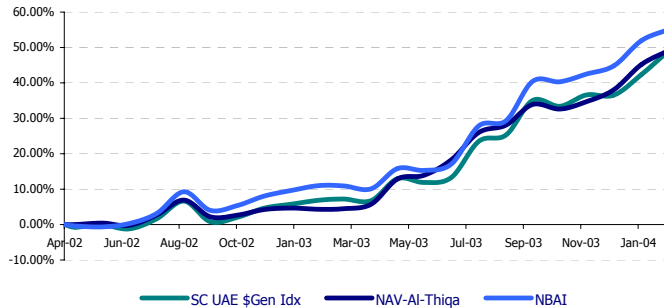


Emirates Towers, 28th Floor, P.O.Box 31045, Dubai - UAE.  
Tel: (9714) 330 4500 - Fax: (9714) 330 3550

**Fund Objective**

The Fund's objective is to achieve long-term capital appreciation primarily through investing in UAE equities. The Fund will invest in both listed and unlisted "OTC" traded shares. The Fund may invest in other Arab equities or Arab fixed income instruments. However, non-UAE investments may not exceed 20% of the fund's net asset value at any point in time and no less than 60% of the net asset value must be invested in UAE equities at all times.

**Al-Thiqa vs. Shuaa Capital UAE Idx & NBAD Idx**



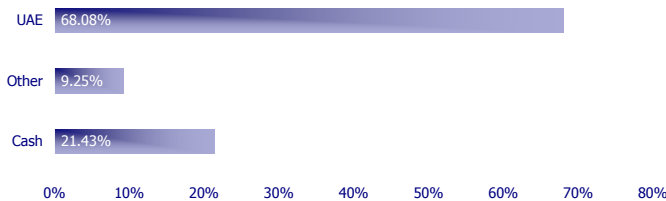
**The Fund Manager's Overall Outlook & Strategy**

The Fund continued its upward trend during the month of February with M-O-M gains of 2.6% net of fees and charges. The market continues to benefit tremendously from the positive results and corporate actions announced, whether in the form of dividends or bonus shares, while liquidity also continued to pour into the market from the refunds of the Amlak IPO.

In terms of performance, Al-Thiqa beat the National Bank of Abu Dhabi Index, which registered an increase of 1.98%. However, it fell short of the SC UAE index performance which posted an increase of 4.26%. This was mainly due to Etisalat shares, which make up more than 42% of the SC UAE Index. Etisalat alone contributed more than 2% to the performance of the index. The Fund is restricted to 30% exposure to Etisalat and we were only around 16% invested. The Etisalat share gain was attributed to the announcement of a bonus share issue. We expect the price to stabilize during March and fundamentally we do not expect any major positive surprises which would warrant being 30% invested in one security.

Furthermore we took advantage of the strong market to effect some profit-taking on certain positions. In fact, despite being only 78% invested, we were able to beat the NBAD Index. Nevertheless, our view is that the market is slightly stretched and could therefore take a little breather within the next few months. Hence we prefer to keep some liquidity available during this period until we have more visibility on Q4 earnings. We would then take advantage of the cash on hand to reposition at lower prices.

**Regional Allocation**



\* The Fund was originally setup in May 7th, 2001 as a SHUAA Capital UAE portfolio. During the Fund's incubation period the returns were audited by Arthur Anderson. The Fund was later launched as an open-ended fund on April 18th, 2002. 2002 returns are therefore calculated on an adjusted basis.

Performance vs. Benchmarks	NBAD Gen Index	SC UAE \$ GenIdx	AL-THIQA NAV/S AED
Current	4,815.48	1,575.65	148.91
MTD	1.98%	4.45%	2.60%
<b>YTD</b>	<b>6.97%</b>	<b>8.84%</b>	<b>7.86%</b>
2003	32.08%	29.10%	31.92%
Since Inception	54.91%	48.62%	48.91%

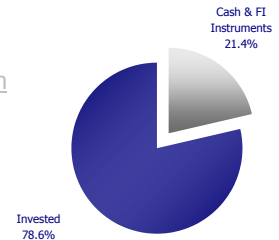
Al-Thiqa Sharpe Ratio	2.38	SD-Volatility	9.00%
SC Benchmark Sharpe	1.86	SD-Volatility	11.62%

**Fund Manager**

**Haissam Arabi**  
harabi@shuaacapital.com

**Analysts**

**Joe Kawkabani**  
**Walid Shihabi**  
**Samer Ghaddar**  
**Ramzey Idriss**



<b>Fund Type:</b>	Open-Ended
<b>NAV/S &amp; Subscription:</b>	Monthly
<b>Redemptions:</b>	Monthly
<b>Management Fees:</b>	1.50%
<b>Investment Manager:</b>	SHUAA CAPITAL PSC
<b>Administrator:</b>	Emirates Financial Services
<b>Custodian:</b>	DFM & ADMS
<b>Auditors:</b>	Ernst & Young
<b>Licence &amp; Regulation</b>	UAE Central Bank

**Sector Allocation**

