



SHARIAH-COMPLIANT INVESTMENTS

For our Muslim investors, it's essential that all income adheres to the dictates of the Shariah – earnings should be pure and choice. Sanlam Private Wealth offers a customised investment solution that complies with Shariah guidelines.

These guidelines not only set clear rules for income, but also prohibit investment in certain industries and companies – including conventional banking, gambling and alcohol. A core principle of Islamic investing is the strict avoidance of interest, or Riba.

To ensure Shariah-compliant investment, it is essential to engage with an investment adviser of faith, with the necessary experience and industry expertise. We bring our clients a solid combination of certified Shariah compliances, and the impressive track record of a world-class company.

SHARIAH INVESTMENT APPROACH

Every investment considered for our Shariah solution undergoes a meticulous screening process:

Review fund products

We assess all businesses in our trading universe to ensure they are Shariah-compliant. Portfolios are managed using equities and other acceptable financial instruments.

Assess financial ratios

We apply strict ratio filters to ensure alignment with Shariah standards:

- Interest-bearing debt must not exceed 33% of total assets
- Non-permissible income must be under 5%
- Liquid to non-liquid cash holding must remain below 70%.

Check interest rate

Riba-earned plus non-permissible income must be less than 5%.

Final approval

- The Shariah Board reviews companies to ensure they adhere to Shariah rules
- Ongoing audits ensure that non-permissible income is not reinvested
- Dividends are purified to exclude non-permissible income.



WHERE WE INVEST

Compliant sectors

- Technology
- Healthcare
- Consumer products
- Basic industries
- Mining and manufacturing
 - Energy
 - Transportation
- Telecommunications
- Natural resources
 - Construction
 - Education
- Selected utilities
- Selected real estate and real estate investment trusts (REITs)
- Commodities and agriculture
- Information technology

Non-compliant sectors

- Banks
- Insurance
- Brokerage and securities firms
- Alcohol
- Gaming and casinos
- Hotels
- Musical instruments
- Amusement and recreation
- Pork and meat-packing industries
- Home loan companies
- Tobacco
- Pornography
- Entertainment, movies, theatres and film distribution
- Arms and weaponry
- Advertising and media

Note: Even within compliant sectors, individual stocks are evaluated for Shariah alignment. Compliance is never assumed – it's always verified.



‘Every investment undergoes a meticulous screening process.’