

IFN FORUM

HOSTED BY



pwc

US

2017

POST-FORUM ANALYSIS REPORT



19th October 2017

PricewaterhouseCoopers, New York

LEAD LAW FIRM

KING & SPALDING

MULTILATERAL STRATEGIC PARTNERS



Centre for Excellence in Islamic Finance
Institute of Business Administration

EXECUTIVE PARTNERS



Islamic Home Financing & Low Monthly Payments
www.myUIF.com

HOST MEDIA PARTNERS



RESEARCH PARTNER



MEDIA PARTNERS





US: Technology to unite fragmented Islamic finance market

Real estate continues to drive Islamic financial activities in the US; however, the country is also seeing promising growth in other areas, particularly triggered by financial technology which has overcome the barriers of cost, and more significantly, physical and geographical access to Shariah compliant investments for the US Muslim population. VINEETA TAN provides an overview.

Regulatory landscape

There has yet to be dedicated Islamic finance regulations in the US; however, the existing laws are broad enough to accommodate certain Shariah compliant structures, although not all-encompassing. Similar to conventional financial activities, Islamic finance is governed under established regulations set forth by the country's various financial regulatory bodies such as the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, state banking authorities, the Internal Revenue Service and the Securities Exchange Commission.

Banking and finance

Yet despite the lack of a comprehensive regulatory infrastructure, there are pockets of Islamic finance activities taking place in the US. Some of the most prominent Islamic financial services providers include Lariba Finance House, Devon Bank, Guidance Financial, Saturna Capital, University Bank's University Islamic Financial and Azzad Asset Management, among others. Abraham's River, a financial institution based in Chicago providing religiously acceptable investment options, was certified as Shariah compliant in 2016.

Fintech

While the Islamic banking and finance market remains small in the US, the Shariah fintech scene on the other hand is seeing strong activities. According to the IFN Islamic Fintech Landscape, the US is among the top five jurisdictions worldwide in terms of the number of start-ups serving the Muslim market. Shariah compliant crowdfunding platforms currently dominate the US Islamic fintech community although start-ups from other verticals are also rising in number. For example, a new investment and savings start-up was launched in September to facilitate Muslims in the US to fulfill Hajj based on Malaysia's Lembaga Tabung Haji model. Wahed Invest, an Islamic robo-advisor established in the second half of 2016, this June secured US\$5 million in seed capital and the automated Islamic investing platform this year also launched its services to US retail investors.

Real estate

Real estate forms the majority of Shariah compliant activities in the US. Mortgage financing is especially in demand among Muslims and international investors are keen to channel investments into US property.

In August 2017, Brennan Investment, a US-based real estate investment firm, and a client of Arch Street Capital Advisors, a US-based real estate investment advisory firm, partnered to form a Shariah compliant joint venture to acquire, own and manage a substantial portfolio of industrial properties throughout the US. The new joint venture that has already purchased nearly 900,000 square feet of industrial real estate in Dallas, Charlotte and Green Bay will focus on acquiring individual industrial assets in major markets in the US that are critical facilities to tenants and leased on a long-term basis.

Residential mortgage aside, corporates were also involved, particularly Soho Properties which in May 2016 confirmed that it secured US\$219 million in Shariah compliant funding for the construction of its Tribeca condominium tower at 45 Park Place in Manhattan, expected to commence this summer and delivered in 2018.

Apart from traditional Islamic finance providers, Shariah compliant real estate financing needs are also attracting alternative providers such as crowdfunding platforms like HalalSky based in Texas. As the Muslim population in the US is expected to more than double to 6.2 million in 2030 from 2.6 million (according to Pew Research), market participants understand that this particular demographic cannot be ignored.

Sukuk

It is understood that a significant portion of Islamic deals in the US are conducted on a private and confidential basis. In terms of Sukuk, there are few publicly disclosed offerings.

The first corporate Sukuk issuance was made in 2006 by East Cameron Partners for US\$166 million, and was backed by oil and gas assets that did not materialize and resulted in the firm filing for bankruptcy in 2008. GE Capital (the financial arm of General Electric) followed suit with a US\$500 million Sukuk Ijarah facility backed by aircraft leases. In 2014, Goldman Sachs issued its much-talked about US\$500 million Islamic debt, the first for the US investment bank, or for any conventional US bank for that matter. In April, University Bank issued a privately-placed Sukuk facility, believed to be the country's first Shariah compliant debt transaction to be structured and governed under US laws.

Shariah compliant funds

The US Islamic fund market is small and growing. The earliest Shariah compliant fund in the country belongs to the Amana Mutual Funds family — the Amana Growth Fund was launched in 1984, with the Amana Income Fund following in 1994 and the Amana Developing World Fund in 2009. Other players in the area of Shariah compliant mutual funds in the US are Azzad Asset Management, which was established in 1997, and the Azzad Ethical Fund which was launched in 2000. The fixed income-based Azzad Wise Capital Fund is the country's first Halal, socially responsible fixed-income mutual fund. Allied Asset Advisors also offers a mutual fund, the Imam Fund, which was launched in 2000. The Dow Jones Islamic Index, which lists the aforementioned funds, was launched in 1999. The US is also home to an Islamic exchange-traded fund, the Falah Russell-IdealRatings US Large Cap ETF, launched in 2014.

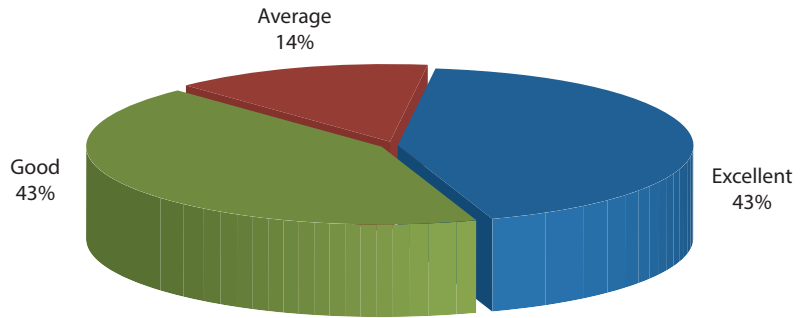
POST-FORUM ANALYSIS REPORT



09:30 – 09:45

Keynote Address

Senator Kevin S Parker — New York State Senate



09:45 – 10:25

The US Islamic Funds Industry: Trends and Future Growth

What will it take to attract conventional players to Islamic investment products and funds? How is the sector expected to develop in terms of products and players?

Moderator:

Jawad Ali — Partner, King & Spalding

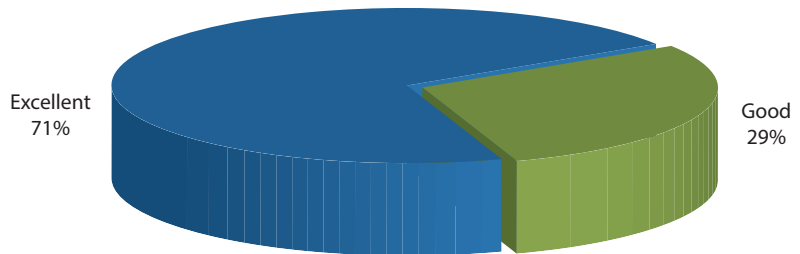
Panelists:

Aamir Rehman — Managing Director, Fajr Capital

Michael Orzano — Director, Global Equity Indices at S&P Dow Jones Indices

Aijaz Hussain — Senior Vice-President and Director, UIF Corporation

Bashar Qasem — President and CEO, Azzad Asset Management



POST-FORUM ANALYSIS REPORT



10:25 – 11:00

Investing in Middle Eastern Sukuk

Sukuk originating from the Middle East has attracted US and other foreign investors with increased size and frequency in the past few years. While the recent Dana Gas debacle has rattled investors, how are US investors viewing securities issued from the Gulf and what can be anticipated going forward?

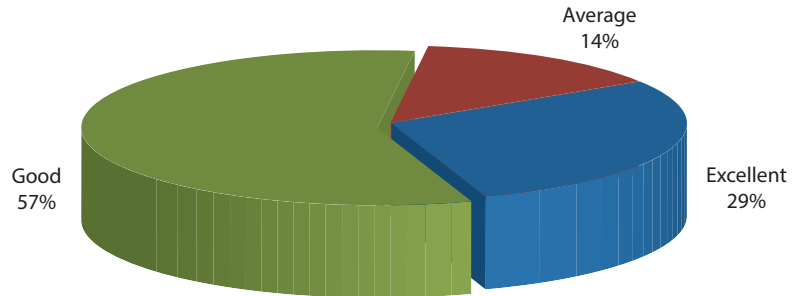
Moderator:

James Stull — Partner, King & Spalding

Panelists:

Dan Reddington — Fixed Income Broker, Liquidity Finance

Patrick Drum — Portfolio Manager and Research Analyst, Saturna Capital



11:30 – 11:50

Fintech in the Islamic Investing Landscape

A look at the development of Islamic fintech in key markets

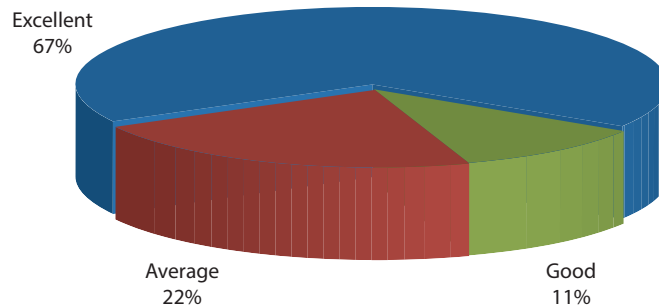
Moderator:

Rushdi Siddiqui — Mentor, Islamic Economy Startups, Quest Ventures and Advisory Board, Wall Street Blockchain Alliance

Panelists:

Harsh Khurana — Chief Strategy Officer, Wahed Invest

Kal Elsayed — CEO, Guidance Residential



POST-FORUM ANALYSIS REPORT

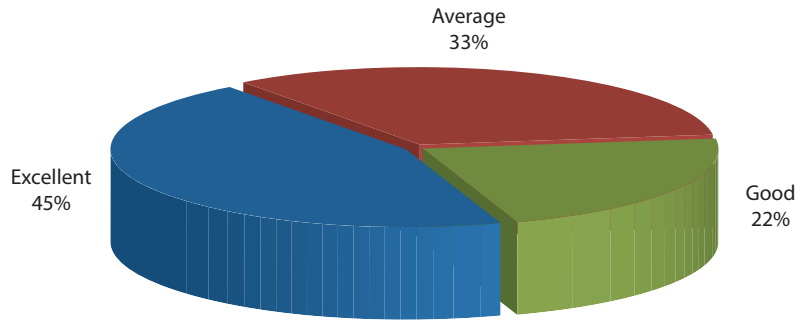


11:50 – 12:20

Real Estate: Investment and Structuring Trends for Shariah Compliant Investors

Moderator:
Panelists:

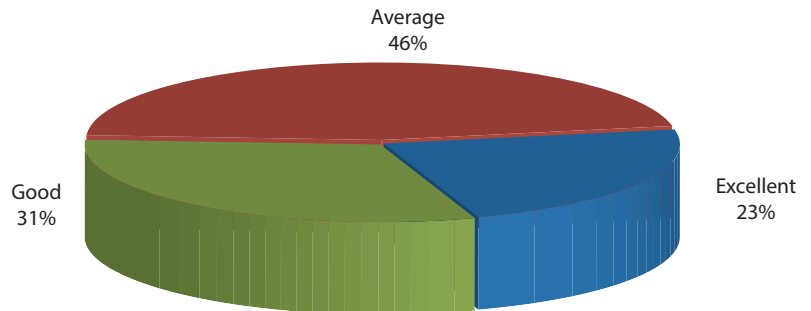
- Andrew Metcalf** — Partner, King & Spalding
- Amian Taylor** — Senior Vice-President, Arch Street Capital Advisors
- Navid Goraya** — CEO, White Oak Advisors
- Oliver Reichel** — Partner, Real Estate Tax, PwC



12:20 – 12:30

Presentation: Introduction to the Key Themes of Socially Responsible Investments

Josh Zinner — CEO, Interfaith Center on Corporate Responsibility



POST-FORUM ANALYSIS REPORT



12:30 – 13:10

SRI and Green Finance: Integrating Islamic investing

Positioning Islamic investment as a distinct contributor to the responsible investing movement

Moderator:
Panelists:

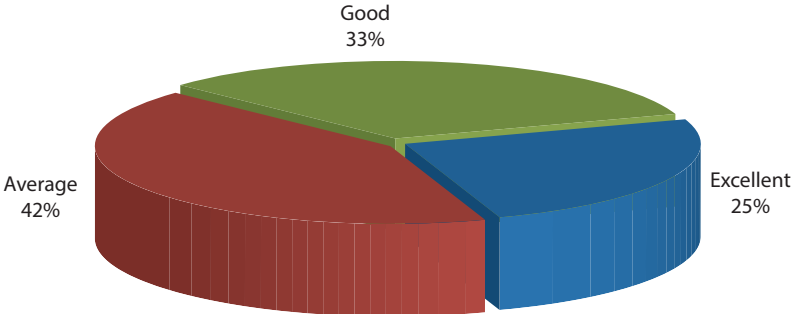
Umar Moghul — Partner, Roberts Moghul & Partners

David Testa — Executive Director, DDCAP Group

Josh Zinner — CEO, Interfaith Center on Corporate Responsibility

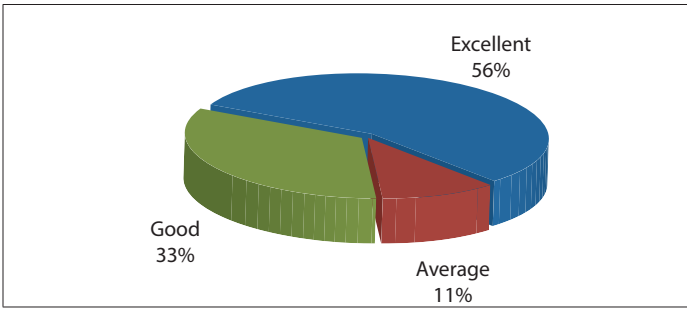
Mohammed S Ghouri — Managing Partner, Andalus Capital

Umera Ali — Partner, Michelman & Robinson

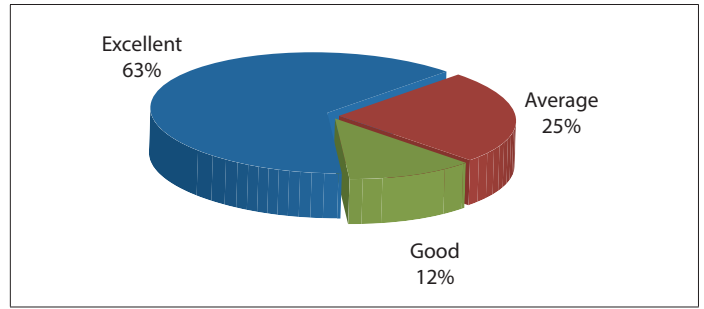


POST-FORUM ANALYSIS REPORT

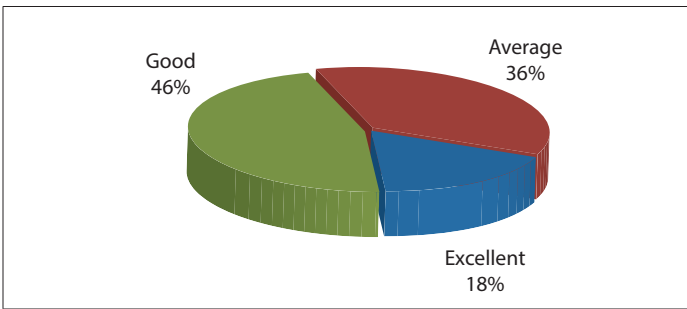
Pre-event Contact



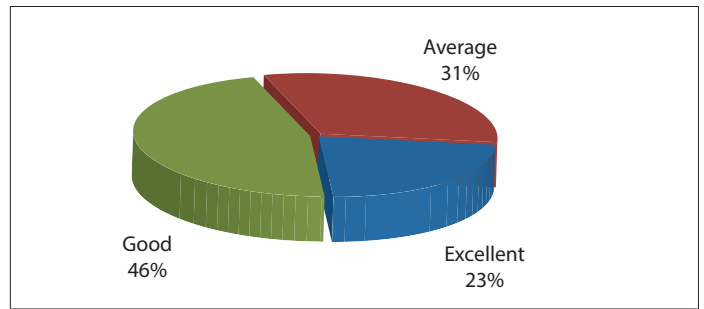
Overall Evaluation of the Event



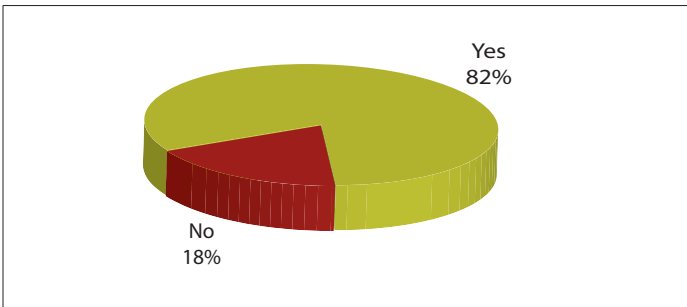
Venue and Facilities



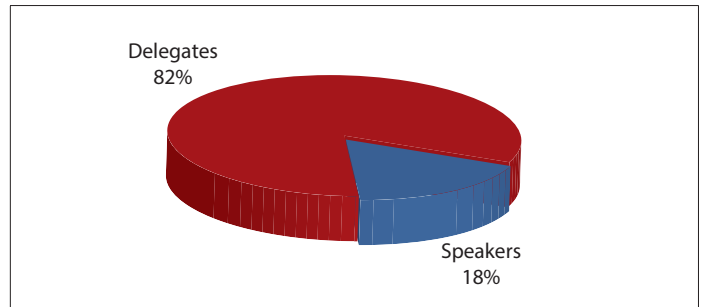
Overall Evaluation of the Speakers



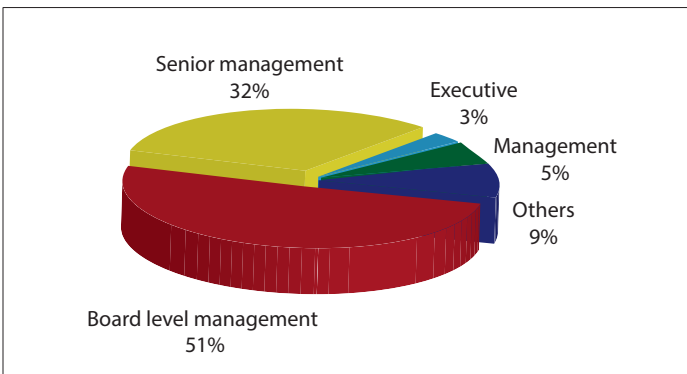
Delegates Who Would Like to attend IFN US Forum 2018



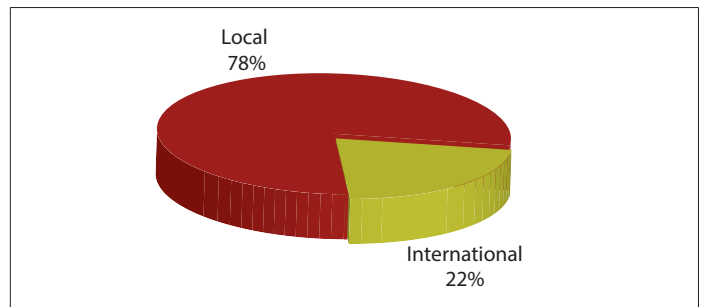
Delegate Breakdown



Delegate Job Title Breakdown



Delegate Breakdown (International and local)



Board Level Management	34
Senior Management	21
Management	3
Executive	2
Others	6
Total	66

POST-FORUM ANALYSIS REPORT



SPEAKERS

COMPANY	NAME	JOB TITLE
Andalus Capital	Mohammed S Ghouri	Managing Partner
Arch Street Capital Advisors	Damian Taylor	Senior Vice-President
Azzad Asset Management	Bashar Qasem	President and CEO
DDCAP Group	David Testa	Executive Director
Fajr Capital	Aamir Rehman	Managing Director
Guidance Residential	Kal Elsayed	CEO
Interfaith Center on Corporate Responsibility	Josh Zinner	CEO
King & Spalding	Andrew Metcalf	Partner
King & Spalding	James Stull	Partner
King & Spalding	Jawad Ali	Partner
Liquidity Finance	Dan Reddington	Fixed Income Broker
Michelman & Robinson	Umera Ali	Partner
New York State Senate	Senator Kevin S Parker	Senator
PwC	Oliver Reichel	Partner, Real Estate Tax
Quest Ventures / Wall Street Blockchain Alliance	Rushdi Siddiqui	Mentor, Islamic Economy Startups / Advisory Board
Roberts Moghul & Partners	Umar Moghul	Partner
S&P Dow Jones Indices	Michael Orzano	Director, Global Equity Indices
Saturna Capital	Patrick Drum	Portfolio Manager and Research Analyst
UIF Corporation	Aijaz Hussain	Senior Vice-President and Director
Wahed Invest	Harsh Khurana	Chief Strategy Officer
White Oak Advisors	Navid Goraya	CEO



IFN US Forum 2017 sessions would be broadcast on IFN-TV. For more info, visit <http://ifn-tv.com/> to know more. IFN-TV Channel is a fresh new media platform video content. All IFN Forums are filmed session by session and uploaded to IFN-TV, allowing you to revisit your favorites, catch up on sessions you missed or share clips of interest with others — and offering those unable to attend a vital alternative to access invaluable industry insights. The channel will also host exclusive interviews with industry leaders, along with discussions, roundtables, seminars and much more.

COMPANY LISTING

A.V.I.D. | Acr Retakaful | Amana Services International | Amcc Inc | American Muslim Consumer | Ameritane | Anchor Finance Group | Andalus Capital | An-Nur Cooperative Corporation | Apex Capital Group | Aqil Abdus Sabur.com | Arcapita | Arch Street Capital Advisors | Arman Chowdhury CPA | Arx Group | Ashrafal Alam Enterprise | Asian Economic Forum | Astoria Living Realty | Azzad Asset Management | Bank ABC | Beninvest & Associates | Blackwater Construction Group | BNP Paribas | Capital Markets Board of Turkey | Cerfi | Chop Eng Kian Hin | CN-Eximus | Columbia Business School | Consul Capital | Corcoran Group | DBA Cmi | DDCAP Group | DDGI | DF King | Dogan & Associates | Eastinvest SA | Eaton & Van Winkle | El Wealth | Enmaa | Executant Global Private Equity | Fab Capital | Federal Reserve Bank of New York | Friedman | Fujisankei Communications | Future First Energy | Gibson Dunn | Globewyze Inc | Glotex | Greatfxopbiz | Guidance Residential | Gulf Credit Opportunities Fund | Highland Capital | Hogan Lovells | HSBC Bank USA | Hutchin Hill Capital | Interfaith Center on Corporate Responsibility | Investments & Securities Tribunal | Investroo | Irfan Chattha Law Associates | Kgal Capital | Khan Real Estate | King & Spalding | KPMG | Law Firm of Hammad & Al Mehdar | Law Offices of Anand Ahuja | LDJ | Liquidity Finance | Managed Fortune | Maybank | Medici Firma | Michelman & Robinson | MJ Investments | Modus Capital | Moloney Securities | Mrs Business Professional | Muslim Youth Mentors | Myriant Corporation | New Economy Research Center | New York State Senate | Norton Rose Fulbright | NQFD | Oasis Financial Holdings | Obex Group | Pakistan Stock Exchange | Peri Energy | Plaques by Azra | Premier Wealth Advisors | PricewaterhouseCoopers | Provision Capital | PwC | Qatar Financial Centre | Quest Ventures / Wall Street Blockchain Alliance | Raqaba | Raymond James Financial | Reaya Holding | Roberts Moghul & Partners | S&P Dow Jones Indices | Sajco | Salihu Shehu & Co | SAS Asset Recovery | Saturna Capital | Saudi Fund for Development | Sharp Opinion Management Consulting | Societe Generale | South Street Asset Management | Stork Human Capital | Takaful Outsource | Think Tank Ethics Canada | Thompson Hine | UIF Corporation | Verizon | Wahed Invest | White Oak Advisors | Widener University Law School | York College |