



QUILTER CHEVIOT

The Quilter Cheviot Shariah-Compliant Discretionary Portfolio Service

SPECIALISTS IN INVESTMENT MANAGEMENT

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Welcome

With a history spanning over 250 years, Quilter Cheviot is proud to offer a range of discretionary investment portfolios for clients who wish to invest in a Shariah-compliant manner.

We have partnered with Yasaar, a global Shariah consultancy, to ensure that the investments we select for your portfolio have not only been through Quilter Cheviot's rigorous research and investment process, but have undergone thorough due diligence by an experienced Islamic scholar, giving you confidence that your investments align with the principles of Islamic Law.

With offices across the UK, Jersey, Dubai and Dublin, I invite you to speak to your local investment manager or your financial adviser, if you have one, to find out how our Shariah-compliant portfolios may be able to help you.



Andy McGlone
Chief Executive,
Quilter Cheviot

We are honoured to partner with Quilter Cheviot to share our expertise and experience in ensuring their discretionary portfolios adhere to Shariah principles. Quilter Cheviot understand the importance of having independent oversight to screen their recommended investments in order to provide fully Shariah-compliant portfolios. We look forward to continuing our collaboration and partnership so that we can, together, help Muslim investors meet their investment objectives within Shariah principles.



Majid Dawood
Chief Executive,
Yassar Research

What is the Quilter Cheviot Shariah-Compliant Discretionary Portfolio Service?

A bespoke, discretionary investment solution for retail and professional investors with over £500,000 to invest in a Shariah-Compliant Portfolio.

Quilter Cheviot is able to provide this solution in partnership with Yasaar, which possesses a three-man Shariah-advisory board. Key features of the service include:

- Strict adherence to the principles of Islamic Law ensured by the involvement of Yasaar.
- Access to a range of risk-adjusted, multi-asset, Shariah-Compliant investment strategies. All strategies include a fully-researched and actively-managed allocation to Shariah-Compliant direct equities (typically 35-40%) and Sukuk.
- Availability of the service within a number of different structures such as personal pensions, trusts, offshore bonds, corporate entities and charities.
- Complete transparency provided to clients regarding the underlying constituents within their portfolio.

Risk Level	Medium	Medium-Higher	Higher	Shariah Equity List (USD Tilt)
Investment objective	▶ Capital growth & income	▶ Capital growth & income	▶ Capital growth & income	▶ Capital growth & income
Equity Content	▶ 32.5%	▶ 60%	▶ 77.5%	▶ 100.0%
Max Drawdown	▶ 29.8%	▶ 36.7%	▶ 40.8%	▶ 45.8%
Time frame	▶ 5 years or more	▶ 5 years or more	▶ 7 years or more	▶ 7 years or more
Benchmark	▶ MSCI Islamic Index Dow Jones Sukuk Index	▶ MSCI Islamic Index Dow Jones Sukuk Index	▶ MSCI Islamic Index Dow Jones Sukuk Index	▶ MSCI Islamic Index

YASAAR

Yasaar Research Limited

Yasaar specialises in initiating Shariah-Compliant concepts for investment products while engaging with financial institutions to help grow the Islamic finance sector and developing innovative Shariah solutions for their clients. The company also issues Fatwa/Fatawa (Shariah ruling) Certification of a financial product/transaction's Shariah compliance, Shariah audits and certification of compliance.

Yasaar has also developed its own proprietary screening software to provide Shariah-Compliant Stock universes and partnered with FTSE, the Global Index Company to create Shariah-Compliant stock indexes in 2005. The first Pan-Asian Islamic Index was developed with FTSE and Singapore Stock Exchange (SGX) and launched in February 2006; similarly the FTSE Bursa Malaysia Hijrah Shariah index was launched in May 2007. Yasaar has created Shariah and Islamic banking training courses, as well as publishing books on Islamic Banking and Finance.

At the 2004 Kuala Lumpur Islamic Finance Forum, Yasaar was the recipient of the Deloitte Consulting Malaysia's Islamic Finance Award for the "Most Innovative Islamic Financial Product" for the Caravan 1 Limited Sukuk.

The company is led by its CEO, Mr. Majid Dawood, a financial sector professional with considerable experience gained at senior level in many organisations worldwide, who is supported by a team of industry professionals from diverse disciplines covering research, marketing and management. Majid has been appointed to the Board of Trustees of the "Festival of Muslim Cultures" charity in the U.K., whose patron was H.R.H. King Charles. Yasaar's Shariah Principals are experts in Fiqh al Maumalat (Shariah law relating to financial transactions) and have been established on the Shariah Supervisory Boards of a number of known and established major financial institutions and have invaluable experience in advising on Shariah related issues in the international Islamic Banking and Finance sector.



Yasaar's Scholars include:

Sheikh Dr Mohamad Akram Laldin

Dr Mohamad Akram is currently an Executive Director of the International Shariah Research Academy (ISRA), a Malaysian government entity for the education of the future Scholars in the multi disciplines of Shariah and Finance. He was formerly Assistant Professor and Deputy Dean (Academic Affairs), Kulliyah of Islamic Revealed Knowledge and Human Sciences, International Islamic University, Malaysia (IIUM). He holds a BA Honours degree in Islamic Jurisprudence and Legislation from the University of Jordan, Amman, Jordan and a PhD in Principles of Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh. He is a prolific author on the subject of Islamic Finance and Banking as well as a presenter at many conferences worldwide. He is based in Kuala Lumpur.

Sheikh Dr Aznan Hasan

Dr Aznan Hasan is an Assistant Professor in Islamic Law and the former head of the Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia. He specialised in teaching Islamic Legal Theory, Islamic Commercial Law and Islamic Banking and Finance at both undergraduate and postgraduate levels and serves as a Shariah advisor to various financial institutions and corporate bodies globally. He is also a registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk), at the Securities Commission of Malaysia. He is a Member of the International Zakat Organisation (IZO) Coordination Committee, established under the Prime Minister Department in Malaysia.

Dr Hasan received his first degree in Shariah from University of Al-Azhar. He then successfully completed his Masters degree in Shariah from Cairo University with distinction (Mumtaz). He then obtained his PhD from University of Wales, Lampeter, United Kingdom.

Sheikh Dr Mohammad Burhan Arbouna

Dr Arbouna was Head of the Shariah Department at Kuwait Finance House in Bahrain and has also worked for the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) in Bahrain, where he was responsible for conducting research on Shariah issues relating to accounting and auditing. Dr Arbouna is a frequent speaker in a number of forums and conferences on Islamic banking and finance and has numerous publications. He is also a tutor on Islamic banking and finance at several academic institutions. Dr Arbouna obtained a Masters degree in Comparative Laws and a PhD in Islamic banking and finance from the International Islamic University in Malaysia. His Bachelors degree in Shariah was obtained from The Islamic University in Medina. He is currently Head of Shariah at Salam Bank in Bahrain.

Yasaar Shariah methodology:

Shariah Investment Guidelines and Principles Investments will not be made in companies whose core activities involve any of the following:

Conventional Financial Institutions based on Interest (Riba) or Gharar

This includes all interest-based conventional banks, finance houses, insurers, moneylenders, investment companies, leasing companies, stock brokerages, futures and options houses and other interest-related businesses. However, these do not include financial institutions which exclusively promote or provide Shariah based financial services. For financial institutions with Islamic banking windows or which provide a mixture of both systems, the 5% rule set out in the section headed "Other Non-Halal Income Criteria" would apply.

Alcoholic Beverages

This includes the production, packaging, bottling, marketing, selling and/or distribution of liquor and related products. Investments may not be made in production facilities (for example, breweries).

Gaming / Gambling / Casino / Games of Chance

This includes the provision of these services and betting or comparable activities as well as the production of the facilities and equipment.

Pork Production

This includes the raising or selling of pork or pork-derived products and by-products, the packaging, marketing and distribution of such products as well as slaughterhouses and livestock farms that are involved in such processes.

Non-Halal Food Products

This includes the production, sale, packaging or distribution of non-halal food, for example, by supermarkets or departmental stores with supermarkets. The 5% rule set out in the section headed "Non-Halal Income Criteria" will apply.

Entertainment and leisure related to pornography or adult content

This includes film producers, broadcasters, publishers, cinemas, cable-TV companies, nightclubs and places of entertainment, record/music companies that are associated with pornographic, X-rated or adult content. This also includes distributors and marketers of such contents.

- Prostitution, unisex massage parlours, escort and related-entertainment services
- Activities or whose images are deemed to be offensive or contrary to Islam

In addition, investments will not be made in companies whose major activities include (whether, for example, as manufacturers, distributors, wholesalers or retailers).

- Arms, defence and military equipment
- Tobacco

Total Debt to Total Assets Base

After companies have been screened by their business sector activity, only those companies that pass the following financial ratios will be considered Shariah-Compliant:

- Debt is less than 33.333% of total assets
- Cash and Interest bearing items are less than 33.333% of total assets
- Accounts receivable and cash are less than 50% of total assets
- Total interest and non compliant activities income should not exceed 5% of total revenue

Companies that change financial compliance between two successive quarters will be monitored to check if their debt, and/or cash/interest bearing ratios fall within 33.333% +/- 5% (i.e. below 31.667% and 35% or above). If during the monitoring period any company remains above or below 33.333% +/- 5% for two consecutive quarters, the compliance of that company will change accordingly.

In addition, the Company will not invest in the following financial instruments or use the following financial techniques:

- Fixed income instruments such as bonds
- Interest-based instruments or interest bearing account.

Research process

Quilter Cheviot provides Yasaar with our 'Researched List', which includes all companies that are currently researched by our team of analysts.

In order to ensure strict adherence to Shariah principles, Yasaar implement a Shariah screen in order to generate an investable universe for the Quilter Cheviot Shariah Investment team.

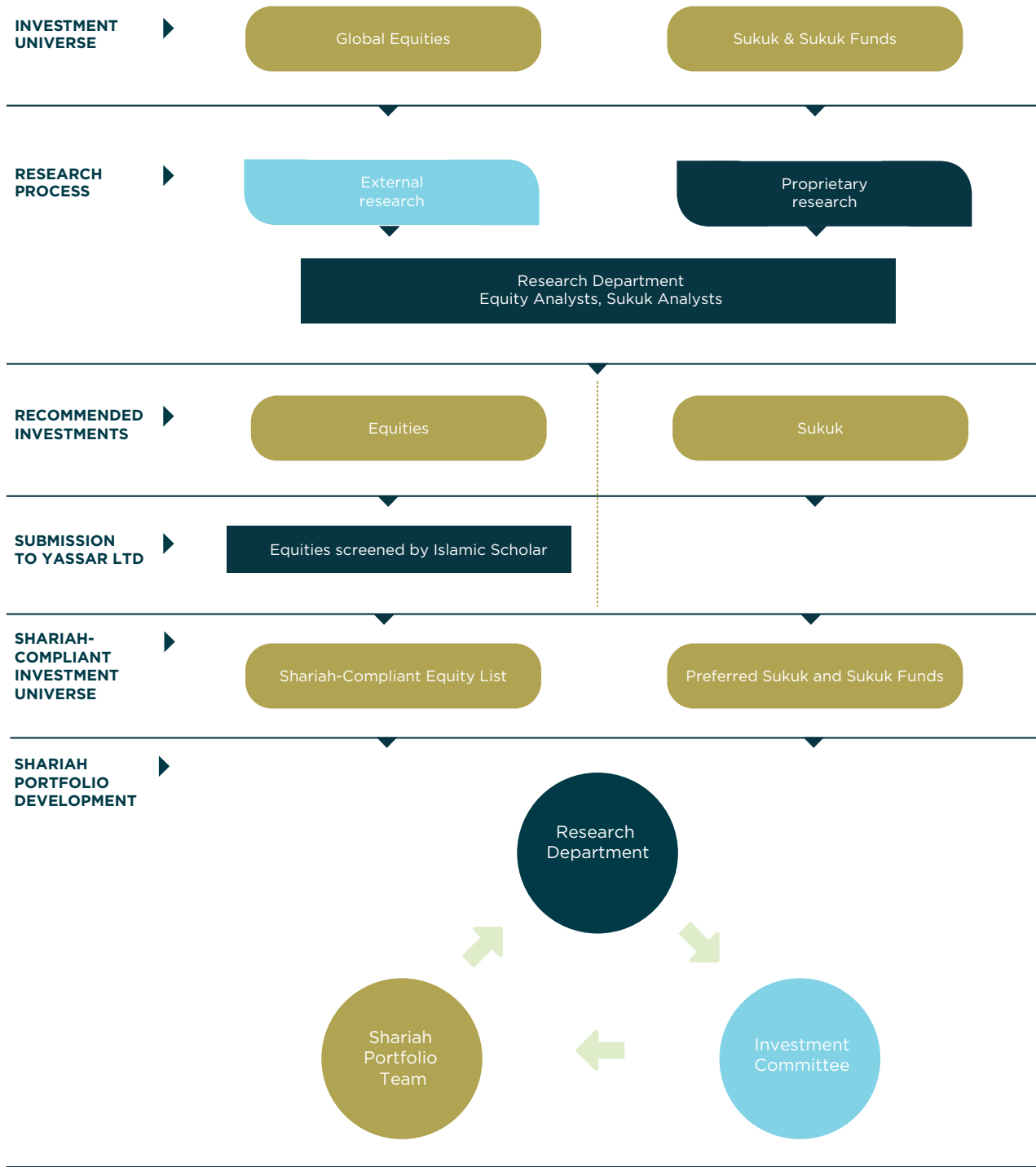
The companies on this list must:

- Maintain sustainable revenues
- Demonstrate financial strength
- Demonstrate sufficient liquidity, so as to be relatively easily traded
- Uphold a positive investment outlook
- Diversify across industries.

Portfolio Implementation

Portfolios within the Shariah-Compliant Discretionary Portfolio Service will be invested centrally by the dedicated Quilter Cheviot Shariah Investment Team. This will ensure adherence to Shariah principles with appropriate sector allocations and company selections.

Investment process



Quilter Cheviot Shariah-Compliant Portfolios			
Jana Shariah 3 Strategy	Mizan Shariah 4 Strategy	Ziyad Shariah 5 Strategy	Jusur Shariah 6 Strategy
 	 	 	

 Equity  Sukuk

Our approach to Responsible Investing

As a responsible investor Quilter Cheviot is committed to our role as a steward of clients' assets in order to protect and enhance long-term returns. This encompasses our engagement with investee companies, through proxy voting and face-to-face dialogue, as well as considering environmental, social and governance (ESG) factors which could impact shareholder returns. This is our firmwide approach which applies across our investment strategies.

We have adopted the Investment Association's Responsible Investment Framework. The points below summarise our three main approaches to responsible investment.

Stewardship: This involves engaging with companies to discuss ESG issues to improve their handling and disclosure of such issues.

ESG Screening: We have a firm-wide restriction on investing directly in cluster munitions and anti-personnel landmines*. We also monitor any potential indirect exposure to this on an ongoing basis.

ESG Integration: This is the explicit and systematic inclusion of ESG issues in investment analysis and decisions - to better manage risks and improve returns.



*A number of international conventions and treaties prohibit or limit the use and availability of these weapons.

Personnel

Investment Managers

The investment management team associated with the Shariah-Compliant Portfolio Service is specified below.



Ben Handley, Investment Manager

Ben is an Investment Manager based in our London office who manages portfolios on behalf of UK based trusts, corporations, and individuals. Since graduating from the University of Liverpool with first-class honours in Business Management, he has completed the Investment Advice Diploma, Chartered Wealth Manager, and Islamic Finance Qualifications offered by the Chartered Institute for Securities and Investments (CISI).

Ben specialises in the provision of investment solutions for strict Muslim clients and is a Lead Portfolio Manager for Quilter Cheviot's Shariah-Compliant Discretionary Portfolio Service.

He works closely with both financial advisers and direct clients and is supported by a team of four senior Investment Managers and two Administrators to ensure the highest standard of service is delivered to his clients.



Richard Sneideris, Investment Manager

Richard's primary role is managing the portfolios that clients entrust to us. He is responsible for constructing and managing clients' assets as well as liaising with clients and their advisers, ensuring they receive a first-class service. Richard graduated from University in Leeds with an honours degree in Business and is a Chartered Fellow of the Chartered Institute for Securities and Investment (CISI), and has also completed the CISI's Islamic Finance Qualification (IFQ).

Richard specialises in the provision of investment solutions for strict Muslim clients and is a Lead Portfolio Manager for Quilter Cheviot's Shariah-Compliant Discretionary Portfolio Service.

Richard has been working in the private client industry for the past 20 years and joined Quilter Cheviot in 2009. Prior to joining Quilter Cheviot, he was an investment manager at Canaccord and Deutsche Bank.



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Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest.

Quilter Cheviot and Quilter Cheviot Investment Management are trading names of Quilter Cheviot Limited.

Quilter Cheviot Limited is registered in England and Wales with number 01923571, registered office at Senator House, 85 Queen Victoria Street, London, EC4V 4AB. Quilter Cheviot Limited is a member of the London Stock Exchange, authorised and regulated by the UK Financial Conduct Authority and as an approved Financial Services Provider by the Financial Sector Conduct Authority in South Africa.

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