

Horizon Fund

JULY 2010

Inception Date: March 1, 2005

NAV JULY 31, 2010	: JOD 88.037
Monthly Return	: 1.65 %
YTD Return	: 0.85 %
Return Since Inception	: -11.96%

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

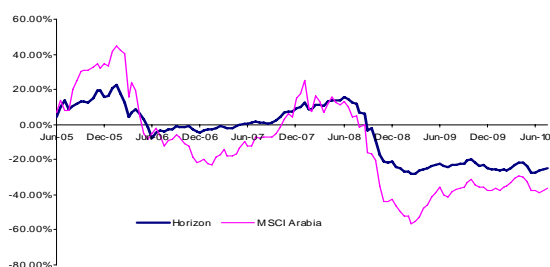
Global stock markets took a breather in July to record a positive month. The down trend has not reversed yet but there are always corrective waves. Overall the markets are still trading in a tight range due to decreased liquidity and high risk aversion as a result of the prevailing uncertainty about the health and the continuity of the world economic recovery. The US stock markets rose by 7% in July benefiting from good Q2 corporate earnings. MENA markets were not an exception from this positive sentiments. Egypt, Oman, Dubai, KSA, Qatar, Kuwait and Abu Dhabi gained 4.70%, 3.90%, 3.46%, 3.12%, 1.88%, 1.71% and 1.26% in a row. Bahrain and Jordan went down by 0.17% and 0.59% respectively. The MSCI A gained 4.27% in July making its YTD return 2.06%. Horizon increased by 1.65% in July making its YTD return 0.85%.

It was a good month for the US markets as positive earning announcements gave stocks a push especially that equity markets were oversold in June. But on the other hand there was some bad news on the side of economic indicators. Unemployment rate remained high, Housing data is still weak despite large decline in prices. GDP growth pace slowed in the second quarter to record a 2.4% increase compared to 3.7% growth in the first quarter as consumer spending cooled. A spike in market volatility has been keeping investors on edge lately, despite the economy's continued slow recovery. Investor's worries continued to overshadow equity markets as they are still concerned about the signs of soft landing in the Chinese economy as a result of the government procedures to curb real estate prices. Euro zone credit quality and banking funding are still an important issue that may not be neglected. Commodities rebounded in July and oil prices managed to end the month near US\$79 Pb. This was reflected positively on the GCC markets, especially the petrochemical sector. The Banking sector in KSA and Qatar are very solid and began to witness signs of recovery in private credit lending. Earnings were in line with expectations in general, but the real estate and the banking sector in UAE are still weak.

We are still positive on the MENA region on the long run 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 keep our conservative strategy for the short term as uncertainty remains high till the end of 2010.

Note: The NAV as of June 30, 2010 was revised up to JOD 86.611 as per the Fund's Auditor request due to the reversal of some deferred tax provision as a result of changes in tax law.

Cumulative Performance



Performance Summary

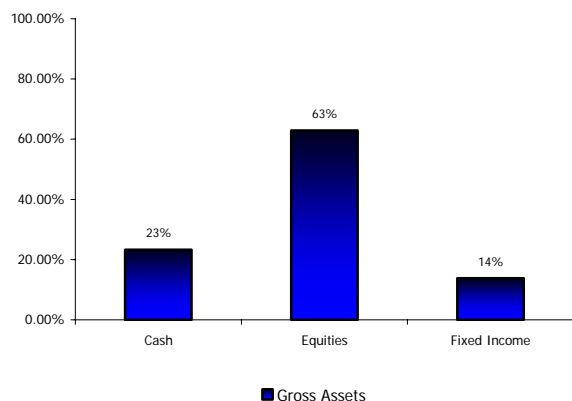
	Fund	MSCI Arabian Markets
1-month return	1.65%	4.27%
3-month return	-3.85%	-9.76%
12-month return	-2.27 %	2.97%
Return since inception	-11.96%	-36.51%
Annualized Return Since Inception	-2.32%	-8.04%
YTD	0.85 %	2.06%

Historical Monthly Returns

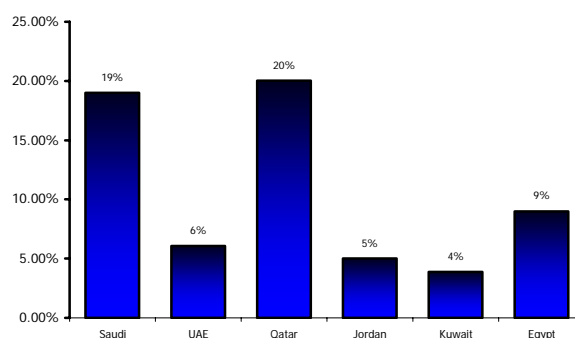
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-1.09%	0.70%	3.76%	1.49%	-6.64%	1.33%	1.65%						0.85%
2009	-3.29%	-1.48%	2.00%	2.15%	2.44%	-0.83%	0.48%	1.15%	2.46%	-1.45%	-1.84%	-3.35%	-1.79%
2008	-1.07%	2.31%	-0.38%	2.51%	0.12%	0.77%	-2.40%	-4.81%	-8.03%	-15.81%	-5.15%	-3.08%	-31.04%
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	17.80%
Shipping, oil & Gas services	10.93%
Fertilizers & Petrochemical Industries	7.49%
Construction, Contracting , materials & Real estate	14.94%
Telecom & Utilities	9.99%
Food & Retail Products	2.88%
Diversified Operations	0.45%
Others	1.80%

Currency Exposure

Currency	Long
JOD	38.71%
USD	6.22%
AED	3.24%
SAR	18.99%
QAR	20.01%
KWD	3.87%
EGP	8.97%

Top Equity Exposure

Name	% of the Fund	Country
Commercial Bank of Qatar	4.25%	Qatar
Al Rajhi Bank	3.86%	KSA
Industries Qatar	3.70%	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.