

Horizon Fund

October 2011

Inception Date: March 1, 2005

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.

NAV October 31, 2011 : JOD 85.738

Monthly Return : 1.66%

YTD Return : -9.35%

Return since Inception : -14.27%

Fund Key Facts

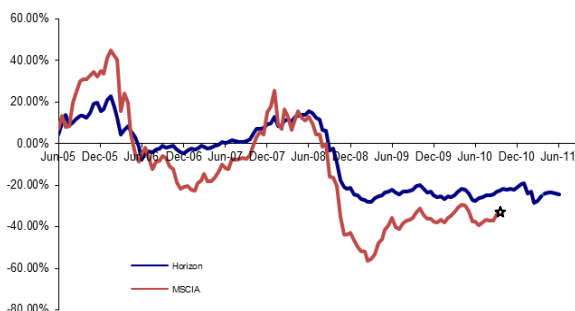
Fund Structure: Open-ended Mutual Fund
Currency: Jordanian Dinar
Par Value: JOD 100
Minimum Subscription: 10 Units
Management Fee: 1% per annum
Performance Fee: 20.0% on returns above 8% PA
Trustee Fee: 0.25% per annum
Subscription/Redemption: 2 working days prior to a Valuation Day
Valuation Day: Bi-Monthly
Investment Manager: Capital Bank of Jordan.
Investment Trustee: Jordan Kuwait Bank
Auditor: Ernst & Young

Commentary

The turbulent global markets took a breather by the end of October following the announcement that European leaders had agreed on action plan to help reduce Greece's debt, and boost the European zone bailout fund, Capital markets welcomed the breakthrough with sharp gains, the Euro currency increased 2.40% relative to the dollar, Oil (WTI) spiked 17.50% ending the month at 93's level, however, MENA equity markets performance was relatively disappointing compared to the global rally witnessed, with Egypt stock market top performing (hiking 7.50%), followed by Qatar exchange 2.29% increase, while UAE stock markets witnessed enormous increase of volume coupled with negative returns. Despite the increased volatility and markets swings, Horizon fund ended the month 1.66% up, the NAV closed at JD 85.738, mainly from the increase in the share prices of Jordan Phosphate Company and Samba financial group which increased 15% and 8.60% respectively, and the fund strategy of gradually moving the allocation towards high yield income generating securities to enhance the return and provide stable, less volatile income to the fund unit holders.

Market	Monthly Return
Saudi Arabia	1.83%
Qatar	2.39%
Kuwait	1.48%
Bahrain	-1.55%
Oman	-0.26%
Dubai	-1.65%
Abu Dhabi	-1.26%
Jordan	1.33%
Egypt	7.59%

Cumulative Performance



★MSCIA was discontinued in September 2010

Performance Summary

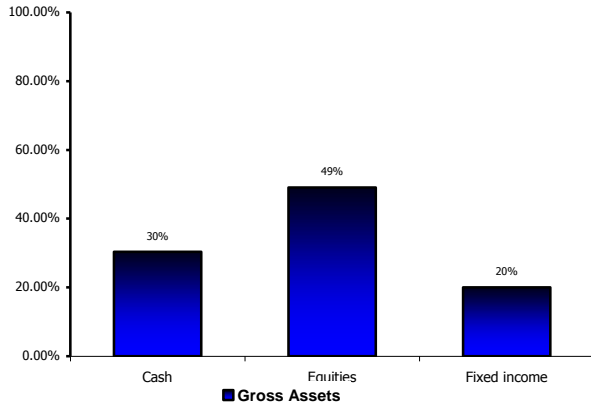
	Fund
1-month return	1.66 %
3-month return	-3.23 %
12-month return	-6.02 %
Return since inception	-14.27 %
Annualized Return Since Inception	-2.28 %
YTD	-9.35 %

Historical Monthly Returns

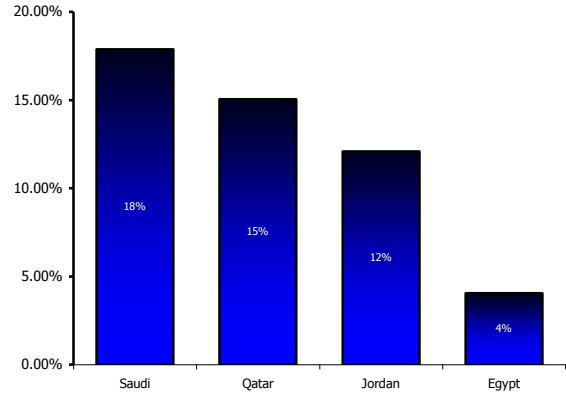
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	-4.69%	-5.88%	4.59%	2.52%	-0.62%	-1.14%	0.36%	-3.32%	-1.55%	1.66%			-9.35%
2010	-1.09%	0.70%	3.76%	1.49%	-6.64%	1.33%	1.65%	0.93%	2.36%	0.30%	0.25%	3.42%	8.35%
2009	-3.29%	-1.48%	2.00%	2.15%	2.44%	-0.83%	0.48%	1.15%	2.46%	-1.45%	-1.84%	-3.35%	-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	15.92%
Industrials	23.66%
Telecom	8.16%
Real Estate	6.08%
Utilities	11.01%
Retail	4.34%

Currency Exposure

Currency	Long
JOD	51.63%
USD	11.40%
SAR	17.87%
EGP	4.05%
QAR	15.05%

Top 3 Exposures

Name	% of the Fund	Country
Jordan Phosphate Mines	5.18%	Qatar
Qatar Industries	4.96%	Qatar
Almarai	4.34%	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.