

24 April 2012

Fund Objective & Classification

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

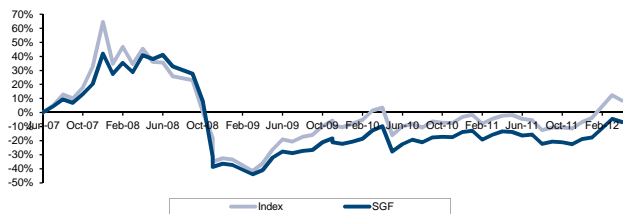
Fund Benchmark

The S&P Saudi Arabia 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 the TASI.

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.

SGF vs. Benchmark** since 25 June 2007



Market Commentary

The Saudi Gateway Fund declined -2.42% in April vs. a fall of -3.63% for the S&P Saudi Arabia Index. The Saudi market declined through the month on profit booking ahead of earnings season which generally gives retail investors cause for pause. The Tadawul however remains up around +15% YTD, one of the best performing markets of the world.

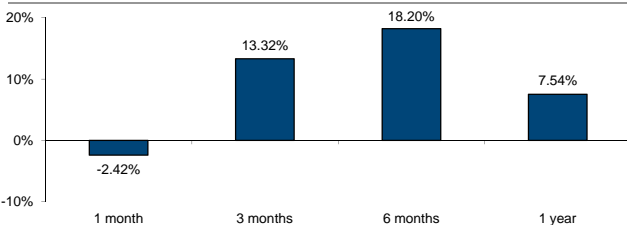
Global markets have put in a choppy month as we expected in our recent note, with a mixed bag of macro data and the ever present concerns on European debt reigning in the Saudi Arabian market abated through earnings season with investor focus returning to the fundamentally sound names. The resulting outperformance of these solid names - evident in the fund's performance - goes to show how strong the retail/speculative activity on the Tadawul had become. Although we do not expect the speculation to end completely, the very public efforts being made by the King to arrest it coupled with the opening up of the Saudi market to foreigners should check it a little near term. Secondly, also as we highlighted last month, first quarter earnings have been largely solid with the Tadawul posting an aggregate increase in earnings of 15% Year on year. This is a solid start to 2012 and further support to our constructive stance on Saudi Arabian equities over the medium to long term.

Two key developments in Saudi bear mentioning this month. Firstly, in line with our expectations stated last month, the surge in speculative activity in the Saudi Arabian market abated through earnings season with investor focus returning to the fundamentally sound names. The resulting outperformance of these solid names - evident in the fund's performance - goes to show how strong the retail/speculative activity on the Tadawul had become. Although we do not expect the speculation to end completely, the very public efforts being made by the King to arrest it coupled with the opening up of the Saudi market to foreigners should check it a little near term. Secondly, also as we highlighted last month, first quarter earnings have been largely solid with the Tadawul posting an aggregate increase in earnings of 15% Year on year. This is a solid start to 2012 and further support to our constructive stance on Saudi Arabian equities over the medium to long term.

We note that despite the short term volatility and the abundance of short term opportunities to make a quick buck the fund remains committed to our fundamentally sound and solid core conviction list. Through the month we remained OW petrochemicals, EW banks and booked gains in retail rotating to Food and Beverage ahead of summer. Our cash level also stayed rather low in line with our bullish views on the Saudi market.

Performance vs. Benchmark	SGF Net of Fees	S&P Saudi Arabia - Price USD Index
Current NAV *	9.3242	337.6206
MTD	-2.42%	-3.63%
YTD	14.89%	16.36%
2011	-5.83%	-3.90%
2010	10.77%	8.09%
2009	22.38%	32.74%
2008	-55.21%	-58.98%
Since Inception	-6.76%	-22.30%

SGF - Performance **



Top three Holdings	Fund %	S&P Saudi Arabia-Price USD Index %
SABIC	14.88%	12.48%
Al Rajhi Bank	11.97%	11.32%
Ettihad Etisalat	7.12%	4.83%

Bloomberg	SAUDGAT KY
Zawya	SHUSAGT.MF
ISIN #	KYG331501067
CUSIP #	G33150 10 6
Currency	USD

NAV: USD 9.3242 Per Share *

YTD: 14.89%

SHUAA ASSET MANAGEMENT
A DIVISION OF SHUAA CAPITAL

Fund Managers

Nadi Bargouti, CFA Amer Khan

Investment Team

Zaid Al Asad Hichem Djouhri
Ramzi Sidani Ramez Merhi

Jumeirah Emirates Towers Office, 28th Floor, P.O.Box 31045, Dubai, UAE

www.shuaacapital.com

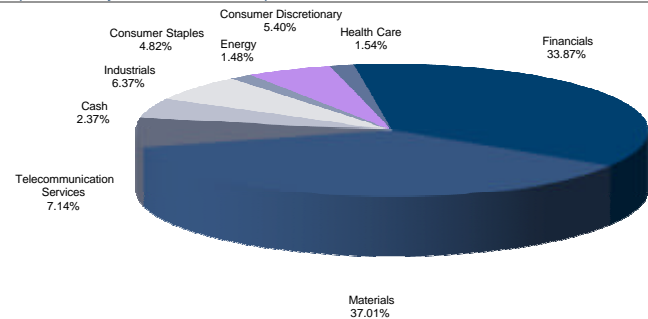
Toll Free: 800 SHUAA (74822) Int'l: +971 4 319 9603 Fax: +971 4 330 3394

Head of Sales: Jackie Fitzgerald
clientservices@shuaacapital.com

Fund Characteristics

Fund	S&P Saudi Arabia-Price USD Index
Relative Return (12 Months)	-3.28%
Beta (12 Months)	0.93
Volatility (12 Months)	15.51%
Sharpe Ratio	0.54
Number of Up Months/Down Months Since Inception	34 / 24

GICS (Global Industry Classification Standards) Sector Allocation



Portfolio Diversification - Asset Class

Fund %	S&P Saudi Arabia-Price USD Index %
Cash and Equivalent	0.00%
Equities	100.00%

Sector Allocation - Equities

Fund %	S&P Saudi Arabia-Price USD Index %
Financials	36.89%
Materials	37.20%
Telecommunication Services	8.61%
Consumer Staples	5.00%
Industrials	5.98%
Energy	1.78%
Utilities	2.18%
Consumer Discretionary	1.82%
Health Care	0.54%
Cash	0.00%

Fund Information

Fund Type:	Open-Ended
Subscription/Redemption Frequency:	Weekly
Next Subscription Deadline:	Weekly Monday
Next Redemption Deadline:	Weekly Monday
Inception Date:	25 June 2007
Management Fees:	1.5% p.a.
Performance Fees:	10% over 8% Hurdle Rate
Investment Manager:	SHUAA CAPITAL psc.
Administrator:	Close Fund Services Ltd.
Global Custodian:	HSBC
Auditors:	Deloitte & Touche
Incorporation:	Cayman Islands
Fund Size:	USD 9.735 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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