

# IFN FORUM

## INVESTOR

2015

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2015

**1st APRIL 2015**  
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# Building Business

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King & Spalding is an international law firm with more than 30 years experience advising clients globally on Islamic finance. Consistently ranked among the best in the world by *Chambers Global* and *The Legal 500*, the firm's Global Islamic Finance and Investment practice includes over 30 lawyers and professionals in offices across Europe, the United States, and the Middle East. With nearly three decades of experience in this highly specialized and growing area, the firm is considered to be the only law firm with the expertise and depth to structure and implement sophisticated *Shari'ah*-compliant investment and financing transactions in Europe, the United States, the Middle East and Asia. In Europe, the firm is recognized as a leader in structuring and advising on *Shari'ah*-compliant real estate financing and investments as well as advising various international investment banks in their capacities as arrangers in debt capital market transactions, particularly *Sukuk* issuances. In the United States, the firm is widely acknowledged as the firm of choice for *Shari'ah*-compliant investment and financing transactions in the United States. In the Middle East, the firm leads in the formation of investment funds across a range of asset sectors, and the innovative fund structures it has developed to deal with local ownership and financing restrictions are now precedents followed by the industry. The firm maintains a leading role in handling debt capital markets work, in particular *Sukuk* issuances for issuers and lead arrangers across the Middle East and Turkey.

## KING & SPALDING

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# FEEDBACK FORM

Please spare a minute to provide valuable feedback.

## 1. Overall Evaluation

- Pre-event contact
- Venue & facilities
- Overall evaluation of the event
- Overall evaluation of the speakers

| Excellent            | Good                 | Average              | Poor                 |
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## 2. Which Sessions Were of Interest to You?

- Key Growth Markets for Islamic Investments in 2015
- Shariah Compliant Sectors and Asset Classes on the Rise
- Global Trends in Islamic Asset Management
- Asset Allocation Strategies and Cross Border Distribution
- Is Crowdfunding the Next Big Thing in Islamic Investing?
- Sector Focus: Where is the Shariah Compliant Real Estate Investment Market Headed?

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## 3. Speakers Evaluation

### Keynote Address

- Dr Mark Mobius, Franklin Templeton Investments

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### Key Growth Markets for Islamic Investments in 2015

- Rizwan Kanji, King & Spalding (*Moderator*)
- Alex Armstrong, QInvest, Qatar
- Emad Al Monayea, KFH Investment, Kuwait
- Linar Yakupov, Islamic Business and Finance Development Fund, Republic of Tatarstan
- Murat Cetinkaya, Central Bank of the Republic Turkey
- Prof Datuk Dr Rifaat Ahmed Abdel Karim, International Islamic Liquidity Management Corporation

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### Shariah Compliant Sectors and Asset Classes on the Rise

- Monem Salam, Saturna, Malaysia (*Moderator*)
- Alka Banerjee, S&P Dow Jones Indices, USA
- Cassim Docrat, DDCap (DIFC), UAE
- Eric Swats, Rasmala, UAE
- Ritjana Cevoli, Ridge Capital, UAE
- Tariq Al-Rifai, Kuwait Finance House, Kuwait

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### Global Trends in Islamic Asset Management

- Ayman Khaleq, Morgan Lewis (*Moderator*)
- Behnam Gurbanzada, International Bank of Azerbaijan
- Giorgio Medda, Azimut Portfoy Yonetimi, Turkey
- Mohammad Shoaib, Al Meezan Investment Management, Pakistan
- Mohieddine Kronfol, Franklin Templeton Investments
- Tarek Salim, Arabesque Asset Management, United Kingdom
- Saleem Khokhar, National Bank of Abu Dhabi, UAE

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(More speakers on next page)

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**Asset Allocation Strategies and Cross Border Distribution**

- Bishr Shiblaq, Arendt & Medernach, UAE (*Moderator*)
- Brian J Luck, Asiya Investment, UAE
- Jamaluddin Nor Mohamad, Bursa Malaysia
- Kamran Butt, Sedco Capital, Saudi Arabia
- Muneer Khan, Simmons & Simmons Middle East

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**Is Crowdfunding the Next Big Thing in Islamic Investing?**

- Lauren McAughtry, Islamic Finance *news* (*Moderator*)
- Aamir Rehman, Fajr Capital, UAE
- Paul Boots, Beehive
- Sam Quawasmi, Eureeca
- Waleed Esbaitah, DURISE

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**Sector Focus: Where is the Shariah Compliant Real Estate Investment Market Headed?**

- Jawad Ali, King & Spalding (*Moderator*)
- Henry Thompson, Gatehouse Bank, United Kingdom
- Philip Churchill, 90 North Real Estate Partners, United Kingdom
- Robin Williamson, Deloitte, Saudi Arabia
- Tim Rose, Emirates NBD Asset Management, UAE

| Excellent            | Good                 | Average              | Poor                 |
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Would you be interested in attending next year's IFN United Arab Emirates Forum?

Yes  No

Would you be interested to subscribe to IFN Weekly?

Yes  No

Would you be interested in attending training courses in the United Arab Emirates?

Yes  No

What would you like to see covered in future events?

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What can we, as organizers, do to improve this event for the future?

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Please provide a testimonial about this forum

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Submitted by:

Name:

Email:

Company:

**Thank you and we wish you a pleasant return journey. See you next year!**

Please tear apart and return to REDMoneygroup



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# Welcome to the 2015 IFN Investor Forum

The Shariah compliant asset management sector still holds vast opportunities for the Islamic finance industry. The entrance of new players such as the UK, Hong Kong, Luxembourg, South Africa, the US and Pakistan into the industry marks a significant milestone for the market as it offers more diversification and more players.

Although the growth of funds and assets under management (AUM) were relatively stagnant due to market volatility over the past year, certain markets managed to maintain fair growth in these uncertain conditions. Malaysia and Saudi Arabia together held 62% of global Islamic AUM which stood at US\$73 billion in 2014. In Malaysia, Islamic AUM registered a 24% annual growth in the last five years reflecting the growing preference for Shariah compliant investments among both retail and institutional investors.

In the GCC, one of the driving forces of the Islamic asset management sector is the strong participation of institutional investors, both domestic and international. This interest has not gone unnoticed, and the up-and-comers in the region have already taken note. The Dubai International Financial Center last year amended its collective investment regulations to incorporate a new form of fund, called a qualified investor fund (QIF): designed as a 'lighter touch' regulatory regime targeted at attracting institutional investors and which can process and license applications within just 48 hours.

One of the major developments is the opening up of Saudi Arabia's stock market, Tadawul, to foreign investment. Said to be a game changer for the international asset management space, the US\$530 billion stock market has managed to attract quite a few international financial institutions and asset managers that are keen to acquire the qualified foreign investor license in the country. With the entry of Saudi Arabia as a real contender in the international asset management space, the knock-on effect for some local and regional players could be quite significant.

The IFN Investor Forum 2015 will bring you a comprehensive and transparent insight into the Islamic asset management sector, discussing the latest trends in Shariah compliant investing, including global real estate trends, private equity funds, Islamic exchange traded funds, real estate investment trusts, wealth management and other asset management products. Key industry leaders that we have gathered will place you at the forefront of the sector delivering invaluable information on key Islamic investment markets in 2015 and upcoming Shariah compliant sectors and asset classes.

We hope you will find this event highly useful and productive, discovering new ways to further harness advancements across the Islamic finance industry.

**REDmoney** is the foremost global provider of specialized Islamic financial media services across three core divisions of events, publishing and training. Established in 2004, the firm has offices in Dubai and Kuala Lumpur: offering an unrivalled multi-channel service across the full spectrum of the global financial markets. The outward-facing arms of the REDmoney publishing and events portfolio are supported by REDmoney Training, which provides access to industry-leading expertise from the best in the field. REDmoney Group covers the full range of global markets: from emerging Islamic economies across Africa and Asia to industry leaders such as Malaysia and the GCC along with developed nations in Europe and the Americas seeking to enter the sector. The company offers unequalled access to the elite of the industry: with relationships built up over a decade of trusted communication with market leaders to provide a detailed network covering every aspect of Islamic financial services.



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09:00 – 09:10 Welcome Address

09:10 – 09:40 **Keynote Address**

**Dr Mark Mobius** — Executive Chairman, Templeton Emerging Markets Group, Franklin Templeton Investments

## Key Growth Markets for Islamic Investments in 2015

09:40 – 10:30 **Global investment leaders share their views on which emerging, frontier and mature markets are expected to thrive in 2015 and which regions investors should look out for.**

- How will global regulations impact the growth of Islamic investments in the coming year?
- Emerging opportunities in South Asia and the impact of geopolitics on the investment landscape
- Indonesia: Opportunities, challenges and future outlook
- What do Russia and the CIS region bring to the table?
- Outlook for Halal investments into North and South America
- North Africa and the GCC — what can investors expect from these regions in 2015?
- Islamic investment markets: Top picks for 2015

**Moderator:**

**Rizwan Kanji** — Partner, King & Spalding

**Panelists:**

**Alex Armstrong** — Managing Director, Head of Financial Institutions and Structured Finance, QInvest, Qatar

**Emad Al Monayea** — Board Director & Chief Executive Officer, KFH Investment, Kuwait

**Linar Yakupov** — President of the Islamic Business and Finance Development Fund, Republic of Tatarstan

**Murat Cetinkaya** — Deputy Governor, Central Bank of the Republic of Turkey

**Professor Datuk Dr Rifaat Ahmed Abdel Karim** — Chief Executive Officer, International Islamic Liquidity Management Corporation

10:30 – 11:00 Coffee & Networking

## Shariah Compliant Sectors and Asset Classes on the Rise

11:00 – 11:45

- Agriculture investments: Where are we likely to see the most growth in the coming year?
- Investing in the current negative interest rate environment: What it means for risks and investment going forward
- How should investment strategy in oil & gas change in light of recent events?
- Will we see a significant shift towards the use of renewable energy, environmental assets and other intangible assets?
- Investing in aviation and other transportation modes as an asset class
- Recent trends in investing in real assets
- How will Basel III regulations affect global markets and investment strategy?

**Moderator:**

**Monem Salam** — President, Saturna Malaysia

**Panelists:**

**Alka Banerjee** — Managing Director, Strategy and Global Equity Indices, S&P Dow Jones Indices, USA

**Cassim Docrat** — Director, DDCap (DIFC), UAE

**Eric Swats** — Head of Asset Management, Rasmala, UAE

**Ritjana Cevoli** — Managing Director, Asset Management, Ridge Capital, UAE

**Tariq Al-Rifai** — Head of Investor Relations, Kuwait Finance House, Author of *Islamic Finance and the New Financial System*, Kuwait

## Global Trends in Islamic Asset Management

- 11:45 – 12:35
- What is the investment mandate for sovereign wealth funds in 2015?
  - How are equity & PE funds, fixed income funds, pension funds and VC funds shaping the Islamic investor's portfolio: Will we see a change in current trends?
  - Importance of the rise and prominence of HNWI and family offices
  - Equity is the new fixed income

### Moderator:

**Ayman Khaleq** — Managing Partner, Morgan Lewis

### Panelists:

**Behnam Gurbanzada** — Director, Islamic Banking, International Bank of Azerbaijan

**Giorgio Medda** — Chief Executive Officer, Azimut Portfoy Yonetimi, Turkey

**Mohammad Shoaib** — Chief Executive, Al Meezan Investment Management, Pakistan

**Mohieddine Kronfol** — Chief Investment Officer — Global Sukuk and MENA Fixed Income, Franklin Templeton Investments

**Tarek Selim** — Chief Operating Officer, Arabesque Asset Management, United Kingdom

**Saleem Khokhar** — Head of Fund Management and Equities, National Bank of Abu Dhabi, UAE

- 12:35 – 14:00 Luncheon
- Islamic Finance news**  
**Awards**  
**Islamic Investor**  
**2014**

## Asset Allocation Strategies and Cross Border Distribution

- 14:00 – 14:45
- Long and short-term asset allocation strategies and trends for Islamic investors
  - Asset mix and risk tolerance across asset classes
  - How will current market conditions alter asset allocation strategy?
  - How is the concept of passporting influencing offshore fund distribution and overcoming regulatory hurdles to fund distribution?
  - How can the mechanism for distribution of funds in non-Muslim countries be improved? Will new regulations promote cross border distribution?

### Moderator:

**Bishr Shiblaq** — Head, Dubai Representative Office, Arendt & Medernach, Dubai

### Panelists:

**Brian J Luck** — Director, Investment Advisory, Asiya Investments, UAE

**Jamaluddin Nor Mohamad** — Director of Islamic and Alternative Markets, Bursa Malaysia

**Kamran Butt** — Managing Director, Head of Client Advisory & International Sales, Sedco Capital, Saudi Arabia

**Muneer Khan** — Partner, Simmons & Simmons Middle East



## Is Crowdfunding the Next Big Thing in Islamic Investing?

- 14:45 – 15:25 *Crowdfunding is big news this year, with a groundswell of interest that has seen legislation introduced in the US, UK and several other jurisdictions as nations legitimize what is promoted as one of the few truly egalitarian and accessible forms of entrepreneurial start-up funding. The story has already swung into gear on the conventional side with a plethora of successful case studies — and with principles that perfectly match the platform of Shariah compliant SME support, is it a trend tilting on the edge of enormity for the Islamic world as well?*
- How do crowdfunding principles match Islamic investing — and are there any areas where they don't?
  - Equity-based crowdfunding versus peer-to-peer and debentured lending: Where are the biggest possibilities and what are the challenges specific to Islamic financing?
  - Danger ahead: What pitfalls are there for unwary investors and how can we protect against them?
  - Why are there not more Shariah compliant crowdfunding platforms out there yet, and can we expect to see more in the coming year?
  - The Malaysian government has supported a new platform on Bursa Malaysia: Why are more governments not encouraging this exposure?

### Moderator:

**Lauren McAughtry** — Group Managing Editor, *Islamic Finance news*

### Panelists:

**Aamir Rehman** — Managing Director, *Fajr Capital, UAE*

**Paul Boots** — Chief Operating Officer, *Beehive*

**Sam Quawasm** — Managing Director & Co-Founder, *Eureeca*

**Waleed Esbaitah** — Founder & Chief Executive Officer, *DURISE*

## Sector Focus: Where is the Shariah Compliant Real Estate Investment Market Headed?

- 15:25 – 16:15 *Leading real estate investments specialists are asked what can be expected from real estate markets globally this year.*
- Which real estate markets are expected to outperform, and why?
  - How will falling oil prices affect real estate investments in the GCC?
  - What further innovation can be expected in Shariah compliant real estate transactions in 2015?
  - In light of the global economic trends, what risks should real estate investors be aware of?

### Moderator:

**Jawad Ali** — Managing Partner, Middle East Offices, *King & Spalding*

### Panelists:

**Henry Thompson** — Chief Executive Officer, *Gatehouse Bank, United Kingdom*

**Philip Churchill** — Founder & Managing Partner, *90 North Real Estate Partners, United Kingdom*

**Robin Williamson** — Managing Director — Real Estate Advisory, Middle East, *Deloitte, Saudi Arabia*

**Tim Rose** — Head of Real Estate, *Emirates NBD Asset Management, UAE*

16:15 – 16:20 Closing remarks

16:20 – 17:00 Coffee & Networking



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**Giorgio Medda**

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by KLIFF Islamic Finance Awards 2009



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North Real Estate Partners



**Monem Salam**  
President, Saturna Malaysia



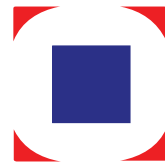
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**Thom Polson**  
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**DDCAP Group**

## **DDCAP Limited**

- Positions itself as an intermediary in the Islamic Financial Services Industry providing structuring support, trade execution and value-added services to its global clients
- DDCAP holds a unique market position as facilitator across a diverse range of Sharia'a compliant products, asset classes and instruments in both the Islamic primary and secondary market

## **DD&Co Limited**

- Commodity Facilitation

## **DDGI Limited**

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### **DDCAP Limited**

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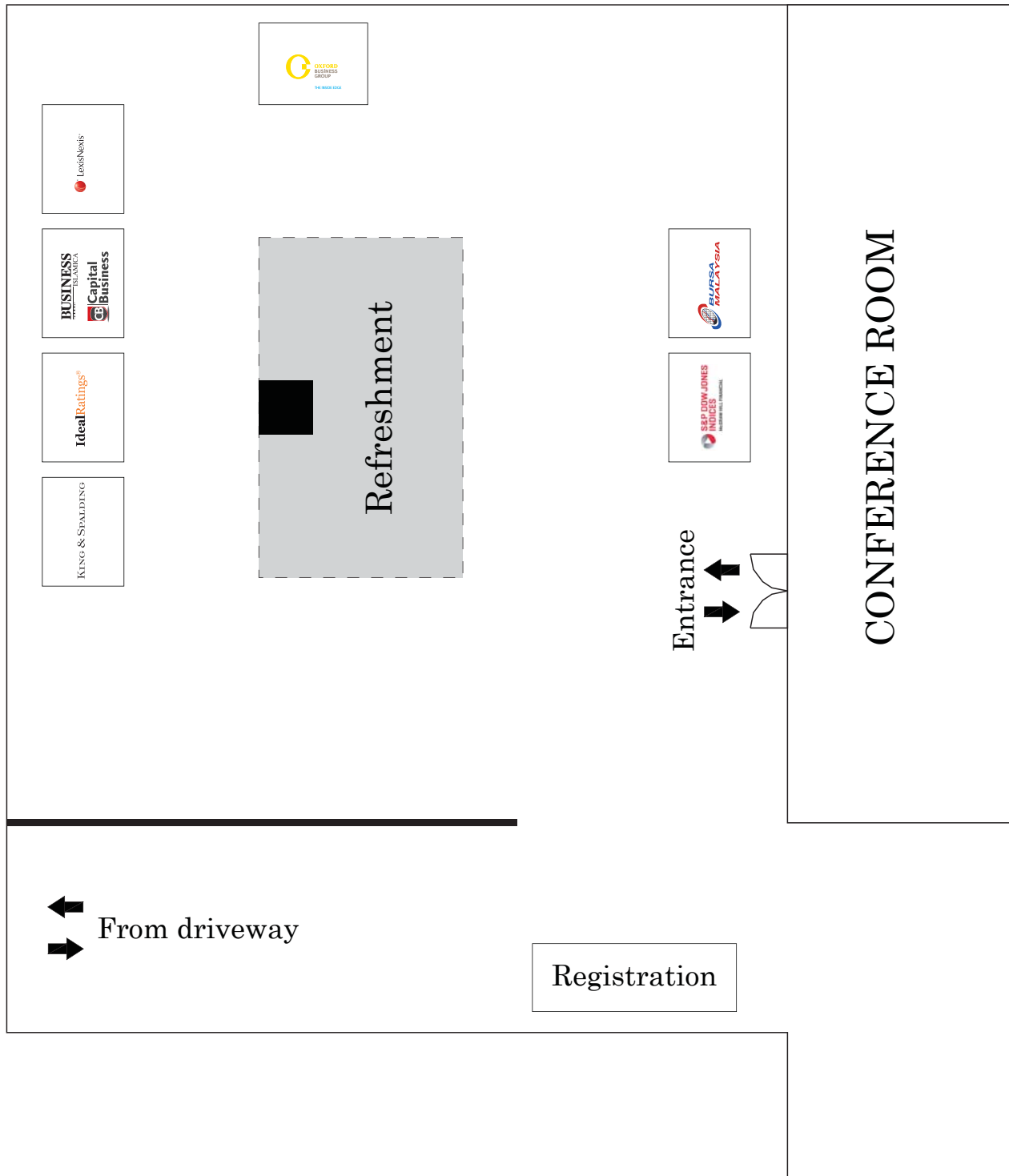
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# Forget about Sukuk, it's time to talk about Salaf bonds!

It would have been unimaginable a few years ago to talk about negative bond yields much less witness this phenomenon happening right before our eyes. The reality is that today we are seeing an increasing number of bonds in Europe and Japan falling into negative yield territory. In light of this development, TARIQ ALRIFAI proposes an alternative Shariah compliant structure which he argues has more appeal than negative yield bonds.

The Wall Street Journal estimates that there are currently US\$1.7 trillion in bonds trading with negative yields and the number is growing daily. For this we can thank central banks for their quantitative easing (QE) and other money-printing programs as they continue with their failed attempts at stimulating global growth. This, by the way, has gone on for six years and shows no sign of changing in the near future. What does this mean for the bond market? It means that yields are going lower and more will fall deeper into negative territory.

**“Negative-yielding bonds tend to be from the highest-quality issuers and will only exacerbate the trend to negative territory as investors flee to safety”**

**What does it mean to have a negative yield and who would buy such an instrument?**

Bonds that have a negative yield simply mean that investors have to pay for the right to own them. If they hold the bond to maturity they will get back less than they invested.

Investors are lining up to buy these bonds. Recent government issues in Europe have been oversubscribed. Some corporate issues, such as Nestle, have also seen their yields go negative. There are three main reasons investors are piling into these bonds as follows.

First, the world is headed for deflation on a global scale, despite all the central banks' efforts. This can be witnessed by falling commodity prices and the fact

that many countries in the European Union are already in deflationary territory or barely showing positive inflation as is the case in the UK. A recent article on CNBC.com stated that inflation in the UK has reached its lowest level since records began. Investors fearing deflationary pressures will grow are piling into these bonds because they will profit from holding on to them as deflation takes hold. It is also important to note that in a deflationary environment the weakest issuers tend to default first and then go up the ratings chain. Therefore, negative-yielding bonds tend to be from the highest-quality issuers and will only exacerbate the trend to negative territory as investors flee to safety.

The second reason for buying these bonds is to hedge against other currencies. Investors buying into negative-yielding euro bonds might hope to gain if the euro appreciates against other currencies.

The third reason is the result of the European Central Bank (ECB)'s recent announcement to launch a QE program. Investors believe that it will only make the current bonds rise in value giving them a return. As the supply of bonds eligible for the ECB's QE program (that is, the highest quality) dwindles, the values of these bonds are expected to rise giving investors a gain after they sell.

On the flipside, these actions by the central bank are hurting more people and institutions than they are helping. For example, insurance companies and pension funds stand to lose as they need fixed income to pay out to their clients. Savers are also punished because there are no more safe havens for their hard-earned income.

**What solutions does Islamic finance have to help?**

Sukuk have been a driving force over the past decade in globalizing Islamic finance and bringing much needed fixed income solutions to Islamic investors. The phenomenal growth of the Sukuk market has been well-documented and reported on in recent years. However, falling yields and a rush of cash out of emerging markets where the Sukuk market's prime issuers are based will slow the growth in the coming years. This trend presents an opportunity to develop a new financial instrument: Qard Hassan bonds, or simply interest-free bonds. A Qard Hassan is a benevolent

loan given usually for charity with repayment of the principal on demand by the lender. I am told that there is a better term of an Islamic interest-free loan, which is Salaf. Salaf differs from Qard in that it is an interest-free loan with repayment over a specified period and not on demand. The word Hassan means benevolent and is typically meant for charity. Therefore, it will be more appropriate to call this new instrument Salaf bonds.

**“ Investors from other parts of the world will be lining up to get a guaranteed zero return by top-rated issuers, which would have been unthinkable a few years ago ”**

The benefit of Salaf bonds from an Islamic perspective is that it is a money loan and does not need to be tied to any asset. This makes it much less complex than Sukuk. There are also no interest payments or complex structure to monitor and collect rent/lease payments. The Salaf can be used for any Shariah compliant purpose and be based solely on the credit quality of the issuer. The principal must be fully repaid with no discount (no negative yield) and no premium. From a conventional perspective, these bonds can be more attractive than negative-yielding bonds for two main reasons. First, they will never have a negative yield and second, they will have no market volatility risk. This can be a downside for investors hoping to gain on the fluctuation in bond prices.

However, it's worth noting that the three main reasons investors are buying negative-yielding bonds today make holding Salaf bonds attractive as well. First, in a deflationary environment, a return of your investment is more important than seeking a return on your

investment. As long as the issuers of Salaf bonds are of the highest quality, investors holding them stand to gain more than holding on to negative yielding bonds. Second, Salaf bond investors can also benefit from appreciating currencies. Euro investors can gain from holding on to the US dollar Salaf bonds if the dollar appreciates against the euro. Third, investors need not worry about supply and demand of these bonds affecting their prices. Shariah requires that money and loans such as Qard Hassan and Salaf do not trade at a premium or discount.

### Who can issue Salaf bonds?

Any government or company can issue Salaf bonds provided their business is deemed to be Shariah compliant, such as companies in energy, healthcare, manufacturing and technology. Conventional banks, insurance companies, hotels and gaming companies will not be able to issue Salaf bonds.

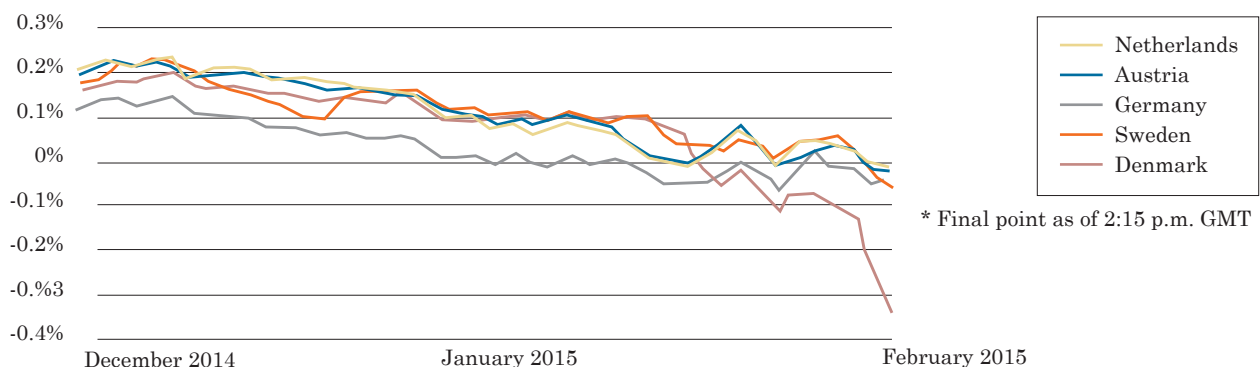
In a deflationary environment, Salaf bonds become attractive to members of the Organization of the Petroleum Exporting Countries (OPEC). Falling oil prices mean OPEC members will need to tap into debt markets to fund their expected budget gaps. Salaf bonds provide them with a Shariah compliant solution that can be attractive to conventional and Islamic investors alike. Oil exporters such as Kuwait, Qatar, Saudi Arabia and the UAE have high credit ratings and can easily issue in US dollars broadening the appeal for their bonds on a global scale. Investors in the Middle East may not like these bonds as they are accustomed to earning a return on their investments. This, however, will not matter as investors from other parts of the world will be lining up to get a guaranteed zero return by top-rated issuers, which would have been unthinkable a few years ago. <sup>(2)</sup>

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Chart: Borrowers' market

Five-year government bonds of Germany, Austria, Netherlands, Sweden and Denmark are yielding less than zero.



Source: Tradeweb via Thomson Reuters

The Wall Street Journal

# Shariah compliant asset management: overcoming distribution challenges

**Conventional asset management has seen impressive growth over the last few decades and funds have become a well-established financial product. However, Shariah compliant asset management remains a niche within conventional asset management. Why is Islamic asset management, PIERRE OBERLÉ asks, still small and how can it further develop?**

**There is strong growth potential in the Islamic asset management sector but growth has so far been limited and the average size of Shariah compliant investment funds remains smaller than conventional funds. Distribution challenges seem to be a key explanation of the issues the sector is facing. When looking at the Islamic funds launched over the last decade, there are two scenarios as follows.**

On the one hand, several large international asset managers have launched Shariah compliant investment funds in the last 10 years. Some have been successful but many did not meet the success they hoped for because they lacked distribution channels in the Middle East and Southeast Asia where they hoped to collect most of the assets. On the other hand, smaller-sized local asset managers, mostly in the Middle East and Southeast Asia, have launched funds in their home jurisdictions that they sell to local investors. Their growth potential is limited by the size of the population of their home country because these products are hard to sell beyond their national borders.

A major trend in the asset management world in these last 20 years was the emergence of a new business model: the cross-border distribution of funds. Asset management groups are using one country as a hub to sell their funds to investors in as many countries as possible across the globe, instead of setting up local funds in each of the different countries in which they want to target investors.

Luxembourg has become the main international distribution hub with funds sold to investors in 70 countries across the globe. The emergence of this cross-border distribution business model was enabled by one European Directive called Undertakings for Collective Investment in Transferable Securities (UCITS) in 1985. It had an objective to create a harmonized legal framework for investment funds across Europe, to define an equivalent level of investor protection and to facilitate cross-border sale of funds by creating a fund distribution passport which means that a fund domiciled in one European country could very easily be sold to investors in all the other countries of the European Union. Over the years, UCITS has become a very well-recognized brand around the world and, UCITS funds are now the preferred way to reach investors globally.

The UCITS structure is well suited to the principles underlying Islamic finance: since UCITS funds are primarily for retail investors, the main concern is safety, and funds have rigorous investment policies that accommodate the prohibition of Gharar (uncertainty).

However, only a limited number of Shariah compliant funds have adopted this structure. Indeed, even though UCITS is the most appropriate structure for Islamic fund promoters targeting retail or institutional investors in different countries, other structures may be more appropriate, depending upon the promoter's investment strategy and targeted investor base. Indeed, most Shariah compliant funds have a limited targeted investor base or an investment strategy, such as real estate for example, that does not fit into the UCITS requirements. They have therefore chosen other structures which do not benefit from the passport and the global reach offered by UCITS. This is about to change. Indeed, the European Commission has been putting in place since 2011 a new framework called Alternative Investment Fund Managers Directive (AIFMD) which covers, in a nutshell, everything that did not fit into UCITS (e.g. real estate, private equity and hedge funds). One key component is that these funds will also benefit from a passport for distribution to institutional investors. It is hoped that AIFMD will follow the same path as UCITS and that it will also become a recognized brand around the world. This would be a great tool to solve the distribution problems that non-UCITS Islamic funds are facing.

Another encouraging element is that several MENA and Southeast Asian asset managers have reached a certain size and want to expand internationally. They are considering launching UCITS funds since it can help them extend their investor base and penetrate new markets.

I am confident that Shariah compliant asset management groups will in the future be able to position themselves in the cross-border distribution business and grow further in this way. (2)

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# Islamic asset management in Pakistan: Where we are headed in 2015

The asset management industry in Pakistan is more than 50 years old. The first mutual fund was launched in the public sector in 1962 when the National Investment Trust was set up; followed by many more private sector firms established in the early 1990s offering closed-end mutual funds followed by the introduction of private sector open-ended funds in 1995. MOHAMMAD SHOAIB gives an overview of the industry and discusses the outlook for this rapidly growing success story.

Today there are 22 asset management companies (AMCs) operating in the country, offering four closed-end and 170 open-end mutual funds including 15 voluntary pension funds. These AMCs are also offering investment advisory and asset management services to the clients besides managing discretionary and non-discretionary separately managed accounts.

The first license for a fully-fledged Shariah compliant AMC was issued in 2003 when Al Meezan Investment Management was issued with an asset management license. Prior to that, Al Meezan was operating as an investment advisory company since 1995.

Before we deliberate on what lies ahead for Islamic asset management in 2015, let us take a brief overview of where this industry stands today.

Assets under management (AUMs) of the total mutual funds industry stand at PKR442 billion (US\$4.33 billion) as of October 2014, of which the share of Shariah compliant funds is about PKR81 billion (US\$793.34 million) only: a market share of around 18%. Though the composition of Shariah compliant funds in the overall industry is relatively low, it is worth noting that Islamic fund AUM have grown by an impressive annualized rate of around 29% over the past five years compared to a meager growth of 5% in AUMs of conventional funds. The growth rate in AUM of Shariah compliant funds has been double the growth rate of their counterpart conventional funds in the last 11 years and it is anticipated that this trend will continue in years ahead.

Being the only fully-fledged Shariah compliant AMC in the country, Al Meezan has a market share of 65% in the Islamic funds and 14% share in the overall asset management industry. This makes it the largest AMC in the private sector. Al Meezan has the distinction of being the only AMC in the industry to be awarded the highest credit rating of 'AM2+' by the credit rating

agency, JCR-VIS. Moreover, Al Meezan has under management the largest equity fund and voluntary pension fund of the industry. Given the robust growth of Islamic funds, more and more AMCs are now focusing on this segment of the market.

***“ The growth rate in AUM of Shariah compliant funds has been double the growth rate of their counterpart conventional funds in the last 11 years and it is anticipated that this trend will continue in years ahead ”***

With more focus on the Shariah compliant segment of the market by both AMCs and potential investors, a major factor hindering their growth is limited investment avenues available for money market and income funds, the category of funds with an overall share of 51% in the Islamic mutual funds sector.

It is, however, anticipated that with the introduction of Open Market Operations (OMO) of Government of Pakistan Rupee denominated Sukuk Ijarah by the central bank in the last quarter of 2014, the investible universe for mutual funds and other Islamic banking institutions will expand further in 2015, enabling money market and income funds to manage their liquidity more effectively and provide even more competitive returns to investors.



Some of the other challenges for the Islamic funds industry include low awareness of the mutual funds sector in general along with low understanding of Islamic finance; a smaller distribution network of AMCs compared to banks which limits their reach to investors and a dearth of talented human resources to fully capitalize on the potential of this industry.

***“Interestingly, the universe of Shariah compliant stocks is over 50% of the overall market capitalization, providing Islamic stock funds ample opportunities to invest and diversify their exposure across different sectors and companies”***

While challenges exist, multiple positive developments are also emerging that are expected to positively impact the mutual funds industry.

One of the major impetuses for the growth of Islamic funds in 2015 will be the robust stock market in the country, which has recorded a tremendous annualized growth of around 30% over the last five years. Interestingly, the universe of Shariah compliant stocks is over 50% of the overall market capitalization,

providing Islamic stock funds ample opportunities to invest and diversify their exposure across different sectors and companies.

So far there are no Shariah compliant commodity funds in the country. Even the size of conventional commodity funds is miniscule given the low volumes of trading at the Pakistan Mercantile Exchange (PMEX), the only commodity exchange in the country. We are likely to see the launch of the first Shariah compliant commodity fund in the country in the first quarter of 2015, in the form of Meezan Gold Fund.

REITs and private equity are other investment segments with a huge potential for growth but so far remain relatively unexplored and hence we have not witnessed any Shariah compliant funds in this space. Recently, the Securities & Exchange Commission of Pakistan (SECP), the regulator for AMCs, has shared a revised draft of regulations for REITs and private equity funds with the market participants.

The draft regulations allow AMCs to apply for a REITs and private equity license and float such funds whereas under the existing regulations, separate companies are required to be set up to launch these funds. We anticipate that with the upcoming changes in the regulations, we will also witness the launch of Shariah compliant REITs and private equity funds in the country.

In summary, there is a huge potential for growth in Islamic asset management and the phenomenal growth it has recorded in the recent past is likely to continue in 2015 and beyond. (2)

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*This was published on the 7<sup>th</sup> January 2015 (IFN Vol 12 Issue 01).*

# Australia: A ‘smart’ Islamic investment

**Australia has been front and center in the world media following the G20 summit in Brisbane earlier last month. The nation’s political stability, resilience during the global financial crisis and close proximity to Asia Pacific make it a crucial regional player in the global financial services market — and that includes Islamic investment. Consider this, suggests YEMA AKBAR — 972.5 million (or 62%) of the world’s Muslim population resides at Australia’s doorstep.**

**Uniquely, Australians contribute a compulsory 9.5% of their income to pension funds (superannuation) as part of committed government policy to boost national savings and combat the effects of an ageing population. With the country’s total pension savings for 2014 amounting to a cool US\$1.9 trillion, the industry contributed more than 2% to annual GDP from fees revenue alone and is the fourth-largest pension fund industry in the world. That includes a potential market of US\$20 billion in Islamic pension assets in Australia.**

There lies a missed opportunity in that, globally, Islamic pension funds constitute less than 1% of pension assets. For instance, the top 300 pension funds in the world manage US\$14.9 trillion but include only three funds from the Organization of Islamic Cooperation (OIC) region, who between them manage just US\$2.69 billion. The opportunity for growth is immense.

Talal Yassine, the managing director of Crescent Wealth (the country’s first Islamic wealth manager and founder of the first private Islamic pension fund in Australia), recently announced an agreement with Dar Al Sharia Legal & Financial Consultancy, Dubai Islamic Bank’s Shariah consultancy and advisory firm, to seek its consultancy services and provide further certification on all its wealth management and corporate advisory matters.

The agreement advances efforts to bridge investment between Australia and OIC countries in terms of developing new and innovative initiatives that comply with generally accepted Shariah principles and standards.

Yassine is seeking to reshape the flow of Islamic asset management flows with a view to tapping into the global investment grade commercial property market valued at US\$26.6 trillion. Recent estimates value the Australian commercial property market (covering all investment grade commercial property — offices, retail, hospitals, and such) at US\$656 billion.

The Australian commercial property market has significant long-term overseas institutional investors. Major global pension funds, both private and sovereign, have increasingly entered the market, attracted by

a developed economy and a mature property market offering quality returns. Securitized property plays a valuable role in providing Australians with access to commercial property and the capital to develop and own the nation’s office, retail, industrial, hotel and social infrastructure assets.

Operating in one of the world’s largest REIT markets, Islamic property investment is well placed to propel forward having now matured. The Crescent Diversified Property Fund, for example, which seeks out listed and unlisted property assets complying with Islamic investment principles, was ranked second across all Australian real estate funds over the 2014 financial year according to Morningstar — testament to the strength of applying Islamic investment principles in the Australian commercial property market space.

“We are seeing substantial interest across Australian property assets, particularly commercial assets offering attractive yields,” commented Yassine. “We like the opportunistic play across core plus assets in our major capital cities.” As an example, growth in New South Wales is expected to be stronger over the next three years, reflecting the turnaround in the state’s economic fortunes. The improvement should also be apparent in office employment, with declining vacancy rates and increased demand for office space.

With widely recognized strengths in retail and commercial banking and experience in infrastructure, property, resources and agricultural financing, it’s no wonder the Australian government has been eager to attract investment flows from regional neighbors in order to propel these industries forward. Islamic investment remains integral part of a broader foreign direct investment strategy, with the objective of establishing Australia as a financial services leader in the highly competitive Asia Pacific region.

With the Islamic finance industry firmly established in the Australian financial services market and economic ties set to strengthen with the Middle East, Australia is fast becoming a smart choice for Islamic investment. (2)

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# Turning the key: Unlocking the Ottoman potential for Islamic asset management

A unique market with characteristics unlike almost any other Islamic investor base, Turkey has long been heralded as a growth story waiting to happen in terms of asset management — yet so far the sector has been slow to take off. With new regulations introduced this year and an economy that despite financial and geopolitical challenges has shown remarkable resilience, this could be about to change. As the door finally swings open for asset managers to show what they can do, LAUREN MCAUGHTRY looks through to view a new landscape of Islamic opportunity.

## *Resilient rebound*

Despite its challenges, the Turkish economy has put in a remarkable performance and seen consistently steady growth over recent years. The 17<sup>th</sup>-largest economy in the world, Turkey became the fastest growing economy in Europe in 2011 with an 8.5% GDP growth. The International Monetary Fund (IMF) has warned of weaker growth going forward: “Turkey’s low domestic savings and challenges related to competitiveness are becoming limiting factors for investment and exports. Thus, on current policies and national saving rates, economic growth is expected to slow to about 3.5% per year in the medium term.” However, overall growth is still predicted to reach 6.7% between 2011-17, one of the fastest in the OECD. Attractive demographics including a 99% Muslim population of 76 million, with an average age of just 29; along with low levels of household indebtedness; foreign direct investment flows of US\$12.9 billion in 2014; and a strong banking system with high capitalization, low leverage, solid assets and high liquidity making it a tempting prospect for asset managers. In addition, due to the primarily domestic investor base, the asset management industry in Turkey has also remained relatively immune from the recent flight from emerging markets following the final Fed meeting to end quantitative easing.

Assets under management in the Turkish fund industry grew 9.3% in the first eight months of last year according to Fitch Ratings. Pension fund assets, which comprise 43% of the entire fund industry’s assets under management, jumped 16.7% while the mutual fund sector experienced a more modest 4.2% increase. A raft of new laws from the government also encouraged over four million new investors to move into pension funds in 2013, increasing the total number of investors more than 50% to 12.3 million.

## *A unique market*

Nevertheless, the market in Turkey is characterized by some unique features that have so far slowed growth prospects. Chief among these is the reluctance to invest

in equity, which has led to a reversal in the general trend within the global Islamic investor base and a strong preponderance of Sukuk, fixed income and money market funds.

**“What is different about Turkey? The investment environment where the terms are very short — both for bank deposits and fixed income”**

“What is different about Turkey? The investment environment,” explained Dr Avsar Sungurlu, executive vice-president of BMD Securities, to IFN. “First of all, the terms are very short — both for bank deposits and fixed income. And Turkish people, because of past experiences of an instable economy, and some structural circumstances including tax reasons, are not used to investing in equities or in mutual funds. They have lost a lot in the past, so now they prefer fixed income securities or bank deposits.” The industry is still very small — between US\$15-20 million average fund size — and fixed income represents over 80% of total assets under management, compared to an average 42% in Europe. “So there is almost no equity investment; and the struggle to establish mutual funds for participation banks is ongoing.”

Some tax issues are also significant inhibitors to the industry, which will remain limited until these are removed. “For example if you buy and sell gold directly, you don’t pay any tax on capital gains,” explained Dr Avsar. “But if you buy 100% gold in an investment fund,

and you buy and sell that fund, you pay 10% withdrawal tax on the capital gains — Islamic or conventional funds are both subject to this. So in Turkey, mutual funds have significant disadvantages compared to other investments. This needs to be changed — it is illogical. It is like taxing public buses instead of private cars.”

This has resulted in a market which Salih Reisoglu, the general manager of Eczacıbaşı Securities, as long ago as 2008 described as lacking “capital, savings and appetite” — and in the last five years little has changed. The total percentage of GDP represented by funds was 4.3% in 2008, falling to 2.6% in 2012 (and just 0.6% if excluding money market funds) before rising back to around 4% in 2014. This is compared to ratios of over 20% in emerging economies such as Brazil and South Africa, around 40% in developing countries and over 100% in some OECD countries such as the Netherlands (138%) and Switzerland (111%). Even the eastern European average is 7% while the global average hovers around 25%, making the opportunities for growth in the asset management industry alluring.

Although a few firms have launched offerings: including the first Islamic ETF in the world from BMD Securities in 2006 and a recent rash of entries including Rhea Asset Management, which in September signed an MoU with CIMB-Principal Islamic Asset Management to develop its Turkish offering, the sector remains limited. A few foreign players hold Turkey-focused funds, such as National Bank of Kuwait (NBK), which offers an Islamic Turkey Real Estate Fund targeting returns of 18-20% per year; but these are focused on international investors rather than developing the domestic market. In terms of local investment management, growth remains stronger on the conventional side — although awareness of Islamic is growing, with major managers such as Ashmore expressing their interest in its potential.

### ***Pensions’ potential***

Where the real prospects lie are in the possibility of institutional growth fuelling longer-term base-level and retail participation. “What can change the landscape is the pension fund business,” agreed Dr Avsar. “As this grows, because it is a long-term business, it will include around 15-20% in equity positions, which in turn will increase the weight of equity investment in Turkey and stabilize the sector.” However, he warned that: “We see an increase in the weight of Islamic equity allocation in the future but at the moment, in the current market conditions, it is not easy to increase the growth rate for mutual funds. That makes Turkey unique in terms of Islamic investment.”

Fitch Ratings agrees with the optimistic assessment of Turkey’s growth potential: “We think that the long-term investment approach of pension funds will strengthen systematic asset allocation and shape the industry away from money market funds,” confirmed Roger Schneider, a senior director in the fund and asset manager rating group, in a recent report. “In the mutual fund sector, money market funds control 46% of assets under management, while for the pension fund sector they control just 6%. Equities, on the other hand, comprise

14% of assets across pension funds but just 5% across mutual funds.”

Pension funds are growing enormously in Turkey due to a range of initiatives from the Capital Markets Board (CMA) to encourage the sector, including measures to cut management fees and reform pensions, which contributed to a 30% growth of pension assets in 2013. One of the most influential of these was the decision two years to offer a 25% cash incentive direct into pension funds. “So if you do nothing, you have still earned 25%. This is leading to high growth on the pension funds side — and we are seeing this growth translate strongly into the participation banking side,” confirmed Dr Avsar. “This opportunity is very significant, and there is a very strong demand for Shariah compliant pension funds in Turkey.”

***“ Since the government issued Sukuk and are now rolling it regularly, the participation fund companies have a fundamental instrument they can invest in, which has improved their asset allocation strategies — and they are growing very well ”***

In Turkey, firms can issue both Islamic and conventional pension funds and there is no restriction on who they can sell their pension fund plans to. This has resulted in a fast-growing participation pension fund sector that has been boosted by the introduction of sovereign Sukuk which now provides a valuable avenue for investment. “Since the government issued Sukuk and are now rolling it regularly, the participation fund companies have a fundamental instrument they can invest in, which has improved their asset allocation strategies — and they are growing very well,” explained a Turkish asset manager to IFN. “Now we are seeing that conventional companies, as well as participation banks, are also issuing participation pension funds, due to the strong demand.”

Despite the establishing law dating back to 2000, private pensions only appeared on the market in 2003-04 with an initial asset size of roughly TRY300 million (US\$132.3 million). By 2007 this already reached TRY4.5 billion (US\$1.98 billion), the fastest growth rate of any financial instrument in Turkey. Last week



Tevfik Kinik, executive vice-president of the CMA, informed IFN that the Turkish pension fund assets had since reached US\$425 million for 2014 and had “strong potential for further growth”, with assets tripling in the past year following the new regulatory amendments enabling Sukuk and gold investments.

**“Increasing competition between conventional and participation banks will drive new products and solutions. Islamic financial institutions will need further sophistication of products”**

### **Regulatory support**

A key factor in this growth has been the active support from government, partly in an attempt to reduce its budget deficit and decrease the state dependence on the virtually bankrupt social security system. These steps include passing a vesting law making the system more attractive to corporations, and introducing tax incentives to make the system more attractive to low-income individuals.

The new requirements are part of a longer-term drive to bring the Turkish asset management industry closer into line with European institutional standards. The law requires the use of an independent, third-party fund administrator and custodian; and promotes open architecture and third-party distribution through the launch of a new Electronic Fund Trading Platform of Turkey, set up by Takasbank.

“Together these requirements should help strengthen investor confidence in the sector and provide easier access to funds, helping inflows. Savings rates in Turkey are low by international standards and retail investors’ appetite for more advanced products such as managed funds and private pensions is, in Fitch’s opinion, still modest,” said Manuel Arrive, senior director at Fitch Ratings, in a 2014 report. “At the same time, revenue models are changing, including the introduction of performance fees. These should increase alignment of interest between asset managers and their clients, but may also put pressure on certain asset manager’s operating margins at a time when the funding of strategic, IT and regulatory projects is critical.”

The law also creates a new umbrella structure for mutual funds which should make it easier for

managers to launch new funds and encourage increased competition. The number of asset management companies has increased from 21 to 27 as a result of the move; although the top five managers still represent over 70% of the market.

Further consolidation could also occur, as the regulations require firms to establish a separate asset management company to their brokerage and additional operations. “We are establishing a separate asset management company to be able to continue our asset management operations,” commented Dr Avsar. “But for some companies in Turkey, this regulation means that they will discontinue their asset management operations — so the sector will consolidate. This is an opportunity for some asset managers to manage the assets of the funds and private managers that may leave the industry.”

### **Islamic innovation**

As the market develops in sophistication however, new products are emerging that are tempting investors to the market. BMD Securities recently launched two new Shariah compliant Katilim Indices this year: including a larger 50 firm index and a much rarer quantitative index which it claims is one of only two in the world. The index uses smart beta strategies to try and beat the market, by choosing firms based on fundamental ratios: and following the establishment of a separate asset management companies under the new laws, a new Islamic smart beta ETF is set to be launched next year.

“Although the industry is evolving towards international standards, it still has a long way to go in terms of developing a more diversified and differentiated product offering,” warns Manuel. However, steadily decreasing interest rates and reduced stock market volatility, along with the sweeping sector reforms, mean that long-term growth in equity funds could see an increase over the next decade to about 20% of GDP, growing at an average of around 45% per year — compared to fixed income fund growth of 35% per year and money markets at 10-15%.

Murat Cetinkaya, the deputy governor of the central bank, highlighted to IFN that: “Increasing competition between conventional and participation banks will drive new products and solutions. Islamic financial institutions will need further sophistication of products.” He identified wealth management, along with product diversification and the development of the Shariah compliant capital markets and private sector participation, as a key focus of the country’s Islamic finance push. “Mutual funds and ETFs are an area where we see strong future potential for growth,” he confirmed.

It looks as if asset management is yet another area where Turkey could represent a new force in the Islamic finance industry. (2)

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# JARDINE HUMAN CAPITAL & ISLAMIC FINANCE NEWS

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## ISLAMIC ECONOMY CAREER PORTAL

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**Islamic Finance** *news*

## IBA to meet potential Russian customers

International Bank of Azerbaijan (IBA) was scheduled to conduct negotiations with the customers of IBA-Moscow Bank on Islamic financing services on the 13<sup>th</sup> March 2015, reports local news portal ABC.AZ. The bank has reportedly made all necessary preparatory work to open an Islamic window in its Russian subsidiary, IBA-Moscow. The bank has identified Islamic instruments which meet the requirements of Russian legislation (leasing, purchasing of equipment and real estate), and the circle of potential partners among customers of the IBA-Moscow. It has also formed the circle of potential investors (mainly private investment funds from Dubai). IBA-Moscow is set to provide US\$20-30 million worth of Islamic financing facilities to its customers and has enough reserves to provide such financing without violating existing covenants. If needed, the bank can use the guarantees of its parent company.

March 2015

## IdealRatings introduces pioneering Shariah compliant REITs index for Asia Pacific

San Francisco-based IdealRatings today launches the world's first Shariah compliant Asia Pacific real estate investment trusts (REITs) index, IFN can exclusively announce. Known as the IdealRatings Asia Pacific REITs Index, the index will cover REITs in the Asia Pacific region, with the view of expanding coverage to include the entire global REITs universe in the future.

REITs have in recent years gained increasing favor among Shariah-seeking Investors as the community attempts to diversify away from traditional investments such as oil and gas, while securing steady dividend-paying investments — criteria of which are met by REITs. Mohamed Donia, CEO of IdealRatings, confirms the potential for Shariah compliant REITs. "We are always looking to increase various asset classes for investment managers and we foresee a major growth in this asset class as fund

managers begin to include the REITs sector in their portfolio."

March 2015

## SIB prices Sukuk

Sharjah Islamic Bank (SIB) has priced its US\$500 million five year Sukuk, reported Reuters. According to the newswire, the paper was priced at a spread of 110bps over midswaps with a profit rate of 2.84%. Receiving approximately US\$3 billion-worth of orders, the Sukuk was sold after a series of Investor meetings in Asia and Europe. Abu Dhabi Islamic Bank, Al Hilal Bank, Dubai Islamic Bank, Emirates NBD, HSBC, KFH Investment and Standard Chartered were the arrangers for the deal.

March 2015

## Saudi Investment Bank increases capital

Saudi Investment Bank in an announcement on Tadawul conveyed that its extraordinary general meeting has approved the capital increase via bonus shares. The additional shares have been deposited into the Investor's portfolios.

March 2015

## Sedco plans feeder fund

Sedco Capital seeks to launch a Luxembourg feeder fund for its Gulf money market fund and is exploring ways to offer a Saudi-specific product to international investors, reported Reuters. The move is part of Sedco's strategy to source two-thirds of its assets under management from outside Saudi Arabia in four to five years.

March 2015

## The UAE and Luxembourg's concerted efforts

The Ministry of Finance of the UAE hosted the first UAE-Luxembourg Council for Islamic Finance Cooperation meeting in Dubai on the 4<sup>th</sup> March, according to a press release. The meeting highlighted the UAE's commitment to activating the role of the UAE-Luxembourg Council for Islamic Finance Cooperation, which will provide all the necessary support to Investor companies and individuals in the UAE and Luxembourg, to develop and expand their business

in the Islamic banking and finance sector. Both countries are linked by a memorandum of understanding (MoU) focused on strengthening relations through exchanging best Islamic finance practices, encouraging the development of industry standards for Islamic banking and financial services and developing new products. The MoU also stipulates that the UAE and Luxembourg will work together to promote sound governance and enhance synergies in the field of Islamic banking and finance.

March 2015

## Kenya sets up capital markets steering committee

National Treasury Cabinet secretary Henry Rotich has completed selecting members for the committee that oversees the implementation of the country's 10-year capital markets master plan concluding in 2023. Rotich will chair the nine-member steering committee, which will serve for a term of five years dating January 2015. The targeted areas of the master plan include infrastructure finance, asset management, financial derivatives and Islamic finance instruments such as Sukuk.

March 2015

## Ireland acknowledges

### Islamic finance potential

The government of Ireland in its five-year strategy document: 'IFS 2020 — a Strategy for Ireland's International Financial Services Sector 2015-2020', highlighted Islamic finance as a potentially lucrative area for development. Other segments mentioned included: green finance, aircraft leasing, securitization, and financial technology.

March 2015

## Probable Qatari listings

Qatar Exchange's CEO, Rashid al-Mansoori expects to see the listing of Barwa Bank and Qatar First Bank in 2015 subject to regulatory approval, reported Reuters. The exchange is also said to be working with the central bank to set up a market for corporate bonds in the next two years.

March 2015

## Luxembourg leveraging global network for Islamic finance cause

As Luxembourg forges ahead to establish itself as the leading Islamic finance hub for Europe, the Grand Duchy is assertively working on creating stronger relationships with key Islamic markets, particularly the UAE as demonstrated by its recent visit to Dubai. Headed by the Crown Prince of Luxembourg, Prince Guillaume, and accompanied by Crown Princess Stephanie, the financial delegation was led by finance minister Pierre Gramegna with the objective of fostering closer ties with the leading financial center of the Middle Eastern region, with Islamic finance top on the agenda.

March 2015

## Barwa Real Estate completes sale

Barwa Real Estate Group in an announcement on the Qatar Exchange confirmed the completion of a transaction with Qatari Diar. The agreement included selling Barwa Real Estate Group's shares (37.34%) in Shariah compliant Barwa Bank for QAR7.62 billion (US\$2.08 billion) as well as shares in Barwa Commercial Avenue, Barwa Al Sadd & Barwa City, and some other assets.

March 2015

## Indian entity to further Islamic finance proposition internationally

Islamic finance growth in India may be staggered (See IFN Analysis Vol 12 Issue 07: 'India — one step forward, two steps back'); however, the lack of political will and less-than-encouraging growth are not dampening market player enthusiasm. This week, the Republic's Infrastructure Leasing & Financial Services (IL&FS) made a commitment to the Shariah compliant financial industry by officially signing an agreement with the Islamic Corporation for the Development of the Private Sector (ICD).

Paving the way for mutual collaboration between the two entities in the area of project evaluations, project finance,

advisory services and asset management in ICD member countries, the cooperation agreement will essentially see the ICD and IL&FS joining hands in evaluating and structuring infrastructure opportunities, as well as achieving financial closure of projects.

March 2015

## Islamic finance industry set to gain from partnership between Qatar Islamic Bank and South Korea's Woori Bank

In a previous IFN report, IFN observed that there has been an increasing gravitation towards Islamic finance exhibited by South Korea as the Asian tiger, despite its deep ties with the GCC, faces the growing challenge of attracting business without Shariah compliant financial instruments (See IFN Report Vol 11 Issue 33: 'South Korea & Islamic finance — Strategy re-think required'). And it seems that the trend is gaining momentum as this week the market welcomes a promising partnership between Korea's largest bank, Woori Bank, and Qatar's pioneering fully-fledged Islamic bank, Qatar Islamic Bank (QIB).

Aimed at both existing and future Qatari and South Korean entities in Qatar and/or South Korea, the agreement will see a stronger relationship between QIB and Woori Bank so as to facilitate bilateral trade finance and corporate businesses.

March 2015

## UAE to debut green-energy Sukuk

The UAE is expected to issue the world's first Sukuk aimed at financing green energy projects this year, possibly as early as April, reported local news portal, The National. London-based Climate Bonds Initiative (CBI) highlighted that they are looking to roll out up to two issuances in the UAE in April. The country's Clean Energy Business Council (CEBC) has been in discussions with the Dubai Supreme Council of Energy about the issuance of green Sukuk. Furthermore, Latham & Watkins

also confirmed in the report that it is working with the CEBC, the Gulf Sukuk and Bond Association and the CBI to promote green Sukuk.

March 2015

## KFH-Bahrain now offering new service

Kuwait Finance House - Bahrain (KFH-Bahrain) in a press release has announced the launch of its wealth management service offering new premium investment and asset management services which will focus on a unique segment of customers.

March 2015

## Malaysia's healthy Islamic capital market

The country has affirmed its top position in the global Islamic capital market, having grown at an average of 12% per annum over the last five years to RM1.59 trillion (US\$454.29 billion) in 2014, accounting for 58% of the capital market, according to the Securities Commission.

By the end of 2014, 74% of Malaysian listed companies were classified as Shariah compliant with a market capitalization of more than RM1 trillion (US\$285.71 billion).

The country remains the largest Sukuk market in the world, accounting for 66% of global issuances. Islamic assets under management grew to RM111 billion (US\$31.71 billion) from RM98 billion (US\$28 billion) in 2013, reflecting the industry's ability to develop under Malaysia's facilitative Islamic capital market environment.

March 2015

## Khazanah's social impact Sukuk

Khazanah Nasional has revealed plans to issue Sukuk of up to RM1 billion (US\$278.05 million) to fund schools, reported Reuters. The planned 'social impact Sukuk' is currently awaiting approval from the country's financial regulators. The Sukuk is reportedly aimed at opening funding for education to a broad pool of investors rather than financing it out of its own reserves.

February 2015



## Bahrain and Oman look to Sukuk amid tumbling oil prices

Oil price volatility continues to be a hotly discussed topic globally as world economies brace themselves for a period of projected stubbornly low prices. While broader visceral market sentiments and market trends may suggest that governments are likely to resort to the Islamic capital markets to raise funding to compensate the fall in oil revenues, leading to a potential rise in sovereign Sukuk activities this year, S&P thinks that the "upside for sovereign Sukuk issuance in countries in the GCC is limited in 2015".

Higher oil prices have traditionally provided GCC countries the leverage to initiate public infrastructure developments as a result of higher fiscal revenues, and this has led to greater utilization of related infrastructure and project finance Sukuk. New projects have also been used to underpin Sukuk issuances, which in turn, drummed up Sukuk demand from the region's financial community which is flush with liquidity fed by higher oil prices.

March 2015

## IDB to issue benchmark Sukuk

The IDB has selected nine banks to arrange Investor meetings in the Middle East and Asia and was scheduled to meet fixed income Investors on the 1st March 2015 ahead of a potential benchmark US dollar-denominated Sukuk transaction, reported Reuters. The banks are: CIMB, Dubai Islamic Bank, GIB Capital, HSBC, Natixis, NCB Capital, National Bank of Abu Dhabi, RHB Islamic Bank and Standard Chartered. The Sukuk will be auctioned subject to market conditions.

February 2015

## GIAA to tap global Sukuk market

Indonesia's flag carrier Garuda Indonesia (GIAA) plans to issue a US\$500 million global Sukuk this year, making its way to becoming the first Indonesian corporate to tap the international Sukuk market, according to The Jakarta Post.

Quoting the airline's chief financial officer, I Gusti Ngurah Askhara Danadiputra, the offering will most likely be executed mid-April and will be listed in the Middle East as the company seeks to attract Middle Eastern Investors. GIAA secured a US\$400 million bridge loan from Dubai Islamic Bank and National Bank of Abu Dhabi which will function as a 'back stop facility' to the Sukuk issuance.

February 2015

## Indonesia auctions retail Sukuk

The Indonesian government in an announcement on the Ministry of Finance's website revealed that it will auction a three-year Sukuk of up to IDR5 billion (US\$389,499) through its SPV Indonesian SBSN Issuer Company on the 11th March 2015. According to the statement, the target Investors for the Sukuk are 'individual, Indonesian citizens', to be sold at an indicative fixed coupon rate of 8.25% per year.

February 2015

## Shariah fund targets lucrative Saudi Arabian healthcare industry

Saudi Arabia's Alkhabeer Capital this week acquired a majority stake in integrated healthcare provider Eed Group via its Alkhabeer Healthcare Private Equity Fund I, a Shariah compliant close-ended privately-offered investment fund launched in the final quarter of last year. This acquisition builds on the growing appeal of Saudi Arabia's healthcare sector as a high-potential asset class for Investors.

February 2015

## Bank Asya's investors pursue legal action

Shareholders in Bank Asya have commenced legal action in an attempt to regain control of the bank after regulators dismissed the board and took over its management, reported news portal Today's Zaman. Regulators last week dismissed the board citing a lack of sufficient transparency at the bank and that shareholders had failed to provide required documentation. The shareholders, whose stakes were seized as part of

the decision, initiated legal action to suspend the takeover, arguing the reason given did not merit such a drastic measure.

February 2015

## Low oil prices no effect on global growth

Lower oil prices will be unable to provide a significant boost to global growth in the next two years as the gradual slowdown in China and headwinds from Japan and the euro area hold back economic activity, said Moody's Investors Service in its recent quarterly Global Macro Outlook report.

Despite lower oil prices, Moody's has maintained its GDP growth forecast for the G20 countries at just under 3% in both 2015 and 2016, broadly unchanged from 2014. As for China, Moody's expects higher energy taxes and government-controlled prices in some sectors to dampen the impact of lower oil prices. China's GDP growth is expected to fall below 7% in 2015, before slipping further to 6.5% in 2016, compared to 7.4% in 2014, while it projects Japan's GDP for 2015 to be below 1%, rising just above 1% in 2016.

February 2015

## Maybank Islamic's new product

Maybank Islamic has launched its new custodial services to tap the country's leading institutional Investors, fund managers, government-linked companies and sovereign wealth funds. The new Islamic custody services provider is expected to complete the Islamic asset servicing cycle.

February 2015

## New Saudi trading platform

Dubai-based Emirates NBD Securities in a press release announced the launch of its new trading platform on Tadawul, the Saudi Stock Exchange. The addition of Tadawul trading is expected to benefit eligible Investors, who currently hold a regular trading account with the firm, to trade on the Saudi exchange without having to request new settlement bank accounts.

February 2015

## A

Adadiyyah countable items measured in individual units rather than by volume, weight or length  
Ajr commission or fee charged for services  
Akhirah the hereafter  
Akhlaq virtue, morality and manners in Islamic theology  
Al Ghunm bil Ghurm rationale of profit sharing  
Al-wa'd bi al-bai' promise to sell  
Al-wa'd bi al-syira' promise to buy  
Amanah reliability, trustworthiness, loyalty, honesty  
'Amil agent  
Aqd contract  
Aqidah set of beliefs  
Arif expert  
'Ariyah loan of small articles  
'Ayn currency or ready money

## B

Bai Ajil bi Ajil delayed-for-immediate sale  
Bai al Arboon deposit-secured sale  
Bai al Inah sale and buy-back  
Bai al kali' bi al kali' sale of debt for a debt  
Bai al Salam future delivery  
Bai Bithaman Ajil deferred payment sale  
Bai Dayn debt financing  
Bai Istijrar supply sale  
Bai Muajjal deferred payment sale  
Bai Muzayadah open bidding trading  
Bai Wafa sale and buy-back  
Baitul Mal treasury  
Batil null and void

## D

Darurah necessity  
Dayn debt  
Dha 'wa ta 'ajjal Creditor's debt  
Dhaman guarantee  
Dhimmah liability  
Dirham unit of currency

## F

Falah to flourish  
Faqih Shariah jurist  
Faqr poor person  
Fard al Kifayah socially obligatory duties  
Fasid unsound or unviable  
Faskh dissolution of contract  
Fatwa religious decree  
Fiqh Islamic jurisprudence  
Fiqh al-muamalat Islamic commercial jurisprudence  
Fuduli dealing with someone else's property without permission

## G

Ghalat Mistake  
Gharar uncertainty  
Ghasb forfeiture

## H

Hadith the Prophet's sayings and commentary on the Quran  
Hajj pilgrimage to Mecca  
Hak Tamalluk ownership right  
Halal lawful, permissible  
Hamish jiddiyyah security deposit  
Hanbali Islamic school of law  
Hanifite Islamic school of law  
Haq Maliy rights on the financial assets  
Haqq truth, right  
Haram unlawful, forbidden  
Hawala bill of exchange, remittance  
Hibah gift  
Hibah al-'umra contingent hibah  
Hibah al-ruqba conditional hibah  
Hila forbidden structure  
Hisbah regulatory duty  
Hukm Islamic ruling

## I

Ibra rebate  
Ihtikar hoarding  
Ijab offer in a contract  
Ijarah leasing  
Ijarah Mawsufah fi Dhimmah forward lease  
Ijarah Thumma Bai leasing to purchase  
Ijarah wa Iqtina buy-back leasing  
Ijma consensus  
Ijtihad effort, exertion, industry  
Ikhtikar monopoly  
Ikhtilaf divergence of opinion among jurists  
Iktinaz hoarding wealth by not paying zakat on it  
'Illah legal effective cause  
Iman conviction, faith or belief  
Inan financial partnership  
Iqtisad moderation  
Islah reform  
Israf wastefulness  
Istihsan guiding choice  
Istijrar recurring sale  
Istisnah advance purchase of goods or buildings  
Ittifaq Dhimm pre-agreed contract

## J

Jahiliyyah pre-Islamic period  
Jahl ignorance (of morality or divinity)  
Ji Alah pre-agreed contract  
Ju'alah stipulated price for performing a service

## K

Kafalah guarantee  
Khalif or khalifa ruler, steward, custodian  
Khilabah fraud  
Khiyanah deception  
Khiyar power to annul contract

## M

Maaliki Islamic school of law  
 Madhhab way of going  
 Makruh detested  
 Mal Capital or wealth  
 Mal-e-Mutaqawam wealth that has commercial value  
 Manfa'ah beneficial ownership  
 Mansil Shariah compliant property mortgage in the UK  
 Maqasid general objectives of Islamic law  
 Maslahah public good or benefit  
 Maysir gambling  
 Mithli goods that can be returned in kind  
 Muamalat economic transaction  
 Mubah lawful objects  
 Mudarabah trust financing, profit sharing  
 Mudarib entrepreneur in a Mudarabah contract  
 Mufawadah equal, unlimited partnership  
 Mufti qualified professional who issues Fatawa, usually in response to questions posed  
 Muqarada Sukuk for specific projects  
 Muqasah debt settlement by a contra transaction  
 Murabahah cost-plus financing  
 Musaqah agricultural contract  
 Musawwamah general sale  
 Musharakah joint venture, profit and loss sharing  
 Musharakah Mutanaqisah partnership  
 Mutlaqa unrestricted  
 Muzara'ah share-cropping  
 Muzara'a agricultural contract

## N

Najash deception  
 Nisab exemption limit

## Q

Qabdh discount  
 Qabul acceptance in a contract  
 Qard loan  
 Qard Hasan benevolent loan  
 Qimar gambling  
 Qirad synonym for Mudarabah  
 Qiyas analogical deduction  
 Qu'ran the holy scriptures of Islam

## R

Ra's al-mal capital  
 Rab al maal the investor in a Mudarabah contract  
 Rahn collateral  
 Riba interest  
 Riba al Buyu usury of trade  
 Riba al Diyun usury of debt  
 Ribawi goods subject to fiqh rules on riba  
 Rishwah bribery  
 Rukn pillar  
 Ruq'a payment order

## S

Sadaqah voluntary charitable giving  
 Sahih sound, correct  
 Salaf loan for short, intermediate or long term  
 Salam advance purchase  
 Samad Shariah compliant property mortgage in the US  
 Sarf currency sale  
 Shafi'e Islamic school of law  
 Shariah Islamic jurisprudence  
 Shart stipulation in a contract  
 Shirkah partnership  
 Shuf'ah right of pre-emption  
 Sighah formal exchange  
 Suftajah bill of exchange  
 Sukuk Islamic bond (Plural. Also see Saak.)  
 Sunnah practice and traditions of the Prophet Muhammad

## T

Ta'widh deliberate delay in payment  
 Tabarru' Takaful donation  
 Tabzir wasteful spending  
 Tadlis al' aib intentionally hiding the defects of goods  
 Takaful Islamic insurance  
 Tanajusy manipulation  
 Tawarruq reverse Murabahah

## U

Ujrah fee  
 Ummah the Muslim community  
 'Umun balwa Common plight  
 'Uqud al-Isytirak Contracts of partnership  
 'Uqud al-Mu'awadhah Contracts of exchange  
 'Uqud al-Tabarruat Charitable contracts  
 Urbun deposit

## W

Wadiah Deposit  
 Wadiah Yad Dhamanah Savings or deposits with guarantee  
 Wakalah agency  
 Waqf charitable trust  
 Wasiyyah will or testament

## Z

Zakat religious tax

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09:10 – 09:40      Keynote Address



***Dr Mark Mobius — Executive Chairman, Templeton Emerging Markets Group, Franklin Templeton Investments***

Dr Mark Mobius is the executive chairman of Templeton Emerging Markets Group and he currently directs 50 analysts based in Franklin Templeton's 18 emerging markets offices and manages the emerging markets portfolios. Dr Mobius has spent more than 40 years working in emerging markets all over the world. He joined Franklin Templeton in 1987 as the president of the Templeton Emerging Markets Fund.

Dr Mobius earned Bachelor's and Master's degrees from Boston University, and a Doctor of Philosophy (Ph.D.) in economics and political science from the Massachusetts Institute of Technology. He is the author of the following books: 'Trading with China';

'The Investor's Guide to Emerging Markets'; 'Mobius on Emerging Markets'; 'Passport to Profits'; 'Equities — An Introduction to the Core Concepts'; 'Mutual Funds — An Introduction to the Core Concept'; 'Foreign Exchange — An Introduction to the Core Concepts'; 'Bonds — An Introduction to the Core Concepts'; 'Mark Mobius — An Illustrated Biography'; and 'The Little Book of Emerging Markets'.

Dr Mobius was named by Asiamoney magazine in 2006 as one of their 'Top 100 Most Powerful and Influential People'. Asiamoney stated that he "...boasts one of the highest profiles of any investor in the region and is regarded by many in the financial industry as one of the most successful emerging markets investors over the last 20 years. Despite tough times during the financial crisis nine years ago, he still commands a strong following in the investment world and is influencing the direction of billions of investment dollars".

Notes:

# Key Growth Markets for Islamic Investments in 2015

Global investment leaders share their views on which emerging, frontier and mature markets are expected to thrive in 2015 and which regions investors should look out for.

- How will global regulations impact the growth of Islamic investments in the coming year?
- Emerging opportunities in South Asia and the impact of geopolitics on the investment landscape
- Indonesia: Opportunities, challenges and future outlook
- What do Russia and the CIS region bring to the table?
- Outlook for Halal investments into North and South America
- North Africa and the GCC — what can investors expect from these regions in 2015?
- Islamic investment markets: Top picks for 2015

## Moderator:



### ***Rizwan Kanji*** — *Partner, King & Spalding*

Rizwan H. Kanji is a partner with the international law firm King & Spalding specializing in debt capital markets, debt finance and Islamic finance. He frequently advises a variety of global investment banks, sovereign states and multinational regional corporates.

For the fourth consecutive year, global directories, Chambers and Partners have ranked Rizwan as one of the world's leading Islamic finance and debt capital markets lawyers.

Chambers and Partners Global 2014 described Rizwan as a “Debt capital markets partner with great expertise advising on a variety of both traditional bond work and Shariah compliant Sukuk”. Chambers states: “Rizwan. H Kanji leads the debt capital markets practice. He is praised for his technical skills in Shariah compliant debt.” Clients say: “He was flexible, open-minded and structured the documentation well.”

## Panelist:



### ***Alex Armstrong*** — *Managing Director, Head of Financial Institutions and Structured Finance, QInvest, Qatar*

Alex Armstrong is managing director and head of financial institutions and structured finance at QInvest.

Over 13 years experience in structured finance and financial innovation, Alex's most recent transaction history includes working on developing the Islamic high yield market with the debut US\$45 million unitranche Murabaha facility launched in the European market earlier this year for Petainer; the Ooredoo US\$1.25 billion Sukuk; the republic of Turkey's US\$1.25 billion Sukuk, and a multitude of structured Islamic syndicated loans.

Alex joined QInvest from SHUAA Capital, where he served as head of structuring and product development responsible for the structure and development of new and existing product lines across asset classes within the GCC and MENA region having previously been responsible for structuring and product development at SHUAA Capital Asset Management where he was overseeing it's regional and international fund offering with over US\$1 billion under management attained during his tenure.

**Panelists:**

***Emad Al Monayea — Board Director & Chief Executive Officer, KFH Investment, Kuwait***

Emad is the board director and chief executive officer of Kuwait Finance House Investment Co (formerly Liquidity Management House), with over 30 years of experience in capital markets, direct investments and corporate finance, in both government and private sectors and currently holds key board positions in a number of companies and banks.

Emad joined Kuwait Finance House's Direct Investment Department (private equity activities) in 1999. In 2004 he was promoted to head the International Investment Department, the department responsible for international corporate finance and investment banking services. During his tenure at the International Investment

Department and through his department, KFH had concluded number of regional and international corporate and project finance transactions were KFH had won various international awards and recognitions. Recently, KFH entrusted him in establishing Liquidity Management House (now Kuwait Finance House Investment Co) with the mandate to evolve as a Sukuk house.

Prior to joining KFH, Emad was with Kuwait Investment Authority (KIA), the investment arm of Kuwait government, for 15 years, where he was instrumental in setting-up the Direct Investment Department of KIA.



***Linar Yakupov — President of the Islamic Business and Finance Development Fund, Republic of Tatarstan***

Linar Yakupov is the president of the Association of Regional Investment Agencies of Russia. The Association of Regional Investment Agencies is a specialized platform for interaction and exchange of experiences among major regional investment agencies and development corporations of the Russian Federation with a view to their maximum integration in the international investment community.

Linar is a founder and the president of the Islamic Business and Finance Development Fund (IBFD Fund) — the center of competence in Islamic business and finance of Russia. IBFD Fund is the main promoter of Islamic finance in Russia and encourages the development of bilateral economic and business relations between

Russia and the Organization of Islamic Cooperation member countries.

In recent years Linar was the chief executive of Tatarstan Investment Development Agency (TIDA) and a member of the government of the Republic of Tatarstan. Linar has an extensive experience in attracting foreign direct investments and during his work as the head of the TIDA, more than US\$1.5 billion-worth of FDI were drawn to the Republic of Tatarstan.



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**Panelists:**

***Murat Çetinkaya — Deputy Governor, Central Bank of the Republic of Turkey***

Murat Çetinkaya graduated with a double major from Boğaziçi University in Political Science and International Relations at the Faculty of Economics, and Political Sciences and Sociology at the Faculty of Arts and Sciences. Murat, who earned an MA from the Institute for Graduate Studies in Social Sciences of Boğaziçi University, continues his doctoral studies in the field of international finance/economics-politics at the same university.

Murat joined the banking sector at Albaraka Turk Participation Bank, where he served in many departments including those of international banking and treasury.

In 2003, he was transferred to Halkbank, where he served as the director of

International Banking and Structured Finance Department and later as the deputy general manager responsible for international banking and investor relations. Murat, who assumed posts in several subsidiaries of Halkbank, acted as a member of the Board of Directors of Halk Yatırım Menkul Değerler during his last two years at the institution. Murat served as the executive vice-president responsible for treasury, international banking and investment banking at Kuveyt Turk Participation Bank from 2008-12, and was appointed as deputy governor of the Central Bank of the Republic of Turkey on the 29<sup>th</sup> June 2012.



***Professor Datuk Dr Rifaat Ahmed Abdel Karim — Chief Executive Officer, International Islamic Liquidity Management Corporation***

Professor Rifaat has an international reputation as a leader and authority in the Islamic financial services industry at both at the professional and the academic levels. He has played a pioneering role in the development of Islamic finance. His leadership in the setting of accounting, auditing, governance, Shariah and regulatory standards, as well as in the development of high quality short-term financial instruments to facilitate liquidity management for Islamic financial institutions, has been highly instrumental in establishing the position of the Islamic financial services industry in the mainstream of global financial services.

Professor Rifaat has served as the inaugural secretary-general at both AAOIFI and the Islamic Financial Services Board (IFSB). During his terms in office at the AAOIFI and the IFSB, Professor Rifaat played a key role in the conception and development of standards and guidelines for the Islamic financial services industry which have been a key catalyst in the establishment and integration of the industry within mainstream global financial services.

In October 2012, Professor Rifaat assumed the position of chief executive officer of the International Islamic Liquidity Management Corporation (IILM), an international organisation established in October 2010 by central banks, monetary agencies and multilateral development organisations to facilitate liquidity management for Islamic financial institutions.

Professor Rifaat's contribution to the IFSI has been recognized by the many prestigious international awards that he has received during his career over three decades, which has been dedicated to high achievement in professional activities, as well as in research and academic work. These awards notably include the 2010 IDB Prize in Islamic Banking and Finance.

10:30 – 11:00      Coffee & Networking

Notes:

# Shariah Compliant Sectors and Asset Classes on the Rise

- Agriculture investments: Where are we likely to see the most growth in the coming year?
- Investing in the current negative interest rate environment: What it means for risks and investment going forward
- How should investment strategy in oil & gas change in light of recent events?
- Will we see a significant shift towards the use of renewable energy, environmental assets and other intangible assets?
- Investing in aviation and other transportation modes as an asset class
- Recent trends in investing in real assets
- How will Basel III regulations affect global markets and investment strategy?

## Moderator:



### ***Monem Salam — President, Saturna Malaysia***

Monem Salam is a director at Saturna Capital and president of Saturna, a wholly-owned Malaysian subsidiary of Saturna Capital. He received his degrees from the University of Texas: BA (Austin) and MBA (Dallas).

He worked as the chief investment officer for ITG & Associates (Dallas) until 1999; then as a representative with Morgan Stanley (suburban Dallas) until joining Saturna Capital in June 2003. He served as the director of Islamic investing and deputy portfolio manager to the Amana Mutual Funds Trust until moved to Kuala Lumpur in 2012 to oversee Saturna.

Monem speaks at Islamic finance/investment conferences worldwide and he is the co-author of 'A Muslim's Guide to Investing and Personal Finance'. Monem also authored the chapter on Islamic investing in the new book 'Contemporary Islamic Finance' and contributes articles to leading Islamic financial magazines.

## Panelist:



### ***Alka Banerjee — Managing Director, Strategy and Global Equity Indices, S&P Dow Jones Indices, USA***

Alka Banerjee is the managing director, strategy and global equity indices, at S&P Dow Jones Indices. Alka is responsible for the design and methodology governing strategy and global indices, focusing on creating new benchmarks for global equity markets and promoting their use among global clients.

Alka has extensive experience in global benchmarks, emerging market indices, Islamic equity investing and sustainable investing. More recently, she has been closely involved with developing S&P Dow Jones Indices's latest strategy indices providing alternate benchmarks to global investors. Prior to

joining S&P in 2000, Alka worked for The Bank of New York where she was responsible for The Bank of New York ADR Index. Before coming to the US, she worked in India for the State Bank of India.

Alka frequently presents at indexing and investing events, and is widely cited in the press. She holds a Master's degree in economics from Lucknow University in India and an MBA in finance from Pace University in New York.

**Panelists:*****Cassim Docrat — Director, DDCap (DIFC), UAE***

Cassim Docrat is the director of DDCAP (DIFC), the company's representative office in the Middle East.

Cassim has over 30 years international banking experience in Canada, US, Europe, Asia, the Middle East and Africa.

Cassim started his banking career in 1981 with Citibank in South Africa before moving to Canada in 1983, where he went on to hold senior positions at Citibank, Bank of Montreal and the Bank of Nova Scotia. He has worked in the Middle East since 1991 holding senior executive positions with banks including Kuwait Finance House, Al Rajhi Bank in Saudi Arabia and recently, the National Bank of Abu Dhabi.

Cassim has built strong relationships with major institutions and government entities in the region and beyond. He has experience across commercial, investment and Islamic bank offerings focused at institutional investors particularly in the structured trade and syndication markets.

***Eric Swats — Head of Asset Management, Rasmala, UAE***

Prior to joining the Rasmala Group in 2003, Eric spent 17 years with Citigroup Asset Management. At Citigroup London, Eric served as the head of European private bank asset management and as the senior investment officer of private client global equity and balanced portfolios. He was a member of the Global Asset Allocation Committee and the head of the European Regional Investment Committee. During that period, he introduced quantitative methods for strategic and tactical asset and market allocation as well as the use of hedge funds strategies in balance portfolios.

In 2000, Eric won the S&P Award for top performing asset allocation defensive US dollar sector mutual fund. Prior to working in London, he was a global and European fixed income manager based in Zurich and a money market and short-term fixed income portfolio manager based in New York. Eric holds a BA degree from Denison University and an MBA in finance from New York University. He is also a chartered financial analyst.

***Ritjana Cevoli — Managing Director, Asset Management, Ridge Capital, UAE***

Ritjana Cevoli has more than 11 years of experience in fund management and Islamic finance covering global emerging markets and GCC equities. She worked on the origination, structuring, execution and distribution of equity and equity-linked offerings in emerging markets across a wide range of sectors. She has a strong track record of investments in GEM products, IPOs, fund investments and private equity in her previous companies.

Ritjana has been involved in big ticket global transactions and also has sat on boards of private companies managing over US\$500 million in assets and leading restructuring process and merger and acquisition events. She has worked in London, the UAE and Asia and started her career as a fund manager for Aberdeen Asset Management in London and Singapore and later on worked for sovereign wealth funds in Dubai and Abu Dhabi for the bulk part of her GCC work experience.



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**Panelist:**

***Tariq Al-Rifai*** — *Head of Investor Relations, Kuwait Finance House, Author of Islamic Finance and the New Financial System, Kuwait*

Tariq Al-Rifai is an author, writer and advisor in Islamic finance. He is a leading authority on Islamic funds and investment products and is an active speaker and educator at industry events globally.

Tariq has previously served as the global director of Islamic indices at S&P Dow Jones Indices in Dubai, the vice-president of HSBC's Islamic Banking department in New York and a partner at The International Investor in London. He was the founder of Failaka Advisors in 1996, which was the first-ever organization to monitor and publish research on Islamic funds. Today, he is the author of a new book titled 'Islamic Finance and the New Financial System'. The book discusses the problems with our current financial system and why it is overdue for change. It also looks into Islamic finance in search of solutions to a system prone to financial crises.

Notes:

# Global Trends in Islamic Asset Management

- What is the investment mandate for sovereign wealth funds in 2015?
- How are equity & PE funds, fixed income funds, pension funds and VC funds shaping the Islamic investor's portfolio: Will we see a change in current trends?
- Importance of the rise and prominence of HNWI and family offices
- Equity is the new fixed income

## Moderator:



**Ayman Khaleq** — *Managing Partner, Morgan Lewis*

Ayman A Khaleq, the managing partner of Morgan Lewis's Dubai office, advises clients on cross-border structured finance, debt capital markets, and private placement transactions, and on the structuring and formation of private investment funds. In particular, he helps regional and international clients address the structural and documentation requirements associated with Islamic finance and investment products. Ayman is highly regarded for debt capital markets transactions, with significant experience advising clients on Sukuk offerings and investment products. He also acts for a wide range of international clients on matters relating to doing business in the broader Middle East region. Ayman is a regular speaker at international conferences and currently teaches a course on transactional Islamic law at George Washington University Law School in Washington, DC. In addition, he also

acts for the International Monetary Fund as an expert in the field of debt capital markets with a focus on Islamic finance matters. Ayman is fluent in Arabic and English.

## Panelist:



**Behnam Gurbanzada** — *Director, Islamic Banking, International Bank of Azerbaijan*

Behnam was born in 1978 in Baku, Azerbaijan. In 1999, he graduated with honors from the Russian Economy Academy named after G.V. Plekhnaov and received an MBA diploma in marketing and strategic management from the Moscow International Business School (MIRBIS) in 2006. In January 2012 Behnam started his PhD at the MIRBIS.

His career started in 1999 as the accountant at the representative office of London Educational Center in Azerbaijan. From 2000-02, he has been working for the LUKoil oil company. In 2002, Behnam joined International Bank of Azerbaijan and held various positions, most recently in the Project Finance and FI departments. He was

appointed as the director of the Islamic Banking Department in August 2012. The department is responsible for Islamic banking operations, retail and corporate client services, relationships with financial institutions, fundraising and Shariah compliance operations.

Since 2003 Behnam has been working on the Islamic Banking Legislation project in Azerbaijan.

**Panelists:**

***Giorgio Medda*** — *Chief Executive Officer, Azimut Portfooy Yonetimi, Turkey*

Giorgio Medda is the chief executive officer (since 2012) and fund manager of Azimut Global Portföy Yönetimi, one of the largest independent asset management companies in Turkey.

Azimut Global is part of the Azimut Holding Group, a global independent asset management platform with US\$37 billion in assets under management and offices in Europe, Asia and Latin America. Azimut Global is managing and marketing 11 mutual funds to local and international investors, all bringing significant investment innovation through flexible strategies focusing on Turkish markets. Azimut and Azimut Global are pioneers in the area of Islamic asset management with one of the

largest global Sukuk funds in the world. Giorgio joined Azimut in 2007 as a fund manager focusing on Europe and emerging markets. Prior to Azimut, since 1998, Giorgio worked at Mediobanca in Milan and Credit Suisse in London.



***Mohammad Shoaib*** — *Chief Executive, Al Meezan Investment Management, Pakistan*

Mohammad Shoaib is CEO of Al Meezan Investment Management, the largest Shariah compliant asset management company in Pakistan. He has over 24 years' experience of managing investment portfolios.

Al Meezan Investments, the largest private sector asset management firm in Pakistan, is currently managing the equivalent of US\$575 million under 10 mutual/pension funds and discretionary client portfolios. It has got a complete range of investment products in the risk-return spectrum from very low-risk products like sovereign funds, cash funds to high-risk equity funds.

As CEO of Al Meezan, Mohammad Shoaib is managing a diverse team of over 100 members in various departments of the organization including investments and research, product development, sales and marketing, finance and operations, information technology, internal audit, risk management and compliance, human resources and administration.

He got his CFA charter in 1999 and was the founder and the first president of the CFA Association of Pakistan.



***Mohieddine Kronfol*** — *Chief Investment Officer — Global Sukuk and MENA Fixed Income, Franklin Templeton Investments*

Mohieddine (Dino) Kronfol is the chief investment officer of global Sukuk and MENA fixed income at Franklin Templeton Investments. Mohieddine is responsible for the investment process, research and performance of the global Sukuk and MENA fixed income teams. He is one of the founding partners and board member of Franklin Templeton Investments (ME), formerly Algebra Capital, and has been with the firm since its inception in 2006. He is the lead portfolio manager of the FTSE Global Sukuk Fund and FTIF GCC Bond Fund and a member of the Franklin Local Asset Management team.

He was previously the head of debt asset management at SHUAA Capital where he launched and managed the first fund to focus exclusively on MENA debt.

Mohieddine holds a Bachelor's degree in business administration and an MBA from the American University of Beirut.

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**Panelists:**

***Tarek Selim*** — *Chief Operating Officer, Arabesque Asset Management, United Kingdom*

Tarek Selim is the chief operating officer and chief financial officer of Arabesque Asset Management, where he is responsible for implementing and maintaining a high level of infrastructure for the Arabesque group of companies as well as ensuring the long-term financial health of the group. He is also a founding partner of Arabesque and strongly believes that sustainable investments should be available to all investors and should deliver both values and performance without compromise. Tarek has over 18 years of international investment banking experience and held various senior management positions during his tenure at UBS Investment Bank, Goldman Sachs and Lehman Brothers.



***Saleem Khokhar*** — *Head of Fund Management and Equities, National Bank of Abu Dhabi, UAE*

Saleem Khokhar is the head of fund management and equities for NBAD Global Asset Management (GAM). Saleem and his team are responsible for managing NBAD GAM mutual funds and discretionary portfolios for sovereign wealth funds, institutional clients and high-net-worth individuals. Saleem has over 22 years of experience in the asset management industry. Prior to joining NBAD GAM, he was the head of the asset management group at EFG-Hermes KSA (Riyadh, KSA). His role was to establish and run the asset management department of EFG-Hermes in Riyadh, Saudi Arabia. Saleem also worked in Saudi Telecom Company (Riyadh, KSA) in international mergers and acquisitions (M&As). His role was to formulate M&A strategies and to identify and evaluate prospective M&As. Saleem was also a fund

manager with Abu Dhabi Investment Authority. He was responsible for fund management, trading and buy-side research. Emphasis was placed on fundamental and technical analysis, modeling of individual stocks and presentations to the board. Saleem also served as a fund manager with Mitsubishi UFJ (London, the UK) for over nine years where he was responsible for equity, bond and currency strategies as well as trading, economic analysis and research. Saleem holds a BSc (Hons) degree and ACA and AIIMR qualifications.

12:35 – 14:00      Luncheon

Notes:

# Asset Allocation Strategies and Cross Border Distribution

- Long and short-term asset allocation strategies and trends for Islamic investors
- Asset mix and risk tolerance across asset classes
- How will current market conditions alter asset allocation strategy?
- How is the concept of passporting influencing offshore fund distribution and overcoming regulatory hurdles to fund distribution?
- How can the mechanism for distribution of funds in non-Muslim countries be improved? Will new regulations promote cross border distribution?

## Moderator:



***Bishr Shibliq*** — *Head, Dubai Representative Office, Arendt & Medernach, Dubai*

Bishr Shibliq is the head of the Dubai office of Arendt & Medernach, where he advises MENA-based clients on Luxembourg regulatory matters.

He advises on the structuring and setting-up of investment structures and also specializes in banking and finance, in particular structured finance and Islamic finance.

He is a regular author on Islamic finance and is regularly invited to speak on Luxembourg-related topics at conferences in the region. He has been recognised in the 2013, as well as the 2014 MENA Fund Manager Service Provider Power 30 list as

amongst the thirty most influential service providers for the MENA funds industry. He is also a member of the Middle East Working Group of the Association of the Luxembourg Fund Industry (ALFI), as well as a member of the GCC Chapter of the International Fiscal Association.

He holds a master's degree in law from the University of Cologne, as well as a Master of Laws (LL.M.) in International Economic Law from the University of Warwick (UK).

## Panelist:



***Brian J. Luck*** — *Director, Investment Advisory, Asiya Investments, UAE*

Brian joined Asiya Investments in 2011 and is currently the director of the Investment Advisory office based in Dubai. He has spent the last 18 years working for GCC firms and has been based in the region for the majority of that time. Asiya Investments is the GCC's premier Emerging Asia-focused investment firm, providing a gateway for capital flows between the Arab world and Asia. With locations in Asia and the GCC, the firm offers clients the opportunity to co-invest in Asia through asset management products and direct investments, including Shariah compliant strategies. Brian has a BA (Hons), a MSc and an MBA majoring in economics, econometrics and quantitative finance, the professional ASIP qualification and is a member of the CFA Institute.

**Panelists:**

***Jamaluddin Nor Mohamad — Director of Islamic and Alternative Markets, Bursa Malaysia***

Jamaluddin Nor Mohamad is the director of Islamic and alternative markets at Bursa Malaysia. He is spearheading the expansion and development of the products and services of the Islamic and bond markets, and the Labuan International Financial Exchange.

Jamaluddin brings with him over 25 years of experience in the banking industry in various capacities in Malaysia and abroad, including senior positions in Bumiputra Commerce Bank, Bank Simpanan Nasional and Bank Pembangunan Malaysia.

He holds a Masters degree in business administration from University Putra Malaysia and a Bachelor's degree in business administration from Ohio University as well as a certificate in investment management from Securities Institute in the UK.



***Kamran Butt — Managing Director, Head of Client Advisory & International Sales, Sedco Capital, Saudi Arabia***

Kamran Butt joined SEDCO Capital in September 2014 and heads client advisory and international sales. Previously, he was based in Geneva, Switzerland as the head investment strategist of advisory and sales for Credit Suisse. He was also based in Dubai for Credit Suisse where he was the head of private banking research. Kamran was a member of the Credit Suisse Regional Investment Committee (EEMEA) and was the chairman of the Credit Suisse Product Committee (Middle East). Prior to this, he headed the European equity research for Louis Capital (hedge fund advisory) in London, analyzing multi-strategy trading research. With over 18 years in the industry, Kamran held a number of senior positions at UBS, Dresdner Kleinwort Wasserstein, as well as

Nomura International. Kamran has a BSc degree in economics from Queen Mary College, University of London.

Kamran is a member of SEDCO Capital's investment and product development committees as well as the management committee.



***Muneer Khan — Partner, Simmons & Simmons Middle East***

Muneer is an internationally recognized Islamic finance expert with a particular focus on asset management and funds, Sukuk, structured products and Middle East and Islamic financial markets regulation. He has many years of experience in advising some of the world's leading financial institutions and has developed a close working relationship with several of the world's leading Shariah scholars. He has advised a number of governments in this area, including the UK government as a member of HM Treasury's Islamic Finance Tax Technical Working Group.

Muneer is an English qualified solicitor who has been a partner with Simmons & Simmons since 2006. He heads the award-winning Middle East financial markets and international Islamic finance practices at Simmons & Simmons.

Muneer has spoken widely internationally and has been quoted on Islamic finance issues by, among others, Islamic Finance news, the Financial Times, the New York Times, the Guardian, the Wall Street Journal, Arabian Business and Asharq Alawsat, as well as appearing on Sky News Arabia, Bloomberg TV, CNBC Arabia and Reuters TV.

Notes:

# Is Crowdfunding the Next Big Thing in Islamic Investing?

Crowdfunding is big news this year, with a groundswell of interest that has seen legislation introduced in the US, UK and several other jurisdictions as nations legitimize what is promoted as one of the few truly egalitarian and accessible forms of entrepreneurial start-up funding. The story has already swung into gear on the conventional side with a plethora of successful case studies — and with principles that perfectly match the platform of Shariah compliant SME support, is it a trend tilting on the edge of enormity for the Islamic world as well?

- How do crowdfunding principles match Islamic investing — and are there any areas where they don't?
- Equity-based crowdfunding versus peer-to-peer and debentured lending: Where are the biggest possibilities and what are the challenges specific to Islamic financing?
- Danger ahead: What pitfalls are there for unwary investors and how can we protect against them?
- Why are there not more Shariah compliant crowdfunding platforms out there yet, and can we expect to see more in the coming year?
- The Malaysian government has supported a new platform on Bursa Malaysia: Why are more governments not encouraging this exposure?

## Moderator:



***Lauren McAughtry*** — *Group Managing Editor, Islamic Finance news*

Lauren joined REDmoney in 2011 as the managing editor and oversees all editorial content for the group. Her role includes authoring cover stories for *Islamic Finance news*, interviewing senior industry participants and regulators, moderating roundtables and forum discussions and research and analytical reporting among others.

Lauren graduated from University of Oxford in 2003 (BA English Language & Literature, MA (Oxon)), University of Cambridge in 2004 (Certificate of International Business Practice), Columbia University in 2005 (Business, Finance, & Economics diploma program), Oxford Brookes University in 2006 (MA, Publishing & Business)

and is a Qualified Member of the UK Society of Investment Professionals.

Prior to joining REDmoney Lauren worked for Barclays Wealth as a private banker (London); Datamonitor as a financial analyst (London), Citigroup as a business analyst (New York); and worked as an analyst and freelance journalist for numerous leading industry publications and research companies.



**Panelists:*****Aamir Rehman — Managing Director, Fajr Capital, UAE***

Aamir Abdul Rehman is a managing director at Fajr Capital, a private equity investment firm focused on key markets in the Middle East, Southeast Asia, and Turkey. Fajr Capital's shareholders include Khazanah Nasional, the government of Brunei Darussalam, the Abu Dhabi Investment Council, MASIC (Saudi Arabia), and other leading private investors.

Aamir leads the group's arrangement and advisory businesses, advising governments, multi-lateral bodies, and private investors on matters pertaining to public policy, investment flows, and Islamic finance. He is the author of the books: 'Dubai & Co.: Global Strategies for Doing Business in the Gulf States' and 'Gulf Capital & Islamic Finance: The Rise of the New Global Players'. Prior to joining Fajr Capital, Aamir was

the global head of strategy at HSBC Amanah, before which he was a consultant with the Boston Consulting Group. He holds Bachelor's and Master's degrees from Harvard University, and an MBA from the Harvard Business School.

***Paul Boots — Chief Operating Officer, Beehive***

Paul is responsible for managing the day-to-day operations, product development and business origination of Beehive.

Before joining Beehive, Paul spent eight years with the DMCC, the UAE's largest free zone, where he was involved in the setup and management of several businesses related to their commodities initiatives. Most recently, he developed and looked after the DMCC's services to the commodities, trade finance and Islamic finance industries through the DMCC Tradeflow platform.

***Sam Quawasmi — Managing Director & Co-Founder, Eureeca***

Sam is the co-founder and managing director of Eureeca. He has extensive experience working for international investment banks in London as well as regional investment banks in Dubai. Prior to founding Eureeca, he was the director for MENA equities at Arqaam Capital, and was the vice-president of Equity Capital Markets at SHUAA Capital before that.

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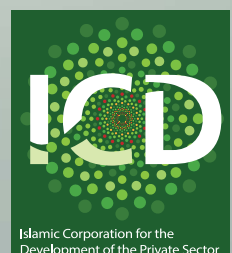
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**Panelist:*****Waleed Esbaitah — Founder & Chief Executive Officer, DURISE***

Waleed has spent the last eight years receiving an education in various countries around the world. After attending Institute Le Rosey in Switzerland for three years, Waleed went on to complete a Bachelor's degree in business and administration with a focus in finance from the George Washington University in Washington DC.

Waleed has always had a passion for entrepreneurship, venture capital investments, and the tech industry as a whole. In keeping an ear out for new ideas, he then became very interested in the concept of crowdfunding. Due to his family business always being in real estate, Waleed realized that this was the best way to move forward

and improve on the more traditional methods that have always been used in this part of the world. While planning DURISE crowdfunding, Waleed decided it would be best to group the real estate activities, by adding a brokerage and a property management to the list, becoming a horizontally integrated company. Waleed is the founder of DURISE, the Middle East's first comprehensive real estate crowdfunding platform. DURISE aims to be the market leader in low entry, yet smart real estate investments, available to anyone.

Notes:

# Sector Focus: Where is the Shariah Compliant Real Estate Investment Market Headed?

Leading real estate investments specialists are asked what can be expected from real estate markets globally this year.

- Which real estate markets are expected to outperform, and why?
- How will falling oil prices affect real estate investments in the GCC?
- What further innovation can be expected in Shariah compliant real estate transactions in 2015?
- In light of the global economic trends, what risks should real estate investors be aware of?

## Moderator:



**Jawad Ali** — *Managing Partner, Middle East Offices, King & Spalding*

Jawad Ali is the managing partner of King & Spalding's Middle East offices, global deputy leader of the firm's award-winning Islamic finance practice group and is based in its Dubai office. His practice covers a broad range of Shariah compliant and conventional finance and investment transactions. He is especially recognized for his knowledge of Shariah issues and his skills in developing innovative, Shariah compliant investment and financing structures. His practice has involved investment and financing transactions throughout the Middle East, Europe, the US, Southeast Asia and Africa.

Jawad is a frequent speaker on the topic of Islamic finance and investment through the Middle East, Europe, the US and Africa. He is ranked a leading lawyer for Islamic finance in independent directories and client-based surveys. Chambers Global 2014 states: "Jawad Ali advises on a variety of Shariah compliant structures in the areas of private equity, M&A and real estate. He has had significant activity of late representing regional clients with respect to their overseas investments."

## Panelist:



**Henry Thompson** — *Chief Executive Officer, Gatehouse Bank, United Kingdom*

Henry joined Gatehouse Bank as CEO in April 2014.

Prior to joining Gatehouse, Henry was with Arcapita Bank, a leading Shariah compliant investment firm, for 17 years, where he was a senior member of management and general counsel.

Before joining Arcapita, Henry was an attorney at Gibson, Dunn & Crutcher, an international law firm, where he was involved in international business transactions and regulatory matters.

Henry holds dual US and British citizenships. He graduated from Georgetown University, Washington D.C. in 1974, where he gained a BS degree in foreign service, and from Georgetown University Law Center in 1989, where he gained a JD cum laude.



**Panelists:**

***Philip Churchill — Founder & Managing Partner, 90 North Real Estate Partners, United Kingdom***

Starting his career with Citigroup, Philip moved into real estate over 15 years ago and has specialized in real estate investment management since.

With transactions conducted exceeding GBP2 billion (US\$2.81 billion), Churchill has extensive practical knowledge in the due diligence and structuring of acquisitions across the UK, the US and continental Europe as well as a wide range of sectors and investment strategies.

Before establishing 90 North, Philip was the executive vice-president and the head of real estate at Shariah compliant Gatehouse Bank in London. He established the team and built assets under management.

Philip spent four years as the managing director and the head of investment management, Europe at HDG Mansur, fund manager for the Shariah compliant HSBC Amanah Global Properties Income Fund.

Philip started his career with Citigroup in banks' risk management and moving into Citigroup Property Investors, launching and investing two European Shariah compliant real estate funds.



***Robin Williamson — Managing Director — Real Estate Advisory, Middle East, Deloitte, Saudi Arabia***

Robin is the managing director and real estate industry leader for Deloitte in the Middle East and currently lives in Riyadh, Saudi Arabia.

He came to the Middle East in 1995 having previously worked in the city of London within the office agency and development sectors and thereafter across the UK, in the industrial and logistics development sectors.

Previously the managing director for DTZ's Middle East operations, during his time there he opened offices in Abu Dhabi, Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia.

During his time in the region, Robin has advised many high-net-worth individuals to acquire real estate investments in London, the US and the Far East, totaling almost US\$1 billion in value.

At Deloitte, Robin leads a team of chartered surveyors, economists and financial consultants who provide a broad range of valuation, feasibility, hospitality and capital markets advice across the MENA region.

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Jumeirah Bay, Dubai, United Arab Emirates

**Panelist:**

***Tim Rose — Head of Real Estate, Emirates NBD Asset Management, UAE***

Tim has over 20 years' experience in real estate throughout New Zealand, Europe, and the Middle East. He joined Emirates NBD Asset Management in 2005, and has been the head of real estate since 2011. The role's primary focus is the Emirates Real Estate Fund comprising over US\$400 million of direct real estate in the UAE. The fund's focus is institutional quality assets that provide an income stream and long-term appreciation, having achieved a 38% return over the past three years. Tim was previously with the Dubai International Financial Center during the establishment of the center, developing the Gate Precinct.

Tim holds a Bachelor of Commerce degree and a post-graduate Diploma in Commerce from Lincoln University in New Zealand, and recently completed his MBA with Cass Business School in London. In addition, he is a member of the Royal Institute of Chartered Surveyors (MRICS), a registered valuer in New Zealand, and a senior member of the NZ Property Institute.

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16:15 – 16:20      Closing Remarks

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16:20 – 17:00      Coffee & Networking

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Notes:

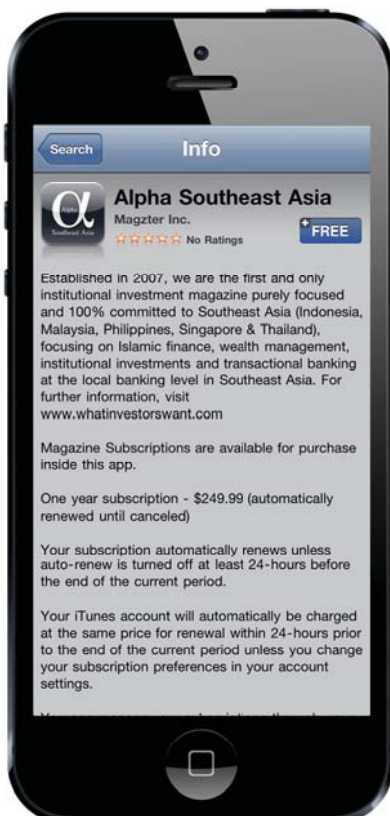


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## Lead Law Partner

### KING & SPALDING

King & Spalding is an international law firm with more than 30 years experience advising clients globally on Islamic finance. Consistently ranked among the best in the world, the firm's global Islamic finance and investment practice includes nearly 30 lawyers and professionals in offices across Europe, the US and the Middle East.

In Europe, the firm is recognized as a leader in structuring and advising on Shariah compliant real estate financing and investments, as well as advising various international investment banks in their capacities as arrangers in debt capital market transactions, particularly Sukuk issuances. In the US, the firm is widely acknowledged as the firm of choice for Shariah compliant investment and financing transactions. In the Middle East, the firm leads in the formation of investment funds across a range of asset sectors, and the innovative fund structures it has developed to deal with local ownership and financing restrictions are now precedents followed by the industry. The firm maintains a leading role in handling debt capital markets work, in particular Sukuk issuances for issuers and lead arrangers across the Middle East and Turkey.

## Multilateral Strategic Partner



The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral financial institution. It is the private sector arm of the IDB Group. It was established by the IDB Board of Governors in its 24<sup>th</sup> annual meeting held in Rajab 1420H (November 1999) in Jeddah, Kingdom of Saudi Arabia. The authorized capital stock of ICD is US\$2 billion while the capital available for subscription is US\$1 billion. Its shareholders are the IDB, 52 Islamic member countries, and five public financial institutions from member countries. In 2014, Fitch rated ICD 'AA/F1+' with a stable outlook.

The mandate of ICD is to play a complementary role to IDB activities and national financing institutions in member countries through the provision of financing and financial services to private sector projects in accordance with Shariah principles. ICD also provides consultancy services to governments and private sector institutions in order to encourage the establishment, the expansion and the modernization of private sector enterprises, the development of capital markets, the adoption of best management practices and enhancement of the role of market economy.

ICD focuses in its financing on developmental projects which contribute to the creation of employment opportunities and the encouragement of exports. To achieve these objectives, ICD creates and develops relations of cooperation and partnership to arrange co-financing and syndicated financing services.

## Strategic Exchange Partner



Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. A public company limited by shares under the Companies Act 1965, Bursa Malaysia operates a fully-integrated exchange, offering equities, derivatives, offshore, bonds as well as Islamic products, and provides a diverse range of investment choices globally.

Bursa Malaysia Securities regulates and operates the securities trading activities in Malaysia, a stock market with more than 900 companies across 60 economic activities. Companies from the economic sectors are listed either on the Main Market for large-cap established companies, or on the ACE Market for emerging companies of all sizes. The exchange adopts the FTSE Bursa Malaysia KLCI values as its main index.

For more information on Bursa Malaysia, visit [www.bursamalaysia.com](http://www.bursamalaysia.com).

## Executive Partners



**AZIMUT**  
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Azimut is a global independent asset manager active since 1989 with AUM in excess of US\$37 billion as of August 2014. Since 2004 its parent company Azimut Holding is listed on the Italian stock exchange and is a member of the FTSE MIB and Euro Stoxx 600 indices. The shareholder structure includes over 1,200 managers, employees and financial advisors, bound by a shareholders' agreement controlling 20% of the company while the remaining is free floating. The group includes companies active in the management and distribution of financial and insurance products, with offices in Italy, Luxembourg, Ireland, Turkey, China (Hong Kong and Shanghai), Monaco, Switzerland, Taiwan, Singapore and Brazil. Since 2012 Azimut is leading the development of an independent asset management industry in Turkey with AZ Global, which is also the advisor to AZ Global Sukuk, a Luxembourg-based UCITS-IV fund that is one of the largest investment pools in Sukuk globally.



Founded in 1998 and headquartered in London, with presence in Dubai and Saudi Arabia, DDCAP is majority owned by IPGL, the most significant shareholder in ICAP, the world's largest interdealer broker. DDCAP positions itself as an intermediary in the Islamic financial services industry, providing structuring support, trade execution and value-added services to its global clients. DDCAP holds a unique market position as facilitator across a diverse range of Shariah compliant products, asset classes and instruments in both the primary and secondary markets, through its trading subsidiaries DD&Co and DDGI.

DDCAP is multi-award winning, regularly receiving industry recognition including "Best Interbroker for Islamic Transactions" (IFN Best Service Providers Poll).

To ensure its ongoing commitment to the integrity of the markets in which it operates and to client stipulation, DDCAP has an appointed Shariah Supervisory Board comprising the following members:

Sheikh Abdullah Bin Suleiman Almaneea (Chairman)  
Sheikh Dr Abdullah Almutlag  
Sheikh Dr Mohamed Ali Elgari

**IdealRatings®** IdealRatings was incorporated in 2006 in San Francisco with a mission to help Shariah compliant and ethical investors identify instruments across different asset classes in more than 160 markets. IdealRatings serves clients in over 20 countries with a range of capital market solutions including:

- **Equities** — A web-based platform covering over 40,000 stocks, where fund managers can screen equities using different Shariah rulebook or guidelines. This solution caters for different purification calculation methodologies;
- **REITs** — Global coverage of all listed REITs that could be screened in accordance with different standard Shariah rulebook or guidelines;
- **Indexes** — Co-branded and jointly marketed by Russell Indexes and a separate series with Thomson Reuters for the Global Markets, designed for fund management and investment benchmarking. In addition, IdealRatings is able to provide custom-built indexes;
- **Sukuk** — A unique, pioneering global Sukuk screening solution that enables fund managers to customize their Sukuk selection in accordance to their Shariah rulebook or guidelines ; and
- **Brokerage** — The solution provides broking houses the ability to screen global equity markets, technical analysis of the markets and equities, buy/sell/hold recommendations and purification amount.

## Executive Partner



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S&P Dow Jones Indices, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors.

More assets are invested in products based upon our indices than any other provider in the world. With over 1 million indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices defines the way investors measure and trade the markets. To learn more about the company, please visit [www.spdji.com](http://www.spdji.com).

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World Vest Base provides a broad range of informational products directed at institutional investors, universities, bankers, analysts, tax and audit practitioners, government agencies and asset managers, M&A, private capital, equity and fixed income markets. The company's latest offering includes the WVB Shariah Compliance Ratings which is a relational database of financial, statistical and market information on active and inactive global companies.

The database covers 153 countries with over 44,600 active listed companies and 30,000 inactive companies. This covers approximately 99% of all listed companies and a global market capitalization of almost 100%. WVB data is based on the country of incorporation. It describes a company as a legal entity, not individual issues or listings and offers complete documents with indexed financial transparency to the data.

For more information, visit [www.wvb.com](http://www.wvb.com).

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**BUSINESS**  
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Launched in November 2006, Business Islamica is the first monthly magazine of its kind in the UAE, specifically covering all aspects of Islamic business and finance, both regionally and internationally. The magazine's objective is to spearhead awareness initiatives, heighten knowledge of its core principles and practices, as well as to feature the latest developments in this industry.

Our editorial covers interviews with key industry leaders, case studies, and includes features on a wide range of topics such as: Islamic banking, wealth management, Takaful, Islamic retail finance, marketing and branding of Shariah compliant products, regulatory issues, Islamic business challenges and risk management.

[www.businessislamica.com](http://www.businessislamica.com)



**Capital  
Business**

Launched in October 2005, Capital Business Magazine is a 100% B2B English monthly publication, established and accredited by the Dubai International Financial Center (DIFC), featuring articles by certified financial and business experts on a broad spectrum of topics including banking, technology, best business and management practices, corporate finance, accounting and financial reporting, real estate, investments, capital markets and energy.

[www.capitalbusiness.me](http://www.capitalbusiness.me)

## Media Partners



Alpha Southeast Asia is celebrating its eighth anniversary this year as a purely Southeast Asian-focused institutional investment and transactional banking magazine. The magazine has remained steadfast in its coverage of Southeast Asia (Indonesia, Malaysia, Philippines, Singapore and Thailand).

South East Asia

As a result, the magazine has firmly established itself as the only magazine of choice among institutional investors interested in understanding the region further. Corporate treasurers and chief financial officers in the region have found Alpha Southeast Asia useful given similarities in the ASEAN region. High net worth individuals and white-collar professionals have also found our articles a good alternative as opposed to what is widely available in the mainstream regional press. The magazine remains the only Hong Kong-based regional financial magazine with a dedicated monthly section on Islamic finance.



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Oxford Business Group (OBG) is a global publishing, research and consultancy firm, which publishes economic intelligence on the markets of Asia, the Middle East, Africa and Latin America. OBG offers a comprehensive analysis of macroeconomic and sectoral developments, including banking, capital markets, energy, infrastructure, industry and insurance.

The group's acclaimed economic and business reports are the leading source of local and regional intelligence, while its online economic briefings provide an up-to-date in-depth analysis. OBG's consultancy arm offers tailor-made market intelligence and advice to firms operating in these markets and those looking to enter them.



The Business Year (TBY) is a leading provider of business investment consultancy services and publisher of yearly information resources on national economies and business environments. TBY provides accurate, timely and country-specific economic and business data, assessing the trends and developments of all the major economic sector of the countries where it conducts research.

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"Market Innovation"  
by The Asset Triple A Awards 2010



"Islamic Innovation Award"  
by Malaysia's Ministry of Science,  
Technology and Innovation 2010



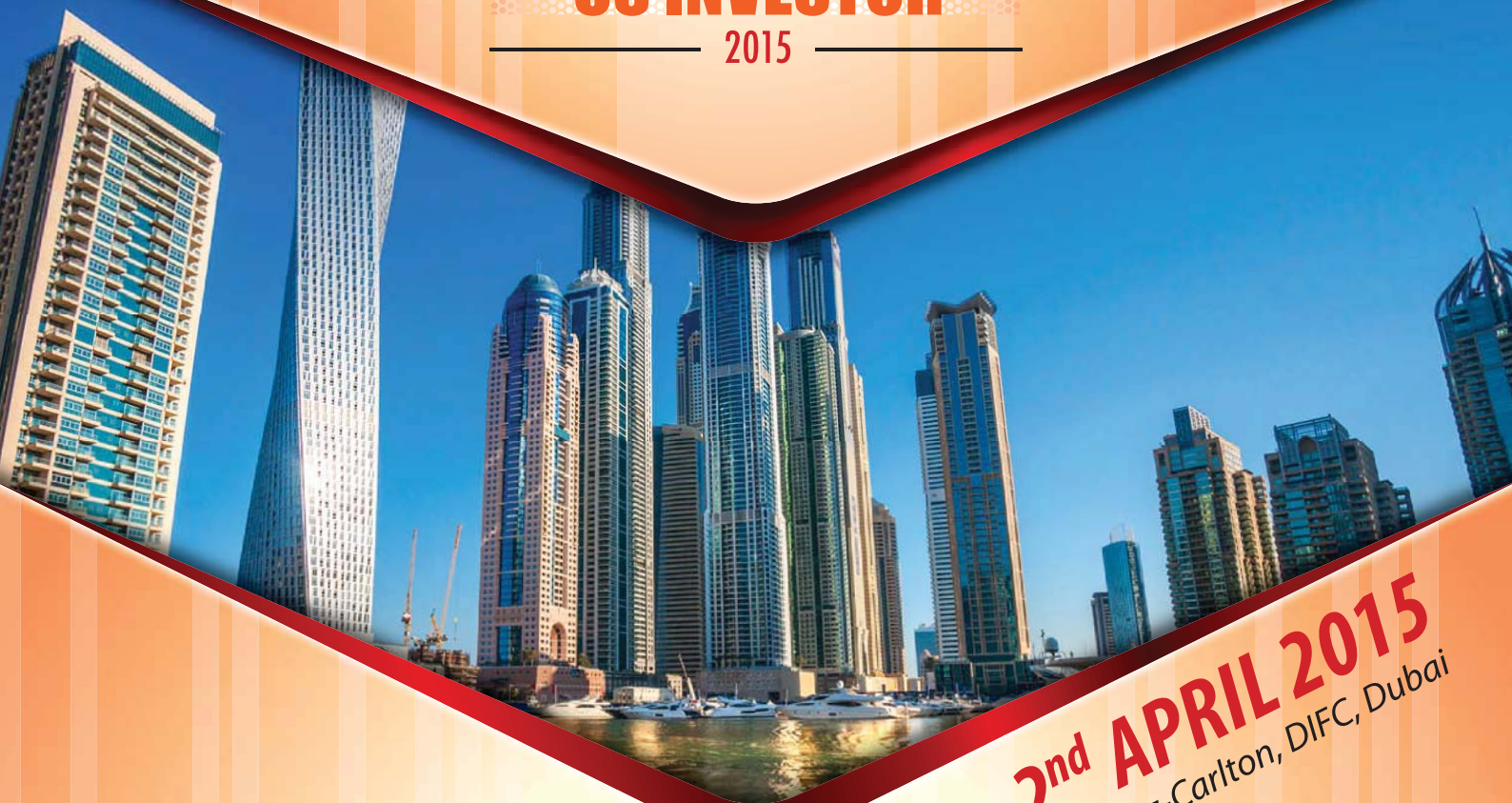
"Most Outstanding  
Islamic Finance Product"  
by KLIFF Islamic Finance Awards 2009



# IFN FORUM

## US INVESTOR

2015



**2nd APRIL 2015**  
The Ritz-Carlton, DIFC, Dubai

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King & Spalding is an international law firm with more than 30 years experience advising clients globally on Islamic finance. Consistently ranked among the best in the world by *Chambers Global* and *The Legal 500*, the firm's Global Islamic Finance and Investment practice includes over 30 lawyers and professionals in offices across Europe, the United States, and the Middle East. With nearly three decades of experience in this highly specialized and growing area, the firm is considered to be the only law firm with the expertise and depth to structure and implement sophisticated *Shari'ah*-compliant investment and financing transactions in Europe, the United States, the Middle East and Asia. In Europe, the firm is recognized as a leader in structuring and advising on *Shari'ah*-compliant real estate financing and investments as well as advising various international investment banks in their capacities as arrangers in debt capital market transactions, particularly *Sukuk* issuances. In the United States, the firm is widely acknowledged as the firm of choice for *Shari'ah*-compliant investment and financing transactions in the United States. In the Middle East, the firm leads in the formation of investment funds across a range of asset sectors, and the innovative fund structures it has developed to deal with local ownership and financing restrictions are now precedents followed by the industry. The firm maintains a leading role in handling debt capital markets work, in particular *Sukuk* issuances for issuers and lead arrangers across the Middle East and Turkey.

## KING & SPALDING

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# FEEDBACK FORM

Please spare a minute to provide valuable feedback.

## 1. Overall Evaluation

- Pre-event contact
- Venue & facilities
- Overall evaluation of the event
- Overall evaluation of the speakers

| Excellent            | Good                 | Average              | Poor                 |
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## 2. Which Sessions Were of Interest to You?

- Key Markets and Asset Classes in the Americas
- Presentation: Structuring Shariah Compliant Real Estate Investments in the United States
- Presentation: Opportunities in Shariah Compliant Real Estate Investments: Key Markets and Opportunities
- CEO Interview: How Middle Eastern Investors view the US Shariah Compliant Investment Market
- A Strategy for Asset Allocation and Promoting Cross Border Investments

| Excellent            | Good                 | Average              | Poor                 |
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## 3. Speakers Evaluation

### *Key Markets and Asset Classes in the Americas?*

- Nabil Issa, King & Spalding (*Moderator*)
- Ayman Khaleq, Morgan, Lewis & Bockius
- Monem Salam, Saturna, Malaysia
- Philip Churchill, 90 North Real Estate, United Kingdom

| Excellent            | Good                 | Average              | Poor                 |
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### *Presentation: Structuring Shariah Compliant Real Estate Investments in the United States*

- Isam Salah, King & Spalding, New York/Dubai

| Excellent            | Good                 | Average              | Poor                 |
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### *Presentation: Opportunities in Shariah Compliant Real Estate Investments: Key Markets and Opportunities*

- Daniel Cooper, 90 North Real Estate, USA

| Excellent            | Good                 | Average              | Poor                 |
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### *CEO Interview: How Middle Eastern Investors view the US Shariah Compliant Investment Market*

- Muhannad Abulhasan, Arzan Wealth

| Excellent            | Good                 | Average              | Poor                 |
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### *A Strategy for Asset Allocation and Promoting Cross Border Investments*

- Lauren McAughtry, Islamic Finance *news* (*Moderator*)
- Alka Banerjee, S&P Dow Jones Indices, USA
- Jamaluddin Nor Mohamad, Bursa Malaysia
- Jawad Ali, King & Spalding
- Mohamad Nasir, Allied Asset Advisors, USA

| Excellent            | Good                 | Average              | Poor                 |
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(More speakers on next page)

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Would you be interested in attending next year's IFN United Arab Emirates Forum? Yes ☐ No ☐

Would you be interested to subscribe to IFN Weekly? Yes ☐ No ☐

Would you be interested in attending training courses in the United Arab Emirates? Yes ☐ No ☐

What would you like to see covered in future events?

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What can we, as organizers, do to improve this event for the future?

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Please provide a testimonial about this forum

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Submitted by:

Name:

Email:

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**Thank you and we wish you a pleasant return journey. See you next year!**





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# Welcome to the 2015 IFN US Investor Forum

Islamic finance is undeniably gaining more traction in the US and Canada. With more Shariah compliant entities acquiring properties in the US as well as Canada's increasing involvement in Islamic financial transactions, it is safe to acknowledge both countries' persistent interest in the Islamic investment landscape.

Canada has approximately 1.05 million Muslims in the country, making up 3.2% of the country's population, according to Canada's 2011 National Household Survey. Islam in Canada is the second largest religion after Christianity and the fastest-growing religion in the country, projected to double within the next 10 years. Some of the developments in Canada in the field of Islamic finance over the year 2014 are in the areas of education as well as the introduction of new Islamic investment products. The Rotman School of Management within the University of Toronto has introduced Canada's first MBA course in Islamic finance, which is now entering its fourth year and has been a top-ranked course since its inception.

At the domestic level, there are several Islamic home financing products and funding for purchases of Islamic educational centers and properties for Muslim businesses. These financings were done by Canadian financial institutions including several major credit unions. In terms of Shariah compliant investment funds in Canada, the largest is the mutual fund of the Bullion Management Group, specializing in purchasing and storing physical gold, silver and platinum bars as an investment. Another mutual fund is the Global Iman Fund which is managed by UBS and is based on the Dow Jones Islamic Index. Everest Group in Alberta is in the process of converting its existing mortgage and real estate funds into Shariah compliant funds.

In the US, the UK-based Shariah compliant investment firm, 90 North Real Estate Partners opened a Chicago office and purchased interests in buildings near Chicago and in Denver. On the investment side, the Azzad Mutual Funds were awarded a Lipper Fund Award in the Global Bond (Sukuk) category for its Azzad Wise Capital Fund. In terms of infrastructure development, Devon Bank put together the first known inter-bank syndication for a large Islamic school financing project. The UK's RAQABA for Islamic Financial Consultations also last year entered the US market by issuing the first Shariah audit report in the US for American Finance House (LARIBA).

On the back of these substantial developments the IFN US Investor Forum 2015 seeks to bring you a concise and all-rounded discussion on Shariah compliant opportunities that are available across the US and Canada. Gathering an experienced panel of experts, the event is designed to equip each participant with all relevant information to venture into the Islamic market in North America. We wish you an informative and fruitful forum.

**REDmoney** is the foremost global provider of specialized Islamic financial media services across three core divisions of events, publishing and training. Established in 2004, the firm has offices in Dubai and Kuala Lumpur: offering an unrivalled multi-channel service across the full spectrum of the global financial markets. The outward-facing arms of the REDmoney publishing and events portfolio are supported by REDmoney Training, which provides access to industry-leading expertise from the best in the field. REDmoney Group covers the full range of global markets: from emerging Islamic economies across Africa and Asia to industry leaders such as Malaysia and the GCC along with developed nations in Europe and the Americas seeking to enter the sector. The company offers unequalled access to the elite of the industry: with relationships built up over a decade of trusted communication with market leaders to provide a detailed network covering every aspect of Islamic financial services.



## *Values-Based Global Equity Managers*



As an asset management firm, we tailor investment programmes to our clients' objectives. We are primarily long-term investors, seeking to preserve and grow clients' capital over time. With more than two decades of shariah compliant investing experience, the Saturna group is committed to providing high-value services at low cost.

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- **ASEAN equities**



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**+603.2164.5303**

**[arsad@saturna.com.my](mailto:arsad@saturna.com.my)**

**[www.saturna.com.my](http://www.saturna.com.my)**

09:00 – 09:15 Welcome Address

## Key Markets and Asset Classes in the Americas

- 09:15 – 10:00
- What regulations currently exist to support and promote the growth of Islamic investments in the United States? What changes can Islamic investors expect in 2015?
  - Key Shariah compliant asset classes: What trends are emerging and what should investors look out for?
  - Outlook for debt capital markets, equity funds, PE funds, i-ETFs and pension funds in the Shariah compliant investment space
  - What prospects does the North American real estate sector hold for Islamic investors?
  - Discussing an industry-wide strategy required to encourage inward investments

### Moderator:

**Nabil Issa** — Partner, King & Spalding

### Panelists:

**Ayman Khaleq** — Partner, Morgan, Lewis & Bockius

**Monem Salam** — President, Saturna Malaysia

**Philip Churchill** — Founder & Managing Partner, 90 North Real Estate, United Kingdom

10:00 – 10:20 **Presentation: Structuring Shariah Compliant Real Estate Investments in the United States**

**Isam Salah** — Partner, King & Spalding, New York/Dubai

10:20 – 10:40 **Presentation: Opportunities in Shariah Compliant Real Estate Investments: Key Markets and Opportunities**

**Daniel Cooper** — Partner, Head of North America, 90 North Real Estate, USA

10:40 – 11:10 Coffee & Networking

11:10 – 11:25 **CEO Interview: How Middle Eastern Investors view the US Shariah Compliant Investment Market**

**Muhannad Abulhasan** — Chief Executive Officer, Arzan Wealth

## A Strategy for Asset Allocation and Promoting Cross Border Investments

- 11:25 – 12:05
- Long and short-term asset allocation strategies for Islamic investors
  - Which US-based Shariah compliant investments are likely to appeal to global investors?
  - Outlook for investments in offshore Sukuk funds
  - How is the concept of passporting influencing offshore fund distribution and overcoming regulatory hurdles to fund distribution?
  - How can the mechanism for distribution of funds in non-Muslim countries be improved? Will new regulations promote cross border distribution?

### Moderator:

**Lauren McAughtry** — Group Managing Editor, Islamic Finance news

### Panelists:

**Alka Banerjee** — Managing Director, Strategy and Global Equity Indices, S&P Dow Jones Indices, USA

**Jamaluddin Nor Mohamad** — Director of Islamic and Alternative Markets, Bursa Malaysia

**Jawad Ali** — Managing Partner, Middle East Offices, King & Spalding

**Mohamad Nasir** — General Manager, Allied Asset Advisors, USA

12:05 – 12:10 Closing remarks





# Morgan Lewis

## ALWAYS ON

Our Islamic finance and investment team has experience advising clients on Shari'a-compliant debt capital markets, structured transactions, and investment fund formations across the Middle East, North America, Europe, and Asia. Our award-winning team focuses on structuring cross-border Islamic finance transactions, particularly where foreign issuers and fund managers are seeking to raise debt or equity from Islamic investors. We have worked on the first corporate Sukuk issuances out of the United States, Luxembourg, Germany, and Oman; the first Islamic capital protected fund; multiple asset-backed structured notes; and a wide range of feeder and parallel fund structures for some of the largest global buyout and real estate fund managers.

For more information, please contact:

**Ayman A. Khaleq**

Managing Partner | Dubai

[akhaleq@morganlewis.com](mailto:akhaleq@morganlewis.com) | +971.4.312.1880

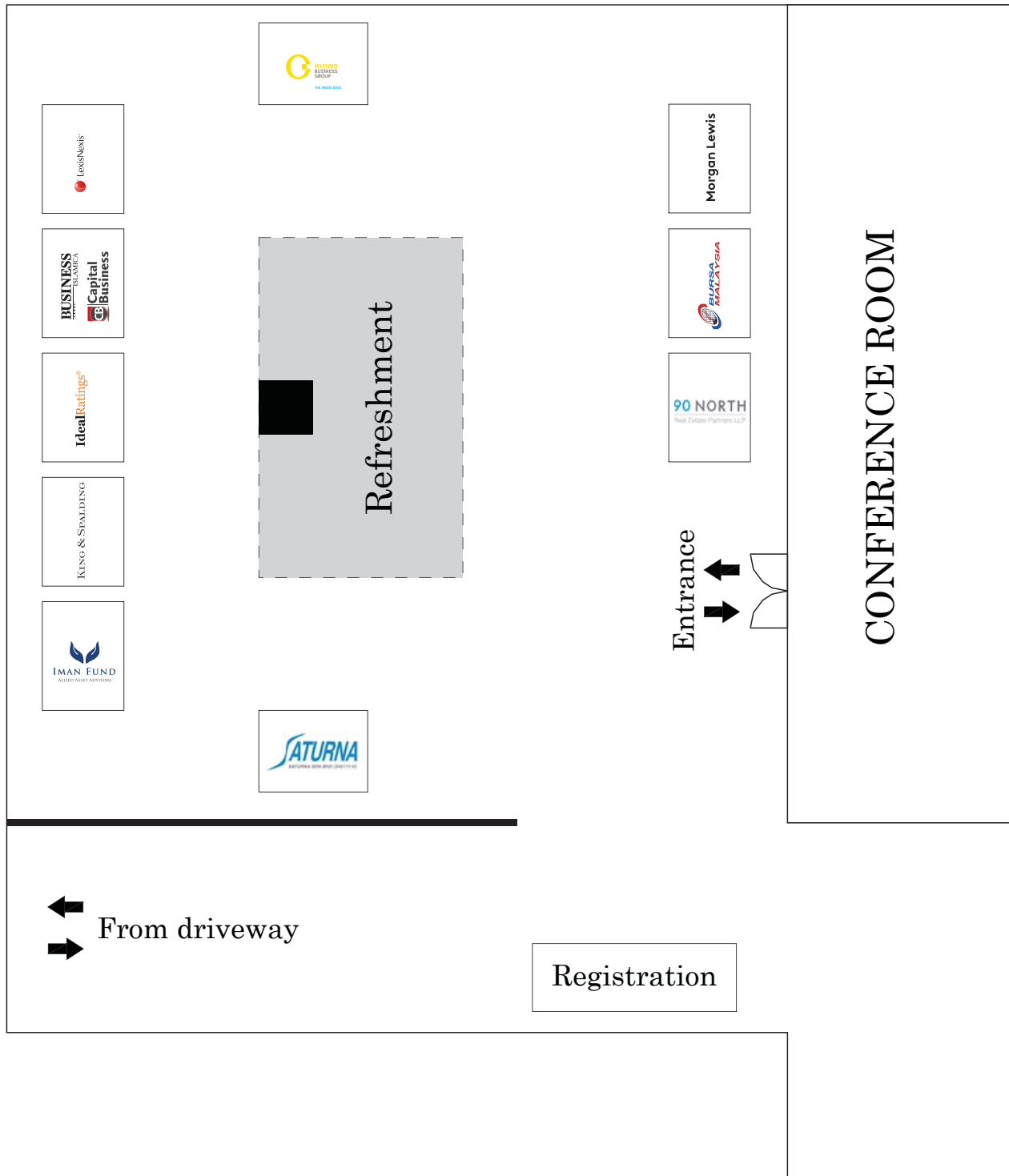
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# Social impact Sukuk: A new frontier

**Social impact bonds (SIBs) – a new approach to public finance where private investors provide up-front capital to fund social programs that, if successful, will generate savings for the government. MICHAEL BENNETT and AKINCHAN JAIN explore their potential.**

A SIB is a 'pay-for-performance' or 'pay-for-success' contract that can be structured in different ways to address a defined social or environmental problem. If the programs are effective at meeting pre-determined targets, then the private investors are compensated, sharing in the savings they helped the government generate. On the other hand, if the social programs do not need meet the targets, the investors will suffer a loss, corresponding to the benefits not received by the government due to the failure of the program.

The transaction that has been recognized as the first SIB was launched in the UK in 2010 and illustrates how the concept can be put into practice. In that transaction, the money raised by the issue of the SIB was used to fund a program aimed at reducing the recidivism rate of prisoners at Peterborough Prison. A reduced recidivism rate would lead to significant savings for the state because of the reduced need to fund the prison.

Therefore, if the program is successful (which is measured by a reduction in recidivism among prisoners that participate in the program compared to the prison population as a whole), a portion of the savings generated by the state will be used to compensate investors, with a potential internal rate of return to investors, if reduced recidivism rate targets are fully met, of 13%. This pay-off structure means that the incentives of the parties are well-aligned: investors can earn an attractive return while funding a worthwhile cause and the state receives up-front funding for a program while only needing to pay back the funds in full if the program is successful.

Since the successful launch of the Peterborough Prison transaction, the SIB concept has attracted significant interest in the development and ethical investing communities. A similar prison recidivism rate based SIB was launched in New York State in 2012 involving prisoners at Rikers Island Prison. The concept is now being considered for funding other types of projects, including in areas such as public health and energy efficiency.

The SIB concept appears to be well suited to Islamic finance. For one thing, an SIB creates a risk-sharing arrangement between the investors and users of invested funds. Both parties will benefit if the program being funded is successful and will suffer a loss if the program fails.

Given the complementarity of Islamic finance and the SIB concept and the fact that Sukuk is the Islamic finance product most similar to a bond, we believe there

is an attractive market opportunity for the development of social impact Sukuk (SIS).

SIS could be used to fund any number of programs with a worthwhile public purpose. As an example, consider how an SIS could be structured to combat the transmission of Malaria. Malaria, an infectious disease that is transmitted by the bite of an infected Anopheles mosquito, kills thousands of people every year, and especially young children in the tropical and subtropical regions of Africa, Asia, and Latin America. Since this mosquito is most active at night, one way to reduce the incidence of Malaria is through the use of mosquito resistant bed nets.

The relatively poor countries that are most affected by Malaria often do not have the financial resources to finance the purchase of bed nets. However, a dollar spent on preventing Malaria generates multiples in savings for the countries in the form of lower health service expenditures and increased productivity from a healthier labor force. Often, the problem boils down to getting the financing needed to purchase bed nets until the benefits start accruing in about five to seven years.

An SIS could be structured in which the proceeds of the issue are used to purchase and lease the bed nets to a government. The amount and timing of the lease payments from the government could be set based on certain targets (which could be measured through an independent agency by reference to the successful distribution of nets or the reduction in the number of Malaria patients). If the targets are met, the lease payments could be higher, in recognition of the savings being achieved by the government due to the success of the program.

The financing of bed nets for the prevention of Malaria is just one possible use of the SIS concept. By combining true risk sharing and a focus on a specific social cause with a fully Shariah compliant Sukuk structure, an SIS could have significant appeal to both Islamic investors and conventional ethical investors. The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the World Bank or its affiliated organizations.<sup>(2)</sup>

*Michael Bennett is the head of derivatives and structured finance and Akinchan Jain is a senior financial officer in the Treasury Department of the World Bank. They can be contacted at mbennett1@worldbank.org and ajain@worldbank.org respectively.*

*This was first published on the 19<sup>th</sup> November 2014 (IFN Vol 11 Issue 46).*

# Islamic finance in the US: A review of the ups and downs five years post-crisis

According to the US National Bureau of Economic Research, the Great Recession in the US ended five years ago this summer (the same year the IMF declared that the conditions for a global recession were finally met). DAVID LOUNDY looks at how has Islamic finance fared in the US during the recession and since.

Before the recession began, the Islamic finance industry showed great promise. New companies were being formed or were entering the industry. The post 9/11 reflection and cohesiveness in the Muslim community was driving new interest in religiously-acceptable products. Overseas investors saw opportunity in the US markets, although the chill of 9/11 and its political aftermath kept some investors out or had caused some of them to back away from the US.

**“Where once there was significant interest in opening an Islamic bank in the US, it is now accepted that creating a new bank charter is going to be very difficult over the next few years”**

The first hit to the US economy was a result of the housing crisis. Freddie Mac started restricting mortgage bond purchases in 2007, and both Fannie Mae and Freddie Mac required a government bailout in September of 2008. As a perspective check, Fannie Mae and Freddie Mac's combined 2008 full-year loss was about equal to the entire 2008 gross domestic product of both the UAE and the Kingdom of Bahrain, combined. Many do not appreciate the impact of these two government-sponsored enterprises. Fannie and Freddie both had “books of business” straddling the US\$2 trillion mark, and Freddie, in particular, has been the largest investor in Islamic finance, providing an estimate of somewhere in the area of US\$3 billion

in liquidity to date to support retail Islamic finance in the US. These institutions have now returned to health. For the second quarter of 2014, Fannie had quarterly profits of US\$3.7 billion, and Freddie clocked in at US\$1.4 billion. Both have now paid back into the Treasury more than was paid by the Treasury to support them. Most importantly, the discussions of dissolving the entities, while not gone, have at least grown quieter. Should Freddie Mac be dissolved, it would potentially deal a severe blow to retail Islamic finance in the US.

Many of the banks that provided Islamic finance in the US left the Islamic finance industry during the crisis: LaSalle Bank (acquired, April 2007), Mutual Bank (failed, July 2009), Broadway Bank (failed, April 2010), Lincoln State Bank (merged, February 2013), Cole Taylor Bank (merged, expected August 2014). Other banks continue on in the industry. Both University Bank and Devon Bank have had losses and thus diminished capital, but both have returned to profitability and are now seeing their capital levels increase. Importantly, both have noted that their Islamic finance portfolios have performed better than their conventional portfolios during the recession. Product availability is still not what it was pre-crisis, as the industry did see some retrenchment, but it is again improving.

Changes in legislation, regulatory priorities, and investment appetite have also affected retail Islamic finance. Financing, in general, is harder to obtain in the US. Lending standards had grown too lax pre-crisis in some areas. However, this laxity did not particularly touch Islamic finance. There was no Islamic sub-prime financing offered, due in large measure to the standards set by the limited number of investors. Today, not only is it harder to find acceptable customers, as all investors have stricter standards in all sectors, but it is also harder to find qualified staff, as changes in the laws now restrict who may even discuss certain kinds of financing absent licensing. New standards for retail origination licensing have driven some staff out of the market.



Where once there was significant interest in opening an Islamic bank in the US, it is now accepted that creating a new bank charter is going to be very difficult over the next few years. Regulatory focus is still on cleaning up the existing banking system rather than seeing it expand. Attempts to obtain a bank charter to convert an existing bank to be Shariah compliant during the economic crisis did not find sufficient investor interest. Now that the economy is improving, there are fewer potential charters available (478 US banks have failed 2009 to present, with only 14 failing in the first seven months of 2014, following 24 failures in 2013; mergers and acquisitions deals are growing strongly). It is likely that an Islamic bank will be created in the US in the future, but it is likely to be a “home grown” effort started by an entity that is already familiar and involved with the regulatory structures and industry, and it will likely still be a few years away. It is likely to be created first as a “proof of concept” using existing assets and operations rather than in a rush to create a de novo Islamic mega-bank as has been discussed in some areas.

Investment banking is a difficult concept to measure. The focus here is providing a compliant transaction to an investor, rather than providing compliant financing to others that may be seeking such financing. There are a lot of transactions that are done in the US by off-shore entities that do not get noticed, or do not get noticed as being Shariah compliant. Other than those that are a party to the transaction, there is little awareness of the Shariah compliant transactions that are being done. A buyer that buys real estate for cash may have an Islamic financing tranche, but that is not readily apparent to the marketplace. In addition, transactions may be structured as leases, but some of the parties may not be aware of their Islamic structure. Many conventional banks, for instance, buy corporate lease paper. One of the larger leasing companies is owned by a Gulf pension fund, but the banks buying the leases may never hear words like ‘Ijara Wa Iqtina’ mentioned. Those financed, or those doing the end financing may both be unaware of the Shariah compliance of the transaction.

90 North this summer opened an office in Chicago, but if you did not know that it focuses on Shariah compliant real estate transactions, you would miss this expansion. Similarly and in contrast, if you read about the May 2014 bankruptcy of HDG Mansur following a breach of contract suit loss, you may not know that it ran one of the world’s largest Shariah compliant real estate funds. Not discussed here are companies such as Shariah Capital or Codexa Capital which may have a US presence, but have a broader focus than Islamic financing and investing in the US.

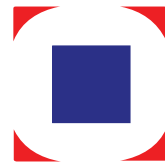
Visibly, Arcapita, Investcorp and Unicorn Investment Bank had a US presence. Unicorn, along with the name change to Bank Alkhair, re-focused the company while managing its own share of the economic crisis,

and closed its US operations and has divested a number of its US transactions. Investcorp was fairly quiet before, during, and now post crisis.

***“ It is likely that an Islamic bank will be created in the US in the future, but it is likely to be a “home grown” effort started by an entity that is already familiar and involved with the regulatory structures and industry, and it will likely still be a few years away ”***

The interesting case is that of Arcapita. It declared bankruptcy in March of 2012, and had a reorganization plan approved in September of 2013. This allowed for the orderly winding-down of its assets, and it included debtor-in-possession financing provided by Goldman Sachs to aid the liquidation. The assets were transferred to a new entity and the creditors were given an ownership interest in the entity and thus shared in the liquidation proceeds. Some concerns arise over the compliance of the work-out, however, due to the commodity Murabahah financing provided by Goldman Sachs. Absent that element, this was a model transaction. Although it was not the first bankruptcy in the US of a Shariah compliant investment company during the economic crisis, it is the first that went through an orderly compliant liquidation that result in some return of investment to the investors.

The first notable investment company with broad ownership to crash and burn during the economic crisis was Sunrise Equities. It was a real estate development company based in Chicago that took money from investors around the country and constructed condominiums, which it then sold producing dividends. Unfortunately, as the bottom fell out of the housing market and materials costs rose, the company continued to pay dividends, in order to attract more shareholders, without making sales and thus having the income to back the dividends. The company was thus converted to a pyramid scheme and its manager was forced into bankruptcy in early 2011.



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Devon Bank, Broadway Bank, and Cole Taylor Bank each ended up liquidating one of Sunrise's construction projects.

US Shariah compliant public investment funds — those that not only invest in the US but are freely sold in the US — have fared very well through the crisis. The Amana funds, the Azzad funds, and the Iman Fund all grew relatively slowly pre-crisis. Because of their avoidance of interest-based financial institutions and over-levered companies, all of them had an advantage as credit markets collapsed, as their investments were less tied in to this collapsing segment. Their performance was allowed to shine in comparison to funds with similar investment objectives. The best illustration of the effect was one of the Amana Funds. After being rated the #1 fund in its category for one, three and five years, it grew explosively as investors sought out a highly-rated fund, regardless of its Shariah compliance. As Monem Salam of Saturna Capital, the fund manager, described their growth — it took 18 years to raise the first US\$100 million. It took 18 months to raise the second US\$100 million. On the ETF side, the Javelin Exchange Traded fund both came and went during the crisis, but this was largely a failure of marketing. Presently a new ETF venture, Shariah Shares, is working to line up launch funding with a more grass-roots marketing plan that may be more successful.

On the Sukuk front, the first issuance of note was the East Cameron Gas Sukuk. Issued in 2006, it failed in 2008. It was a low-rated credit from the start, but unlike a number of other prominent Sukuk failures, it was fully asset-backed, as opposed to asset-based, and thus had assets to seize and sell. This did not kill

the Sukuk market, however, as GE issued a US\$500 million Sukuk in 2009 as an Ijarah pool related to aircraft. Although the issuer was related to a US company, there is no indication in the prospectus as to the domicile of the Sukuk assets, and the bond was not available to US investors. Recently, there has been some interest shown in issuance of a sovereign Sukuk by more than one US-based sovereign, and Devon Bank is in preliminary discussions about the possibility of bringing its finalist entry in the 2013 EFICA awards for "Innovations in Islamic Finance" to market as a sovereign Sukuk related to solar and geothermal assets. It is too early to tell whether any of these expressed interests are ripe at this point.

As is clear, Islamic finance in the US has had its challenges due to the economic crisis. Although it is technically five years past the end of the Great Recession, the improvements since have not been upwards in a straight line. Still, in comparison to the conventional finance industry, the Islamic finance industry in the US has fared fairly well. Currently, the industry is again in a growth mode, wiser for lessons learned — fortunately not all of which it had to learn the hard way. (☺)

*Full disclosure: The author is, directly or indirectly, a shareholder in Devon Bank, University Bank, and Bank Alkhair: all mentioned in this article.*

*David Loundy is the chairman & CEO of Devon Bank in Chicago. He can be reached at David@DevonBank.com*

*This was first published on the 27<sup>th</sup> August 2014 (IFN Vol 11 Issue 34).*



# Key Markets and Asset Classes in the Americas

- What regulations currently exist to support and promote the growth of Islamic investments in the United States? What changes can Islamic investors expect in 2015?
- Key Shariah compliant asset classes: What trends are emerging and what should investors look out for?
- Outlook for debt capital markets, equity funds, PE funds, i-ETFs and pension funds in the Shariah compliant investment space
- What prospects does the North American real estate sector hold for Islamic investors?
- Discussing an industry-wide strategy required to encourage inward investments

## Moderator:



***Nabil Issa — Partner, King & Spalding***

Nabil Issa is a partner in the Middle East and Islamic Finance Group of King & Spalding, working from the Dubai and affiliated Riyadh offices. Nabil's experience includes work in the areas of banking and finance, Shariah compliant funds, private equity and international investments.

Following graduation from the University of Pennsylvania, Nabil was awarded a Fulbright Fellowship to the UAE University to study the effects of membership in the World Trade Organization on the financial laws of the UAE. Nabil received his Juris Doctor from the University of Pennsylvania Law School and a Graduate Certificate in Islamic & Middle Eastern Law from the University of Pennsylvania.

## Panelist:



***Ayman Khaleq — Partner, Morgan, Lewis & Bockius***

Ayman A. Khaleq, the managing partner of Morgan Lewis's Dubai office, advises clients on cross-border structured finance, debt capital markets, and private placement transactions, and on the structuring and formation of private investment funds. In particular, he helps regional and international clients address the structural and documentation requirements associated with Islamic finance and investment products. Ayman is highly regarded for debt capital markets transactions, with significant experience advising clients on Sukuk offerings and investment products. He also acts for a wide range of international clients on matters relating to doing business in the broader Middle East region.

Ayman is a regular speaker at international conferences and currently teaches a course on transactional Islamic law at George Washington University Law School in Washington, DC. In addition, he also acts for the International Monetary Fund as an expert in the field of debt capital markets with a focus on Islamic finance matters. Ayman is fluent in Arabic and English.



**Panelists:*****Monem Salam — President, Saturna Malaysia***

Monem Salam is the director at Saturna Capital and president of Saturna, a wholly-owned Malaysian subsidiary of Saturna Capital. He received his degrees from the University of Texas: BA (Austin) and MBA (Dallas).

He worked as the chief investment officer for ITG & Associates (Dallas) until 1999; then as a representative with Morgan Stanley (suburban Dallas) until joining Saturna Capital in June 2003. He served as the director of Islamic investing and deputy portfolio manager to the Amana Mutual Funds Trust until moved to Kuala Lumpur in 2012 to oversee Saturna.

Monem speaks at Islamic finance/investment conferences worldwide and he is the co-author of 'A Muslim's Guide to Investing and Personal Finance'. Monem also authored the chapter on Islamic investing in the new book 'Contemporary Islamic Finance' and contributes articles to leading Islamic financial magazines.

***Philip Churchill — Founder & Managing Partner, 90 North Real Estate, United Kingdom***

Starting his career with Citigroup, Philip moved into real estate over 15 years ago and has specialized in real estate investment management since.

With transactions conducted exceeding GBP2 billion (US\$2.81 billion), Philip has extensive practical knowledge in the due diligence and structuring of acquisitions across the UK, the US and continental Europe as well as a wide range of sectors and investment strategies.

Before establishing 90 North, Philip was the executive vice-president and the head of real estate at Shariah compliant Gatehouse Bank in London. He established the team and built assets under management.

Philip spent four years as the managing director and the head of investment management, Europe at HDG Mansur, fund manager for the Shariah compliant HSBC Amanah Global Properties Income Fund.

Philip started his career with Citigroup in banks' risk management and moving into Citigroup Property Investors, launching and investing two European Shariah compliant real estate funds.

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10:00 – 10:20      Presentation

# Structuring Shariah Compliant Real Estate Investments in the United States



***Isam Salah*** — *Partner, King & Spalding, New York/Dubai*

Isam Salah is a senior finance partner in King & Spalding's New York and Dubai offices and heads up the firm's Middle East & Islamic Finance Practice Group.

His practice covers a broad range of international and domestic finance and investment matters, with particular emphasis for nearly 20 years on the structuring of Shariah compliant finance and investment transactions, particularly finance and investment transactions in the US. His work in this area has included the first, and more than a dozen, Shariah compliant financings for private equity investments, dozens of Shariah compliant real estate investment funds that have invested in a broad range of property sectors, the utilization of a Rule 144, a high-yield note offering to fund the Shariah compliant financing of a private equity investment, the implementation of the first

euro Sukuk transaction on behalf of a corporate issuer, the structuring of mezzanine and junior secured property financings (securitized and rated), and the structuring of a home mortgage product.

Notes:

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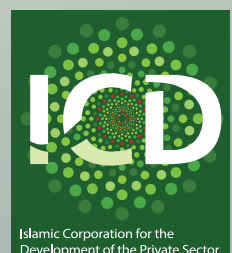
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10:20 – 10:40      Presentation

## Opportunities in Shariah Compliant Real Estate Investments: Key Markets and Opportunities



***Daniel Cooper*** — *Partner, Head of North America, 90 North Real Estate, USA*

Dan is a senior US real estate investment and operations professional, with 25 years' experience across a wide range of property sectors having previously been a director of two billion dollar funds with trophy assets across the US. His experience includes considerable understanding of Shariah compliant transactions.

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10:40 – 11:10      Coffee & Networking

Notes:

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11:10 – 11:25 Presentation

# CEO Interview: How Middle Eastern Investors view the US Shariah Compliant Investment Market



***Muhannad Abulhasan*** — *Chief Executive Officer, Arzan Wealth*

Muhannad has over 20 years of diversified experience in the investment industry. He joined Arzan Financial Group in 2011 as the executive director of investment. He has provided 11 years of service as the executive director of real estate investments in Arcapita Bank, transacting over US\$13 billion of deals. He initiated the global real estate line of business for the bank and recruited teams in various locations such as London and Singapore. Prior to that, he headed the Property Department in Kuwait Investment Office in London where he was responsible for a global property portfolio.

Muhannad received his Masters in Finance from London Business School, UK, and holds a Bachelor Degree in Hotel Administration from Cornell University, USA.

Currently, he is a board member of Dreamworks SPA — Dubai & Kuwait Prospects Company — Kuwait.

Notes:

# A Strategy for Asset Allocation and Promoting Cross Border Investments

- Long and short-term asset allocation strategies for Islamic investors
- Which US-based Shariah compliant investments are likely to appeal to global investors?
- Outlook for investments in offshore Sukuk funds
- How is the concept of passporting influencing offshore fund distribution and overcoming regulatory hurdles to fund distribution?
- How can the mechanism for distribution of funds in non-Muslim countries be improved? Will new regulations promote cross border distribution?

## Moderator:



***Lauren McAughtry*** — *Group Managing Editor, Islamic Finance news*

Lauren joined REDmoney in 2011 as the managing editor and oversees all editorial content for the group. Her role includes authoring cover stories for *Islamic Finance news*, interviewing senior industry participants and regulators, moderating roundtables and forum discussions and research and analytical reporting among others.

Lauren graduated from University of Oxford in 2003 (BA English Language & Literature, MA (Oxon)), University of Cambridge in 2004 (Certificate of International Business Practice), Columbia University in 2005 (Business, Finance, & Economics diploma program), Oxford Brookes University in 2006 (MA, Publishing & Business)

and is a Qualified Member of the UK Society of Investment Professionals.

Prior to joining REDmoney Lauren worked for Barclays Wealth as a private banker (London); Datamonitor as a financial analyst (London), Citigroup as a business analyst (New York); and worked as an analyst and freelance journalist for numerous leading industry publications and research companies.

## Panelist:



***Alka Banerjee*** — *Managing Director, Strategy and Global Equity Indices, S&P Dow Jones Indices, USA*

Alka Banerjee is the managing director, strategy and global equity indices, at S&P Dow Jones Indices. Alka is responsible for the design and methodology governing strategy and global indices, focusing on creating new benchmarks for global equity markets and promoting their use among global clients.

Alka has extensive experience in global benchmarks, emerging market indices, Islamic equity investing and sustainable investing. More recently, she has been closely involved with developing S&P Dow Jones Indices's latest strategy indices providing alternate benchmarks to global investors. Prior to joining S&P in 2000,

Alka worked for The Bank of New York where she was responsible for The Bank of New York ADR Index. Before coming to the US, she worked in India for the State Bank of India.

Alka frequently presents at indexing and investing events, and is widely cited in the press. She holds a Master's degree in economics from Lucknow University in India and an MBA in finance from Pace University in New York.



**Panelists:**

***Jamaluddin Nor Mohamad — Director of Islamic and Alternative Markets, Bursa Malaysia***

Jamaluddin Nor Mohamad is the director of Islamic and alternative markets at Bursa Malaysia. He is spearheading the expansion and development of the products and services of the Islamic and bond markets, and the Labuan International Financial Exchange.

Jamaluddin brings with him over 25 years of experience in the banking industry in various capacities in Malaysia and abroad, including senior positions in Bumiputra Commerce Bank, Bank Simpanan Nasional and Bank Pembangunan Malaysia.

He holds a Masters degree in business administration from University Putra Malaysia and a Bachelor's degree in business administration from Ohio University as well as a certificate in investment management from Securities Institute in the UK.



***Jawad Ali — Managing Partner, Middle East Offices, King & Spalding***

Jawad Ali is the managing partner of King & Spalding's Middle East offices, global deputy leader of the firm's award-winning Islamic finance practice group and is based in its Dubai office. His practice covers a broad range of Shariah compliant and conventional finance and investment transactions. He is especially recognized for his knowledge of Shariah issues and his skills in developing innovative, Shariah compliant investment and financing structures. His practice has involved investment and financing transactions throughout the Middle East, Europe, the US, Southeast Asia and Africa.

Jawad is a frequent speaker on the topic of Islamic finance and investment through the Middle East, Europe, the US and Africa. He is ranked a leading lawyer for Islamic finance in independent directories and client-based surveys. Chambers Global 2014 states: "Jawad Ali advises on a variety of Shariah compliant structures in the areas of private equity, M&A and real estate. He has had significant activity of late representing regional clients with respect to their overseas investments."

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**Panelist:**
***Mohamad Nasir — General Manager, Allied Asset Advisors, USA***

Mohamad Nasir brings to Islamic investing a background in finance, years of executive leadership and coaching, and an abiding commitment to the Islamic and business community.

Every position Mohamad has held throughout his diverse career exemplifies his success as a leader, innovator, and advisor. His expertise in building high-performance teams, strategic planning and financial management has resulted in record success and alliances with SMEs, while his aptitude for capturing new markets has opened up competitive new channels for his clients. A recognized authority on

current financial and Islamic financial trends and opportunities has made Mohamad a highly sought-after speaker.

Mohamad's business training and education is extensive. He obtained his Bachelor's degree in engineering from Temple University in Philadelphia and an MBA from Western Governors University. Currently, he is pursuing a doctorate from the University of Maryland. In addition, Mohamad has earned numerous certificates in finance, Islamic finance, sales coaching, business coaching, and leadership development.

As the general manager at Allied Asset Advisors (AAA), an investment advisory firm, Mohamad is responsible for daily operations. Mohamad also serves as co-chair of the Malaysian US Chamber of Commerce Islamic Finance Council. In addition, Mohamad is the president of AIEFI, American Islamic Economic & Finance Institute, which held the first Islamic Finance & Economic Conference in Chicago.

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12:05 – 12:10      Closing remarks

Notes:



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## Lead Law Partner

### KING & SPALDING

King & Spalding is an international law firm with more than 30 years experience advising clients globally on Islamic finance. Consistently ranked among the best in the world, the firm's global Islamic finance and investment practice includes nearly 30 lawyers and professionals in offices across Europe, the US and the Middle East.

In Europe, the firm is recognized as a leader in structuring and advising on Shariah compliant real estate financing and investments, as well as advising various international investment banks in their capacities as arrangers in debt capital market transactions, particularly Sukuk issuances. In the US, the firm is widely acknowledged as the firm of choice for Shariah compliant investment and financing transactions. In the Middle East, the firm leads in the formation of investment funds across a range of asset sectors, and the innovative fund structures it has developed to deal with local ownership and financing restrictions are now precedents followed by the industry. The firm maintains a leading role in handling debt capital markets work, in particular Sukuk issuances for issuers and lead arrangers across the Middle East and Turkey.

## Multilateral Strategic Partner



The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral financial institution. It is the private sector arm of the IDB Group. It was established by the IDB Board of Governors in its 24<sup>th</sup> annual meeting held in Rajab 1420H (November 1999) in Jeddah, Kingdom of Saudi Arabia. The authorized capital stock of ICD is US\$2 billion while the capital available for subscription is US\$1 billion. Its shareholders are the IDB, 52 Islamic member countries, and five public financial institutions from member countries. In 2014, Fitch rated ICD 'AA/F1+' with a stable outlook.

The mandate of ICD is to play a complementary role to IDB activities and national financing institutions in member countries through the provision of financing and financial services to private sector projects in accordance with Shariah principles. ICD also provides consultancy services to governments and private sector institutions in order to encourage the establishment, the expansion and the modernization of private sector enterprises, the development of capital markets, the adoption of best management practices and enhancement of the role of market economy.

ICD focuses in its financing on developmental projects which contribute to the creation of employment opportunities and the encouragement of exports. To achieve these objectives, ICD creates and develops relations of cooperation and partnership to arrange co-financing and syndicated financing services.

## Strategic Exchange Partner



Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. A public company limited by shares under the Companies Act 1965, Bursa Malaysia operates a fully-integrated exchange, offering equities, derivatives, offshore, bonds as well as Islamic products, and provides a diverse range of investment choices globally.

Bursa Malaysia Securities regulates and operates the securities trading activities in Malaysia, a stock market with more than 900 companies across 60 economic activities. Companies from the economic sectors are listed either on the Main Market for large-cap established companies, or on the ACE Market for emerging companies of all sizes. The exchange adopts the FTSE Bursa Malaysia KLCI values as its main index.

For more information on Bursa Malaysia, visit [www.bursamalaysia.com](http://www.bursamalaysia.com).

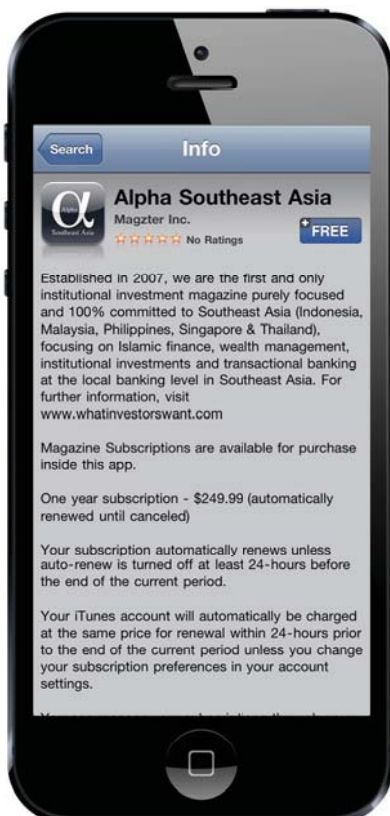


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- Results count. Finding the best opportunities globally and screening them carefully helps ensure a profitable outcome.

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The Iman Fund (IMANX) invests in Shariah compliant companies, in response to the needs of Muslim investors, who not only want to have a financially rewarding investment, but a Shariah compatible one as well. Since June 2000, IMANX has provided Muslims with an investment option based on Islamic principles.

**Shariah compliance** — The fund adheres to Islamic principles. Based on Islamic criteria, the following businesses are generally excluded: alcohol, tobacco, pork-related products, conventional financial services (banking, insurance, etc.), weapons and defense, entertainment (hotels, casinos/gambling, cinema, pornography, music, etc.) The fund does not invest in interest-paying instruments frequently used by mutual funds as overnight or temporary investments, and instead may hold cash on a temporary basis.

**Diversification** — The fund offers diversification with a portfolio of companies in diverse business sectors.

## Morgan Lewis

Morgan Lewis have strong experience advising clients on Shariah compliant debt capital markets, structured transactions and investment fund formations across the Middle East, the US, Europe, and Asia. Our award-winning team focuses on structuring cross-border Islamic finance transactions particularly where foreign issuers and fund managers are seeking to raise debt or equity from Islamic investors. As such, we have advised clients on complex and innovative transactions across more than 30 jurisdictions including, for example, the first corporate Sukuk issuances out of the US, Luxembourg, Germany and Oman; the first Islamic capital protected fund; multiple asset-backed structured notes; as well as a wide range of feeder and parallel fund structures for some of the largest global buyout and real estate fund managers.

We provide innovative advice to international organizations, financial institutions, corporations, investment banks, private equity firms, government entities, and credit agencies on a full range of Shariah compliant investment and financial products. We also have strong relationships with prominent Shariah advisors whether based in the Middle East or beyond.

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## Executive Partners



Founded in 1998 and headquartered in London, with presence in Dubai and Saudi Arabia, DDCAP is majority owned by IPGL, the most significant shareholder in ICAP, the world's largest interdealer broker. DDCAP positions itself as an intermediary in the Islamic financial services industry, providing structuring support, trade execution and value-added services to its global clients. DDCAP holds a unique market position as facilitator across a diverse range of Shariah compliant products, asset classes and instruments in both the primary and secondary markets, through its trading subsidiaries DD&Co and DDGI.

DDCAP is multi-award winning, regularly receiving industry recognition including "Best Interbroker for Islamic Transactions" (IFN Best Service Providers Poll).

To ensure its ongoing commitment to the integrity of the markets in which it operates and to client stipulation, DDCAP has an appointed Shariah Supervisory Board comprising the following members:

Sheikh Abdullah Bin Suleiman Almaneea (Chairman)

Sheikh Dr Abdullah Almutlag

Sheikh Dr Mohamed Ali Elgari

**IdealRatings®** IdealRatings was incorporated in 2006 in San Francisco with a mission to help Shariah compliant and ethical investors identify instruments across different asset classes in more than 160 markets. IdealRatings serves clients in over 20 countries with a range of capital market solutions including:

- **Equities** — A web-based platform covering over 40,000 stocks, where fund managers can screen equities using different Shariah rulebook or guidelines. This solution caters for different purification calculation methodologies;
- **REITs** — Global coverage of all listed REITs that could be screened in accordance with different standard Shariah rulebook or guidelines;
- **Indexes** — Co-branded and jointly marketed by Russell Indexes and a separate series with Thomson Reuters for the Global Markets, designed for fund management and investment benchmarking. In addition, IdealRatings is able to provide custom-built indexes;
- **Sukuk** — A unique, pioneering global Sukuk screening solution that enables fund managers to customize their Sukuk selection in accordance to their Shariah rulebook or guidelines ; and
- **Brokerage** — The solution provides broking houses the ability to screen global equity markets, technical analysis of the markets and equities, buy/sell/hold recommendations and purification amount.



As an asset management firm, we tailor investment programs to our clients' objectives. We are primarily long-term investors, seeking to preserve and grow clients' capital over time. With more than two decades of Shariah compliant investing experience, the Saturna group is committed to providing high-value services at low cost.

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World Vest Base provides a broad range of informational products directed at institutional investors, universities, bankers, analysts, tax and audit practitioners, government agencies and asset managers, M&A, private capital, equity and fixed income markets. The company's latest offering includes the WVB Shariah Compliance Ratings which is a relational database of financial, statistical and market information on active and inactive global companies.

The database covers 153 countries with over 44,600 active listed companies and 30,000 inactive companies. This covers approximately 99% of all listed companies and a global market capitalization of almost 100%. WVB data is based on the country of incorporation. It describes a company as a legal entity, not individual issues or listings and offers complete documents with indexed financial transparency to the data.

For more information, visit [www.wvb.com](http://www.wvb.com).

## Strategic Media Partners

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Launched in November 2006, Business Islamica is the first monthly magazine of its kind in the UAE, specifically covering all aspects of Islamic business and finance, both regionally and internationally. The magazine's objective is to spearhead awareness initiatives, heighten knowledge of its core principles and practices, as well as to feature the latest developments in this industry.

Our editorial covers interviews with key industry leaders, case studies, and includes features on a wide range of topics such as: Islamic banking, wealth management, Takaful, Islamic retail finance, marketing and branding of Shariah compliant products, regulatory issues, Islamic business challenges and risk management.

[www.businessislamica.com](http://www.businessislamica.com)



Launched in October 2005, Capital Business Magazine is a 100% B2B English monthly publication, established and accredited by the Dubai International Financial Center (DIFC), featuring articles by certified financial and business experts on a broad spectrum of topics including banking, technology, best business and management practices, corporate finance, accounting and financial reporting, real estate, investments, capital markets and energy.

[www.capitalbusiness.me](http://www.capitalbusiness.me)

## Media Partners



Alpha Southeast Asia is celebrating its eighth anniversary this year as a purely Southeast Asian-focused institutional investment and transactional banking magazine. The magazine has remained steadfast in its coverage of Southeast Asia (Indonesia, Malaysia, Philippines, Singapore and Thailand).

As a result, the magazine has firmly established itself as the only magazine of choice among institutional investors interested in understanding the region further. Corporate treasurers and chief financial officers in the region have found Alpha Southeast Asia useful given similarities in the ASEAN region. High net worth individuals and white-collar professionals have also found our articles a good alternative as opposed to what is widely available in the mainstream regional press. The magazine remains the only Hong Kong-based regional financial magazine with a dedicated monthly section on Islamic finance.



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22<sup>nd</sup> April 2015  
Shangri-la Hotel, Jakarta



## Qatar Forum

3<sup>rd</sup> May 2015  
Grand Hyatt, Doha



## Asia Forum

25<sup>th</sup> & 26<sup>th</sup> May 2015  
Kuala Lumpur Convention Centre



## Europe Forum

10<sup>th</sup> June 2015  
Chambre De Commerce, Luxembourg



## Issuers Forum

13<sup>th</sup> September 2015  
The Ritz Carlton, DIFC, Dubai



## Iran Forum

13<sup>th</sup> September 2015  
Dubai



## Kuwait Forum

5<sup>th</sup> October 2015  
Kuwait City



## Egypt Forum

27<sup>th</sup> October 2015  
Cairo



## Turkey Forum

17<sup>th</sup> November 2015  
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