

24 April 2012
NAV: AED 5.872 per share *
YTD: 20.97 %
Fund Objective & Classification

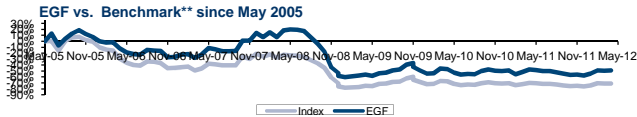
To achieve long-term capital appreciation primarily through investing in publicly traded UAE equity securities.

Fund Benchmark

The S&P United Arab Emirates Composite Index in USD is a broad market indicator that measures the set of investable, float-adjusted equities that have an aggregate market cap of 70-80% of the total market cap of UAE Exchanges.

Investment Strategy & Management Style

The Fund employs an active fund management style with a blend of growth and value. Emphasis is on bottom-up stock selection guided by analysis of top-down macro-economic drivers.


Market Commentary

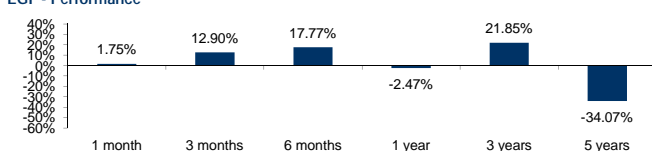
The Emirates Gateway Fund rose 1.75% in April versus a drop of -0.27% for the S&P UAE Composite Index. That brings the YTD gain for the Emirates gateway Fund to nearly +21%. The bourses in the Emirates have been in range bound mode ahead of earnings season which thus far looks promising, and the DFM up 20%+ remains one of the best performing markets in the world.

Global markets have put in a choppy month as we expected in our recent note, with a mixed bag of macro data and the ever present concerns on European debt reigning in the previous month's unbridled exuberance. All is certainly not rosy yet as imbalances in the global economy remain and politics and policy measures remain key market drivers. Although we remain watchful of game changing negative developments, thus far our base case of gradually improving global growth and disaster aversion in Europe near term stands firm amidst slowly improving US economic indicators, expectations of EM central banks easing as well as a thus far solid first quarter earnings season. However, as summer approaches and macro/policy indicators become more uneven, we expect markets to be more volatile.

As we expected, earnings thus far in the UAE have been positively upbeat, and as the year of refinancing and debt maturities progresses, investor sentiment has remained buoyant. Macro-economic indicators remain on the up, with recently robust retail sales, hotel occupancy, passenger numbers as well as real estate sales and prices pointing to improving earnings in the year to come. Although banking sector data has not been as robust, showing subdued lending in marked contrast to its neighbours, asset quality concerns continue to abate gradually. Further, the recently successful IPO of NMC health is a positive indicator of UAE companies returning to the equity capital markets after a multi-year drought. Given the substantial speculative/retail activity recently, we would like to note that the fund remains committed to its core conviction list of solid franchises with high quality earnings, a combination we remain confident will outperform over the medium to long term. Through the month we booked some gains in banking and transport, increased our weight to the resurgent real estate sector and made a new allocation to healthcare.

Performance vs. Benchmark

Benchmark	Fund	S&P UAE Composite Index
Current NAV *	5.872	68.34
MTD	1.75%	-0.27%
YTD	20.97%	21.05%
2011	-14.96%	-18.17%
2010**	-2.33%	-7.58%
2009	21.12%	29.70%
2008	-63.01%	-69.19%
2007	54.21%	43.25%
2006	-31.19%	-44.48%
2005	84.27%	N/A
2004	93.27%	N/A
2003	31.92%	N/A
Since Inception	134.88%	N/A

2006 - 2009 MSCI UAE Domestic Index
EGF - Performance **

Top Three Holdings

Top Three Holdings	Fund %	S&P UAE Composite Index %
Emaar Properties	18.58%	15.76%
National Bank of Abu Dhabi	14.18%	13.31%
First Gulf Bank	10.85%	6.57%


Fund Managers

Nadi Bargouti, CFA Amer Khan

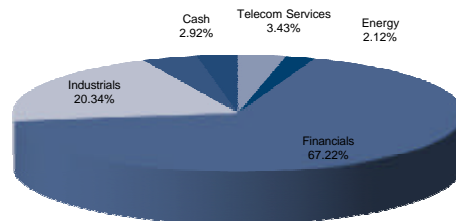
Investment Team

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Fund Characteristics

Fund Characteristics	Fund	S&P UAE Composite Index
Relative Return (12 Months)	1.40%	-
Beta (12 Months)	0.85	-
Volatility (12 Months)	17.73%	20.54%
Sharpe Ratio	-0.07	-0.11
Number of Up Months/Down Months Since May 2005	39 / 44	35 / 48

(Since inception of the MSCI UAE Domestic Index)

Portfolio Diversification - Asset Class

Asset Class	Fund %	S&P UAE Composite Index %
Cash and Equivalent	2.92%	0.00%
Equities	97.08%	100.00%
Fixed Income	0.00%	0.00%

Sector Allocation - Equities and Fixed Income

Sector	Fund %	S&P UAE Composite Index %
Telecom Services	3.43%	0.00%
Energy	2.12%	4.81%
Consumer Staples	0.00%	0.00%
Consumer Discretionary	0.00%	0.00%
Materials	0.00%	0.00%
Financials	67.22%	69.18%
Industrials	20.34%	24.82%
Health Care	3.97%	1.19%
Cash	2.92%	0.00%

Fund Information

Subscription Frequency:	Weekly
Redemptions Frequency:	Weekly
Next Subscription Deadline:	Weekly Monday
Next Redemption Deadline:	Weekly Monday
Inception Date:	April 18, 2002
Management Fees:	1.5% p.a.
Performance Fees:	10% over 8% Hurdle Rate
Minimum Investment:	AED 200,000
Investment Manager:	SHUAA CAPITAL psc.
Administrator:	Apex Fund Services
Custodian:	DFM & ADSM
Auditors:	Ernst & Young
Licence & Regulation:	UAE Central Bank
Fund Size:	AED 41.836 Million

* Note: All NAV's are net of all fees and charges
** Note: Benchmark / Index YTD performance represent the combined performance of the MSCI Index (Year till 31st of august) and the respective S&P Index (31st of August to Date)
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