



### WHAT IS SHARIA LAW?

Sharia law is a religious law forming part of the Islamic tradition and derived from the religious precepts of Islam, the Quran and the Hadith. Sharia literally means "the clear, well-trodden path to water". It acts as a code for living that all Muslims should adhere to and includes for acts including prayer, fasting, and donations to the poor and it helps Muslims to understand how they should lead their lives according to God's wishes.

### WHAT ARE SHARIA-COMPLIANT INVESTMENTS?

Sharia investment is becoming an investment choice that is more and more common in the UK, but the options still remain limited. It is sometimes thought of as being an extension of ethical and environmental, social and governance (ESG) options but there are a number of additional investment requirements that fund managers must pay special attention to in order to ensure their funds become, and stay, compliant with the comprehensive set of rules laid out in Sharia law. There can also be other requirements such as having a Sharia 'audit' and purifying certain types of income, such as interest income, by donating it to charity.



### OUR APPROACH TO SHARIA INVESTING

Our investment team follow a rigorous process when selecting funds for the TAM Sharia portfolios, conducting extensive research into the universe of sharia-compliant investments. This includes one-on-one meetings with fund managers followed by detailed desk-based analysis looking further into the fund's investment process, portfolio positioning and performance.

## THE FUNDS

#### WHAT YOU WILL FIND

- Sharia equities 
- Sukuk bonds 
- Sharia-approved commodities 
- Cash 
- Companies that provide Islamic financial services 

#### WHAT YOU WON'T FIND

-  Government Debt
-  Companies that provide interest related services
- Companies that are involved with the manufacturing and or sale of the following:
  -  Alcohol
  -  Gambling
  -  Pork
  -  Pornography
  -  Tobacco
  -  Weapons

### THE PORTFOLIOS

The team will only select a fund that has proven to deliver on its sharia-compliant mandate, adhering to the stringent and comprehensive investment process which screens stocks to ensure only companies with Sharia-compliant business or activities are included. The level of diversification within our TAM Sharia portfolios is dependent on the availability of funds that are considered Sharia-compliant. Due to the strict nature of Sharia investments, the universe of compliant funds is limited, tending to give rise to higher weightings of up to 25% in each individual security. Any cash which forms part of the investment strategy is segregated and held on deposit with Al Rayan Bank who are approved by the Sharia Supervisory Committee.

