

# Newsletter

January 2012

## WSF Reliance Global Shariah Growth Fund

### Gateway of Akbar's Tomb, Sikandra, Near Agra, Uttar Pradesh, 17th century

The mausoleum of the great Mughal Emperor Akbar was built by his son Jahangir. This impressive structure was built under his close supervision and was completed in 1613. The entrances are most impressive and present a confluence of Persian and Hindu architectural styles and motifs. The chattris crowning the gateways are Hindu in conception, while the large central Iwan and the wide lateral niches derive from the Persian style. The red sandstone, which was favoured by Akbar, contrasts beautifully with the fine mosaic of white marble and coloured stones.



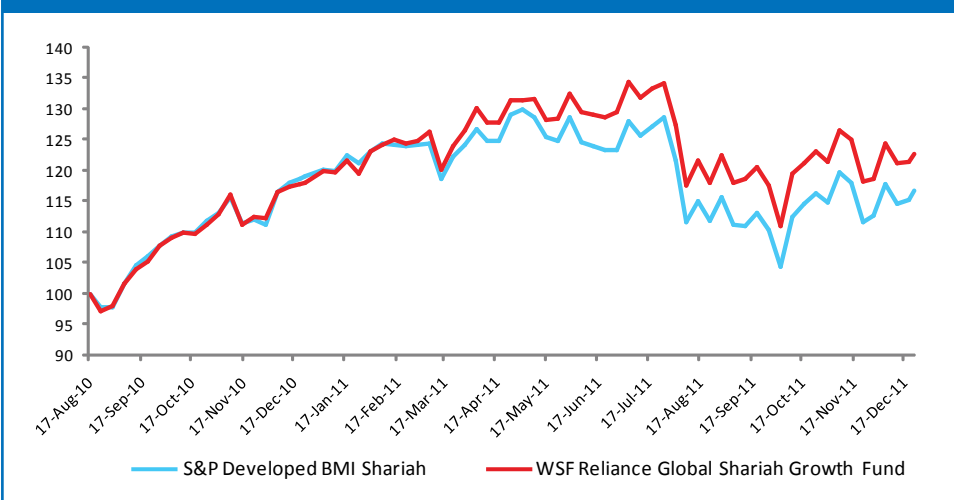
### About Reliance Asset Management (Malaysia) Sdn Bhd

Reliance Asset Management (Malaysia) Sdn Bhd (RAMMy) is a subsidiary of Reliance Capital Asset Management Limited (RCAM) India. RCAM has been recognized by winning many awards, and has become the largest asset management company in India by assets.\*

RAMMy has been incorporated to undertake Islamic Asset Management under the license of the Securities Commission of Malaysia. RAMMy aims to become the provider of choice within Islamic Asset Management by launching unique Shariah-compliant investment strategies to complement investor's portfolios with the ultimate focus on wealth creation.

\*AMFI India, June 30, 2011

### Movement of NAV Prices



Sources : Bloomberg, Reliance Asset Management (Malaysia) Sdn Bhd Dated as at December 23, 2011

### Investment Manager

#### Ian Lancaster

Reliance Asset Management (M) Sdn Bhd

Ian is an associate member of the UK Society of Investment Professionals and holds an MBA from Imperial College, London where he wrote a dissertation on quantitative screening of equities which achieved a Distinction grade. He has managed investments for leading fund management companies including AXA Equity and Law, General Accident and Morley Fund Management. He is based in Kuala Lumpur with the team split between Kuala Lumpur and London.




Prior to joining Reliance, Ian managed the NU Income Opportunities OEIC which produced an annualized return of 14.3% vs. 8.9% for the UK Equity Income sector ranking 3rd out of 67 funds, over a five and a half-year period from February 2002 to September 2007.



**WSF Reliance Global Shariah Growth Fund as at December 23, 2011**

NAME	YTD	SINCE 17-Aug-10*
WSF RELIANCE GL SHAR GW-\$I	3.90%	22.60%
S&P DEVELOPED BMI SHARIAH	-2.40%	16.72%
WSF RELIANCE PERFORMANCE RELATIVE TO BENCHMARK	6.46%	5.04%

To buy the units of Reliance Global Shariah Growth Fund


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 +(44) 1481 740044
 
 wsf@argyllinvestment.com

or contact Authorised Distributors

Source: Bloomberg, Standard & Poor's  
 Date: December 23, 2011  
 \*Date of launch of WSF Reliance Global Shariah Growth Fund

**Global Market Report**

Global equity markets ended the month lower as markets participants wound down trading activity for the year end festivities. In December, the European Central Bank (ECB) lowered benchmark rates by 0.25 per cent in light of economic uncertainties in the euro area. The ECB's governing council also announced measures to promote provision of credit to households and non-financial businesses, while the European Banking Authority (EBA) revised upwards their initial estimate of required fresh capital for banks in the region from EUR 106 billion to EUR 115 billion. In a bid to provide liquidity to the market, the ECB also provided EUR 489 billion in three-year funding to 532 banks. In the US, the Federal Open Market Committee (FOMC) left benchmark rates unchanged, highlighting improvements in the labour market as well as the continued growth of household spending. Economic data published in the month also pointed towards a resilient US economy. The Consumer Confidence Index as measured by the Conference Board rose to levels last seen in April 2011 while the Leading Economic Index (LEI), also measured by the Conference Board, recorded its seventh consecutive monthly rise. The S&P Global Shariah Developed BMI index ended the month 0.3 per cent lower while the Developed BMI index fell 0.2 per cent. Utilities, Industrials and Consumer Discretionary led the way in the month of December, while Telecommunication Services, Information Technology and Financials lagged the broader market.

Within the portfolio, Industrials, Consumer Discretionary and Materials were the most significant contributors to performance. The weakest performance came from the portfolio's exposure to the Information Technology, Health Care and Telecommunication Services sectors. At the stock level, the best performers were Kaken Pharmaceutical Co (+10.4 per cent), Garmin Ltd (+9.9 per cent) and Eli Lilly & Co (+9.8 per cent). The worst performers were Medusa Mining Ltd (-22.6 per cent), Informatica Corp (-17.9 per cent) and Diasorin Spa (-13.0 per cent).

**How do I know that my investments are Shariah-compliant?**

RAMMy has appointed IBFIM as the Shariah Advisor. RAMMy is governed by their advice on all Shariah matters relating to Shariah-compliant Investments as well as other advisers where they have been appointed by individual funds.

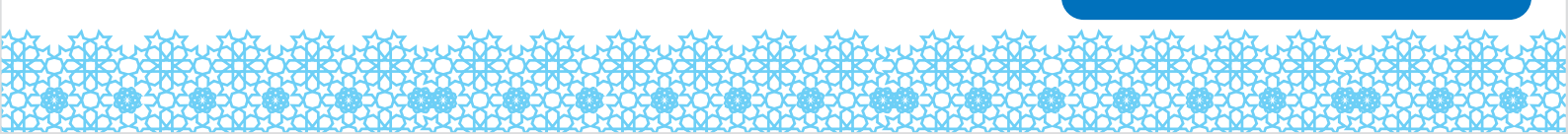
**Sector-Based Screens** - Business activities related to the following are excluded, Advertising and Media (newspapers are allowed, sub-industries are analyzed individually), Alcohol, Financials, Gambling, Pork, Adult Entertainment, Tobacco and Trading of gold and silver as cash on deferred basis.

**Accounting-Based Screens** - Companies are examined for compliance in financial ratios, as certain ratios may violate Shariah-compliance measurements. The following areas of focus are subject to evaluation on an ongoing basis:

1. Leverage Compliance - Debt / Market Value of Equity (36 month average) < 33 %;
2. Cash Compliance - Accounts Receivables / Market value of Equity (36 month average) < 49%;  
(Cash + Interest Bearing Securities) / Market value of Equity (36 month average) <33%;
3. Revenue Share from Non-Compliant Activities - (Non-Permissible Income other than Interest Income) / Revenue < 5%

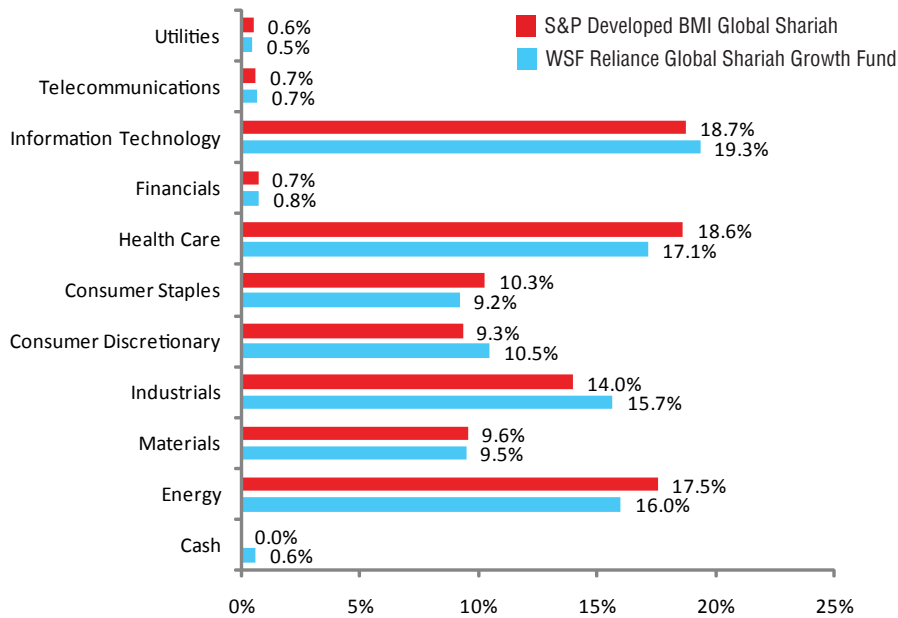
**Dividend Purification** - The proportion of a company's Haram profitability is calculated by S&P. Dividends, when received, are stripped of this Haram profitability and proceeds are channeled to charity.

**Treatment of Cash Balances** - The Process deposits unutilised cash into an Islamic money market account as the first choice. If an Islamic account is not available, cash will be deposited in a non-interest bearing account. The Account cannot go overdrawn or use financial leverage.



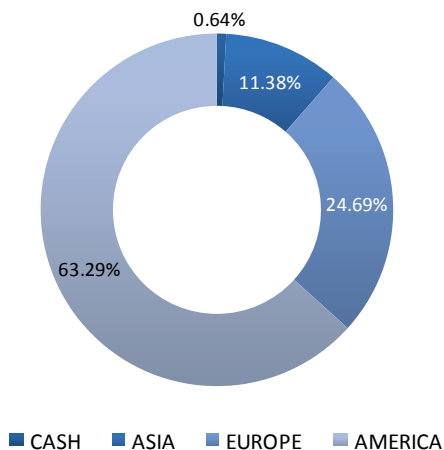


**Sector Breakdown**



Source : Reliance Asset Management (M) Sdn Bhd Dated as at December 23, 2011

**Region Breakdown**

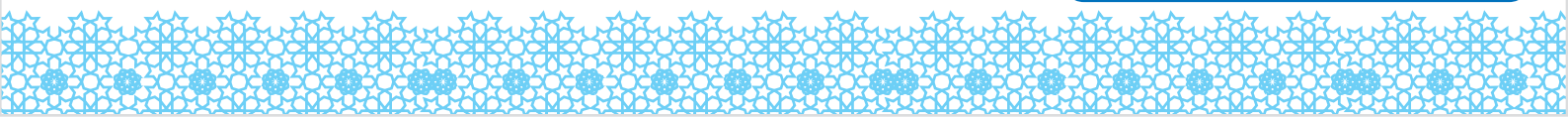


Source : Reliance Asset Management (M) Sdn Bhd Dated as at December 23, 2011

**Risk Statement:**

Risk Statement: These are some of the major risks of investments a potential investor should consider carefully and the Fund is not intended as a complete investment programme. The risks include but not limited to investment risk, stock specific risk, sector risk, country risk, currency risk, liquidity risk and risk of Shariah non-compliance. A more detailed description can be found in the prospectus. There is also a potential conflicts of interest risk: -

- i) Management Fund Manager provides management services to other clients. The investment strategies employed for other investment funds could conflict with the strategies employed in managing the Fund. This may affect the prices and availability of the investments in which the Fund invests. RAMMy has policies in place where participation in investment opportunities will be allocated on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the respective investment policies of the Fund and other investment funds.
- ii) RAMMy, Custodian, Administrator, Shariah Advisor RAMMy, its officers, employees or associates, and the Custodian, Administrator and the Shariah Advisor may from time to time provide services to, or be involved with, other investment portfolios established by parties other than RAMMy which may have similar objectives to those of the Fund. As such, it is possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. However, the Custodian, Administrator and Shariah Advisor will, at all times, uphold its obligation to act in the best interests of the Fund and RAMMy will ensure that all such potential conflicts of interest are resolved fairly and in the interests of investors/clients. In addition, any of the service providers (including RAMMy) may deal, as principal or agent, with the Fund, provided that such dealings are on normal commercial terms negotiated on an arm's length basis.



## Top 10 Holdings

Security	%	Country	Sector
Bristol Myers Squibb Co	1.8%	United States	Health Care
Eli Lilly + Co	1.8%	United States	Health Care
Astrazeneca Plc	1.7%	United Kingdom	Health Care
Nestle Sa Reg	1.7%	Switzerland	Consumer Staples
Coca Cola Co/The	1.6%	United States	Consumer Staples
Pfizer Inc	1.6%	United States	Health Care
Royal Dutch Shell Plc B Shs	1.5%	United Kingdom	Energy
Hershey Co/The	1.4%	United States	Consumer Staples
Chevron Corp	1.3%	United States	Energy
Next Plc	1.3%	United Kingdom	Consumer Discretionary
<b>Total</b>	<b>15.8%</b>		
<b>Total Number of Holdings</b>	<b>108</b>		

Source : Reliance Asset Management (M) Sdn Bhd Dated as at December 23, 2011

## Top 5 Overweight vs Benchmark

Industrials	1.7%
Consumer Discretionary	1.1%
Cash	0.6%
Information Technology	0.6%
Telecommunications	0.1%

Source : Reliance Asset Management (M) Sdn Bhd Dated as at December 23, 2011

## Top 5 Underweight vs Benchmark

Energy	-1.5%
Health Care	-1.5%
Consumer Staples	-1.1%
Materials	-0.1%
Utilities	0.0%

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The historical performances presented are not indicative of the future or likely performance of an investment portfolio and should not be construed as being indicative of or otherwise used as a proxy for future or likely performance of the investment portfolio. The price of units and distributions payable, if any, may go down as well as up.

RAMMY is licensed and regulated by the Securities Commission of Malaysia.

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