



# ISLAMIC FUND AND ASSET MANAGEMENT

25<sup>th</sup> – 26<sup>th</sup> September 2014  
KUALA LUMPUR

- Review of current market trends and drivers in Islamic funds growth
- Analysis of structure, cost and fees of Shariah compliant funds; Equity funds, Exchange Traded funds, Real Estate Funds and REIT
- Managing a Sukuk portfolio; due diligence and investment selection process
- Deconstructing of popular solutions for Islamic money market funds
- Structuring equity and commodity linked capital protected funds
- Understanding the issues of wealth management and Zakat obligations
- Waqf and Endowments - their role in funds



**Expert Course Director**

**Abdulka der Thomas**

CEO, SHAPE™ Financial Corp

**SIDC CPE - accredited: 10 CPE Points**



## Course background & Introduction

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The Islamic finance and investment sector has grown exponentially over the past few decades, but the Islamic asset management segment has only recently started to gain traction. Asset Management is particularly suited to Shariah principles, which encourage investing as a principle source of wealth. Direct investments are, however, not suitable to every investor and asset management vehicles provide an entry point for investors with a lower level of investable funds whilst providing the opportunity for diversification.

**Islamic Finance Training** presents a program to provide participants with a comprehensive understanding of the Islamic fund and asset management industry. The course will address the structuring issues by jurisdiction of the most common Islamic investment management products, including equity-linked and real estate funds. It will use discussions, team exercises, and practical simulation to illustrate the issues in Islamic fund management.

## Expert Course Director

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**Abdulkader Thomas** is president and CEO, SHAPE™ Financial Corp based in, Virginia and Kuwait. Abdulkader consults for financial institutions, regulators, and businesses about Islamic finance. Along with his team at SHAPE™, Abdulkader works on projects that include launching de novo Islamic banks and Islamic banking windows, policies and procedures including Shariah policies, Shariah compliance, product development and structuring. Clients include a diversified universe of financial institutions from North, the MENA region, Southeast Asia, Africa, America, and Europe. Abdulkader is a member of the International Advisory Committee for Islamic Capital Markets of the Securities Commission of Malaysia. He acts as a moderator for the Islamic Finance News (MIF) Issuers and Investors Forum, an annual event produced by REDmoney Group highlighting capital markets activities for Islamic securities issuers and underwriters. Abdulkader is director of Alkhabeer Capital (Jeddah) and Vice Chairman of Alkhabeer International (Bahrain). Abdulkader has over 30 years of diversified financial services experience. A graduate of The Fletcher School of Law & Diplomacy in international trade, Abdulkader earned a BA with honors in Arabic and Islamic studies from the University of Chicago. Based in Kuwait, Abdulkader has worked in Bahrain (Citibank & Credit Lyonnais); New York (United Bank of Kuwait); London (Islamic Investment Banking Unit of the United Bank of Kuwait); Washington, DC (Guidance Financial) and Los Angeles (Sumitomo Bank Limited). Prior to consulting, Abdulkader served as a senior line manager in various international banks and dealt with the regulatory approval of various Islamic products in different countries. Abdulkader has also enjoyed a significant capital markets experience following stints in real estate finance and trade finance. Abdulkader is a frequent speaker and writer on Islamic financial and banking matters. He has co-authored or edited several works in the field including Structuring Islamic Financial Transactions with Stella Cox and Bryan Kraty (London: Euromoney, 2005); Islamic Bonds: Your Guide to Issuing, Structuring and Investing in Sukuk with Nathif Adam (London: Euromoney, 2004), Interest in Islamic Economic: Understanding Riba (Oxford: Taylor & Francis, 2005), Sukuk (London: Sweet & Maxwell, 2009), and Islamic Treasury & Derivative Operations.

## Course Agenda

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### Day 1

- 09:00 **Islamic Funds Growth & Development:** In this session, we review the growth of the fund management market. Where is the market taking off, what are the drivers of market development, and what are some of the emerging trends including regulation relating to governance and transparency? What does this information tell us about investor demand and capacity of the Islamic investment management sector to meet demand? Is there an optimal AUM in the Islamic finance sector?
- 10:00 **Fund Organization:** In this session, we examine how most funds are structured. What are applicable concepts of incorporation and trusteeship; how do the concepts of Musharakah, Mudarabah and Wakalah fit into modern funds management? What are the distinctive factors defining an Islamic fund from a conventional fund?
- 10:30 **Coffee Break**
- 10:45 **Equity Funds:** As Islamic equity funds are the most popular segment, we will look at the fundamental structure of both a leading global Islamic equity fund and a leading Malaysian Islamic equity fund. Jurisdiction, structure, leverage, costs, and fees will be compared.
- Screening:** We will review how stock screening is done. We will discuss why screening is needed and review the different sector and financial screens established in the market (AAOIFI, Dow Jones, FTSE, S&P, MSCI). We will return to our two funds and contrast their screening methodologies.
- Purification:** We will also examine the rules surrounding purification of non-compliant income. We will return to our two funds and contrast their purification processes. This will end with an exercise to calculate purification applying the different leading methods.

**12:30 Lunch**

**13:30 Exchange Traded Funds:** In the last decade, EIF has become an important investment vehicle for equity and commodity investors. Not only are EIF different from unit trusts, EIF have been used for non-traditional investments including derivatives. This session explores the variety of EIF, the current use and potential in the Islamic markets. The current number of Shariah compliant EIF is small. But, we can compare Luxembourg domiciled EIF with Malaysian EIF reviewing: screening, purification, jurisdiction, structure, leverage, costs, and fees.

**15:00 Break**

**15:15 Real Estate Funds:** Real estate is perhaps the top asset choice for Islamic investors. In this session, we will demonstrate how a real estate fund is constructed and discuss some of the issues that change with jurisdiction including screening, purification, regulation, foreign ownership, structure, leverage, costs, and fees.

**16:30 Real Estate Fund Exercise:** Delegates will be given different real estate investment cases, and will be asked to manage the structuring issues. Cases will be based on either actual problems in real estate investment or actual real estate investment funds.

## Day 2

**09:00 REOCs v. REITs:** This session first looks at the investment in a real estate operating company (REOC). Then, we define a real estate investment trust (REIT). The Shariah issues relating to investing in conventional REITs are discussed, as well as the structural differences between a conventional REIT and an Islamic REIT using Axis REIT which converted to become an Islamic REIT as a case study. The current number of Shariah compliant REITs is concentrated in Malaysia and Singapore. Therefore, we will have a business case exercise examining the Sabana REIT based in Singapore-screening, purification, jurisdiction, leverage, structure, costs, and fees.

**10:30 Coffee Break**

**10:45 Sukuk Funds:** In this session we will review the challenges in constructing a Sukuk fund. In conducting our credit analysis we have to take into account whether or not Shariah views all Sukuk as debt? Due diligence and investment process in selecting Sukuk is important to avoid holding troubled Sukuk in your portfolio.

**12:00 Money Market Funds:** What will a money market fund invest in? How is this different from a treasury placement for corporate clients? This session deconstructs the popular solutions for "money market" funds in the Islamic sector.

**12:45 Lunch**

**13:45 Capital Protected Fund:** If the conventional market has capital guaranteed funds, can the Islamic market protect invested capital whilst participating in the upside of major asset classes? This session looks at equity and commodity linked capital protected funds from the perspective of structuring.

**14:30 Asset Allocation Exercise:** Delegates will be presented with different client case profiles. Delegates will be obliged to deliver a solution taking into account the client's objectives, risk appetite and the available tools. Do we have the right tools: real estate, equity, money market, sovereign, corporate fixed income, index tracker, capital protected, and defined contribution pension funds?

**15:00 Break**

**15:15 Investment Evaluation:** Contemporary tools for evaluating the performance of assets; how are these applicable to Islamic instruments? This session summarizes the main conventional tools and demonstrates their efficacy for the Islamic market.

**16:00 Good Works:** The management of Waqf funds and the creation of mass-market Waqf products has become a hot topic. What are the issues affecting this sector and how do investment managers serve this sector. The management of investor Zakat obligations is also an important topic as investors seek to balance their wealth maximization objectives and the purposes, which include good works, to which they wish to apply their wealth.

**End of Course**

# Islamic Fund and Asset Management

25<sup>th</sup> – 26<sup>th</sup> September 2014, Kuala Lumpur

## BOOKING DETAILS

I am booking:	Pricing
<input type="checkbox"/> 1 delegate	RM 5,150
<input type="checkbox"/> 2 delegates	RM 8,755
<input type="checkbox"/> 3 delegates	RM 12,360

**Early bird offer:** registrations received before **28<sup>th</sup> August 2014** (or earlier) shall attract a **2.5%** discount. No discounts shall be given to registrations received after this cut-off.

**Please note:** A late booking fee of RM150 will be imposed on registration received within 14 days of the course start date. Fees include training materials, refreshments and lunch. Accommodation is not included.

Yes, I would like to subscribe to Islamic Finance *news* for the 25% discounted price of just US\$745.

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## APPROVING MANAGER

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Authorizing signature ..... (mandatory)

Yes, I have read and understood the booking and cancellation policy below.

## SEND US YOUR REGISTRATION!

By email: [enquiry@REDmoneytraining.com](mailto:enquiry@REDmoneytraining.com) By fax: +603 2162 7810

You may also book online at <http://www.islamicfinancetraining.com>

Please call us on: +603 2162 7800 or +603 2162 7802 if you require assistance.

Our address is: REDmoney, Suite 22-06, 22<sup>nd</sup> Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur

## Booking, Payment and Cancellation Policy – important, please read carefully

By completing, signing and sending us this registration form you are confirming delegate places on the course. You are also confirming your understanding of our Booking, Payment and Cancellation Policy.

**Cancellation:** If delegates cannot attend the course replacement participants are always welcome. Otherwise delegates must request in writing (letter, fax or email) to cancel registration/s or transfer to a different course at least 21 days before the course start date to be eligible for a refund, less a 5% administration fee. Delegates who cancel within 21 days of the course start date, or who do not attend, are liable to pay the full course fee and no refunds will be given. Instead fees will be converted to a REDmoney Training course voucher equivalent to the original fee, less a 15% administration charge. This voucher is transferable within your organization and must be redeemed within one year of issue or become void. If a course is postponed for whatever reason delegate bookings will be automatically transferred to the new course date. Delegates who wish to transfer to a different course will be subject to the same terms as above and charged the difference in course fees. No refunds or course vouchers will be issued for a no-show.

**Payment Terms:** All course fees are to be received before the course start date. REDmoney shall receive the full course fee with no deductions of any description. All telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

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