2.72%	36.62%

Asset Allocation

Asset Classes as % of the Fund



Geographical Equity Allocation % of the Fund



Sector Allocation % of the Fund

Sector	% of Fund
Banks & Financial services	17.37%
Shipping, oil & Gas services	11.14%
Fertilizers & Petrochemical Industries	8.79%
Construction, Contracting , materials & Real estate	13.97%
Telecom & Utilities	9.66%
Food & Retail Products	2.82%
Diversified Operations	0.44%
Others	1.66%

Currency Exposure

Currency	Long
JOD	39.46%
USD	6.1%
AED	3.27%
SAR	18.51%
QAR	20.13%
KWD	3.71%
EGP	8.82%

Top Equity Exposure

Name	% of the Fund	Country
Commercial Bank of Qatar	4.09%	Qatar
Al Rajhi Bank	3.75%	KSA
Industries Qatar	3.66%	Qatar

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.