



Imeraan Benefeldt
A huge demand for Shari'ah investing from retirement funds

Serving a growing niche

QUITE A FEW asset managers now offer Islamic law-compliant funds for Muslim investors. But the SYm|METRY Islamic Fund was launched almost five years ago and was the first to offer a Sukuk – essentially, synthetic cash – as an alternative to fixed income securities to meet the Shari'ah principles of not paying or earning interest. SYm|METRY is also only one of two multi-managers to offer Islamic funds to institutional and retail investors.

Imeraan Benefeldt is responsible for business development and the Shari'ah offering. "There's been huge demand for Shari'ah investing from retirement funds. Members often have investment choice, so the employer needs to find a suitable investment," says Benefeldt.

The SYm|METRY Islamic Fund is compliant with Regulation 28 of South Africa's Pension Funds Act, which limits the holdings of various types of assets in which a

pension fund can invest. It's comparable to a typical balanced fund with a moderate risk profile, with up to 75% of assets invested in equities and the balance in fixed income instruments. "However, to comply with Shari'ah law those must be non-interest bearing asset classes, so the SYm|METRY Islamic Fund invests a portion of its fund in the form of a Murabaha Sukuk," Benefeldt says.

Sukuk is an Arabic word meaning "certificate". "Sukuk holders are entitled to share in both the revenues and proceeds of sales generated by the underlying Sukuk assets," he says. The fund is monitored and certified by an independent Shari'ah Supervisory Board of leading Islamic scholars.

Active equities management is largely in the hands of Element Investment Managers (the old Fraters), an asset manager that's built up a solid reputation for managing Shari'ah compliant investments. ■