

Horizon Fund

February 2010

Inception Date: March 1, 2005

NAV Feb. 28, 2010	: JOD 86.950
Monthly Return	: 0.70 %
YTD Return	: -0.39 %
Return Since Inception	: -13.05%

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

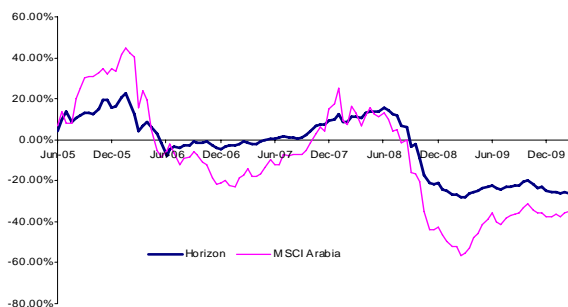
Commentary

Most MENA markets regained momentum during February after moderate profit taking activities that took place in January. Kuwait displayed exceptional performance with a bounce by 5.03% followed by Qatar, Saudi Arabia and Abu Dhabi which achieved 4.79%, 2.96% and 2.67% respectively. Jordan and Egypt failed to follow their peers and finished the month in red by 2.15% and 1.83% in a row. MSCI A resumed its uptrend to add 4.87% in February making its YTD return 4.83%. Horizon ended the month in black with a 0.70% return making its YTD return -0.39%.

US macroeconomic data continues to power ahead, consumption and manufacturing continues to expand. US Q4 GDP growth revised up to 5.9% which is the best performance in 6 years. Housing market continued to show weaker data but the market has chosen to ignore negative news and focus on positive data. Bullishness on global GDP growth helped Commodity prices to bounce up again, as well as oil prices which demonstrated strong performance in February achieving 9.29% increase to end the month near \$80bp. These levels are enough to keep the pace of expansion in the budgets of the GCC countries which will reflect positively on various economic sectors. Kuwait's stellar performance can be attributed to the cabinet's approval of the annual development plan for the year 2010-2011 that authorizes K.D. 4.78 billion capital spending. In addition, Zain announced approving an offer by which it would sell part of its operations in Africa for \$10.7 billion. Dubai World Debt issue and uncertainty continues to overshadow the market. Companies continue to release Q4 and full 2009 earning results, which in general came in line with expectations.

We still believe in the MENA markets' potential growth although we think that the current volatility might prevail for the short term, as MENA economies are still expected to deliver strong GDP growth in the coming two years. Our focus will remain on Saudi Arabia, Qatar and Egypt. Kuwait, Oman and UAE will remain on our radar on an opportunistic basis. At the same time we will try to benefit from the current volatility for trading opportunities.

Cumulative Performance



Performance Summary

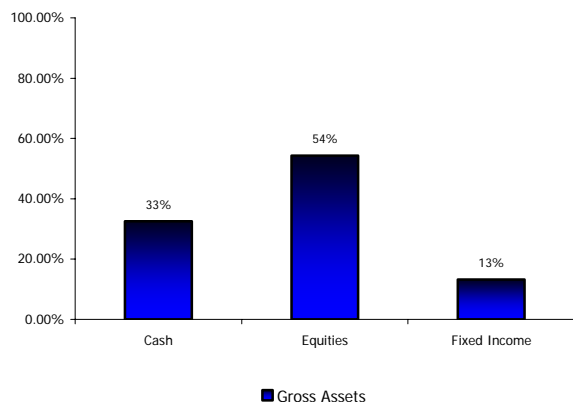
	Fund	MSCI Arabian Markets
1-month return	0.70%	4.87%
3-month return	-3.73 %	1.78%
12-month return	2.67 %	49.10%
Return since inception	-13.05%	-34.79%
Annualized Return Since Inception	-2.76%	-8.19%
YTD	-0.39 %	4.83%

Historical Monthly Returns

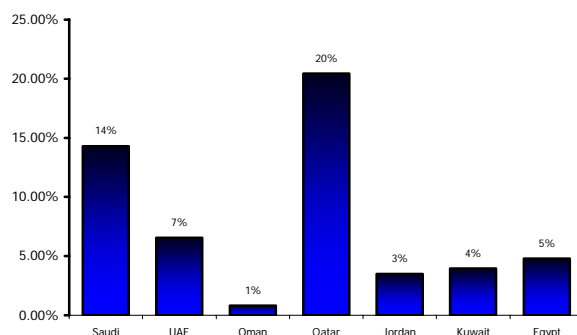
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-1.09%	0.70%											-0.39%
2009	-3.29%	-1.48%	2.00%	2.15%	2.44%	-0.83%	0.48%	1.15%	2.46%	-1.45%	-1.84%	-3.35%	-1.79%
2008	-1.07%	2.31%	-0.38%	2.51%	0.12%	0.77%	-2.40%	-4.81%	-8.03%	-15.81%	-5.15%	-3.08%	-31.04%
2007	0.73%	1.70%	-1.16%	1.03%	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	14.51%
Shipping, oil & Gas services	13.50%
Fertilizers & Petrochemical Industries	5.59%
Construction, Contracting , building materials & Real estate	9.98%
Telecom & Utilities	9.37%
Consumer Goods	3.41%
Aviation	0.95%

Currency Exposure

Currency	Long
JOD	46.15%
USD	3.07%
AED	6.54%
SAR	14.28%
OMR	0.80%
QAR	20.42%
KWD	3.95%
EGP	4.79%

Top Equity Exposure

Name	% of the Fund	Country
Industries Qatar	3.91%	Qatar
Commercial Bank of Qatar	3.76%	Qatar
Qatar Gas Transport	3.60%	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.