

# Fund Information Sheet

## Shariah Fund

### Royal Mail Defined Contribution Plan

#### As at 31 December 2011

The Shariah Fund aims to achieve long term growth via investments which comply with Islamic Shariah principles, but accepting some shorter term volatility associated with investing in equities (shares). This Fund invests in shares of UK and overseas companies that comply with Islamic Shariah principles, as advised by a number of independent Shariah scholars.

The Shariah Fund currently invests as follows:

- 100% in the HSBC Amanah Fund. This is a passively-managed fund (see the Glossary on page 23 of the Investment Guide for a definition of passive management).

#### Information on the Shariah Fund

Launch date	April 2009
Fund size (£m)	0.18 (as at 31/12/2011)
Benchmark	Dow Jones Islamic Titans 100 Index

##### Top holdings (as at 31/12/2011)

Exxon Mobil Corp	6.1%
Apple	5.6%
International Business Systems	3.2%
Chevron	3.2%
Microsoft Corp	2.9%
Procter & Gamble Co.	2.7%
Johnson & Johnson	2.6%
Pfizer	2.5%
Google Inc	2.4%
Novartis AG	2.2%

Source: HSBC (as at 31/12/2011)

##### Asset split (as at 31/12/2011)

Technology	27.4%
Health Care	21.7%
Oil & Gas	21.3%
Consumer Goods	7.7%
Basic Materials	7.6%
Industrials	7.3%
Consumer Services	4.7%
Telecommunications	1.4%
Other	0.3%
Cash and equivalents	0.1%

Source: HSBC (as at 31/12/2011)

##### Market commentary

###### Positive returns from most markets in Q4

Global shares rallied in the final quarter of 2011. UK and European markets saw significant gains. Emerging market shares achieved good performance although the Japanese market posted a negative return.

Interest rates in the US, UK and Japan remained at historic lows. European rates were cut by a quarter-point on two occasions. Interest rates were cut in several emerging markets to help offset the impact of slower growth in the developed world.

The Shariah Fund was launched in April 2009 which means we only have a short performance history to show you. However, the Shariah Fund currently invests entirely in the HSBC Amanah Fund. We have included the performance figures of the Zurich HSBC Amanah ZP Fund (Zurich Fund) to give you an indication of what past performance would have been prior to the Fund's launch in April 2009.

##### Annual fund performance (as at 31/12/2011)

	31/12/2006-31/12/2007			Actual	
	%	%	%	%	%
Shariah Fund	-	-	-	10.2	0.6
Benchmark	14.9	-6.0	10.9	11.2	1.9
Zurich Fund	15.1	-9.9	17.2	10.1	0.6

##### Annualised fund performance (as at 31/12/2011)

	3 years % pa	5 years % pa
Shariah Fund	-	-
Benchmark	7.9	6.3
Zurich Fund	9.1	6.1

Source: The Shariah Fund performance - Zurich (as at 31/12/2011). Benchmark and Zurich Fund performance - Financial Express (as at 31/12/2011)

#### Things you need to know

Please read this Information Sheet in conjunction with the Royal Mail Defined Contribution Plan Investment Guide.

The fund is designed to provide a return in line with the benchmark. This is expected to be the case over the long term. However, there may be times when the fund performance does not match the benchmark. This may be due to a number of reasons. For example, cash flows in or out of the fund resulting in unit price movements and slight timing differences for the period over which performance is measured.

All funds carry some risk and you should consider the different types of risk before making any investment decision.

Fund performance data is presented before the deduction of fees. You shouldn't use past performance as a suggestion of future performance and it shouldn't be used as a reason for making an investment decision. The value of investments and any income from them can fall as well as rise and will be reduced in real terms by the effects of inflation. You may not get back the amount you invested.

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**This Fund Information Sheet is for information only and has been provided to help you understand how the Shariah Fund was invested and has performed. The Trustees, Royal Mail Group and its employees are not authorised to give you financial advice. Zurich is also unable to provide financial advice to you. If you are not sure whether this fund is suitable for you then you should speak to an independent financial adviser (IFA). You can find the name of an IFA through IFA Promotions Ltd at [www.unbiased.co.uk](http://www.unbiased.co.uk)**