

Horizon Fund

February 2011

Inception Date: March 1, 2005

NAV Feb. 28, 2011	: JOD 83.803
Monthly Return	: -5.88%
YTD Return	: -11.40%
Return since Inception	: -16.20%

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

As the political protests contagion has spread all over the MENA after the resignation of president Hussni Mubarak, Yemen protests in Sana'a, the start of the Libyan and Saudi protests, investors lost confidence in the region and the panic selling kicked in, Markets have slumped with Oman taking a major hit of -10.18% Dubai market losing 8%, Saudi market -6.55%, Jordan and Kuwait -5.14% and -5.51% respectively.

We believe that the impact of the political turmoil is hard to neither quantify nor speculate the direction, but we can insure the advantage the region has by being an oil producer with the recent hike in oil price as well as the excess liquidity, to help address peoples demand and increase spending on economic reforms. Starting with Saudi Arabia king Abdullah announced a spending package worth of \$ 37 billion, followed by UAE with a spending of \$ 1.6 billion on infrastructure which will translate to better markets performance.

In our humble opinion we think the region has a very strong companies with solid fundamentals and attractive pricing that once the political uncertainty starts to lessen should bounce back strongly, we will be watching carefully for such opportunities specially in Saudi Arabia and Qatar.

Cumulative Performance



Performance Summary

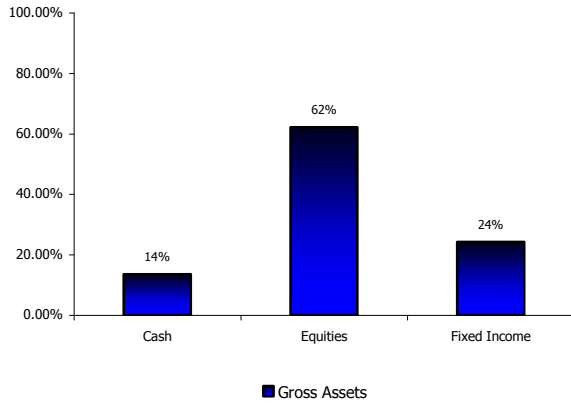
	Fund
1-month return	-5.88%
3-month return	-8.37%
12-month return	-3.62%
Return since inception	-16.20%
Annualized Return Since Inception	-2.90%
YTD	-11.40%

Historical Monthly Returns

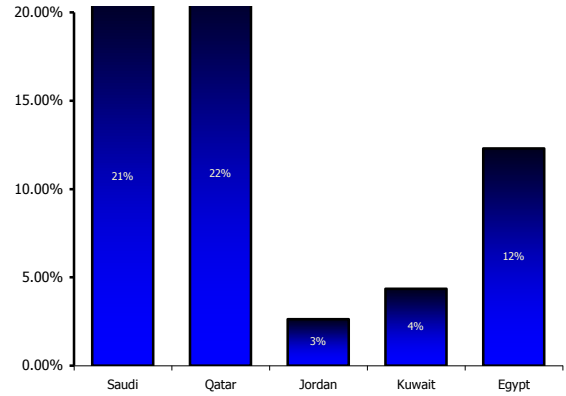
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	-4.69%	-5.88%											-11.40%
2010	-1.09%	0.70%	3.76%	1.49%	-6.64%	1.33%	1.65%	0.93%	2.36%	0.30%	0.25%	3.42%	8.35%
2009	-3.29%	-1.48%	2.00%	2.15%	2.44%	-0.83%	0.48%	1.15%	2.46%	-1.45%	-1.84%	-3.35%	-1.79%
2008	-1.07%	2.31%	-0.38%	2.51%	0.12%	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 the Fund
Banks	18.53%
Industrials	20.09%
Telecom	8.33%
Transportation	1.48%
Real Estate	5.55%
Retail	4.09%
Utilities	4.14%

Currency Exposure

Currency	Long
JOD	16.14%
USD	24.26%
SAR	21.30%
EGP	12.30%
QAR	21.66%
KWD	4.35%

Top 3 Exposures

Name	% of the Fund	Country
Qatar Industries	5.053%	Qatar
Orascom Construction	4.851%	Egypt
National Bank of Kuwait	4.346%	Kuwait

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.