Azzad Wise Capital Fund

General Fund Information

Ticker: WISEX

Assets under management (AUM): $150.41M (in US$ millions)

General Fund Type: Bond (Fixed Income)

Specific Sizes or Types of Investments: Sukuk, participation banks, dividend-paying stocks

Financial Objective: Interest-free fixed income, focused on sukuk (asset-backed bonds) and participation banking. The fund’s goal is to produce a return that is comparable to the return on bank accounts, certificates of deposits, and other such financial instruments.

Specific ESG Focus: The Azzad Wise Capital Fund (WISEX) is a socially responsible fixed-income investment focused on global community development. By investing primarily in community development banks and in sukuk (asset-backed bonds), it provides a viable fixed-income investment option that also contributes to societal development. It does not invest in securities that deal with debt instruments created from interest-based lending; instead, the Azzad Wise Capital Fund invests in securities that seek to share in the gains from its ventures, which include sukuk and Islamic bank deposits. The Fund has allocated capital to numerous entrepreneurial endeavors through its partnership with Islamic banks. The Fund has proven to be an ideal investment product for income-oriented investors of all backgrounds. In addition to the appeal of partnering with Islamic banks to channel capital to individuals in need of financing, the Fund’s allocation to sukuk has struck a chord with the socially responsible investing (SRI) community. Sukuk are well-suited for socially conscious investors because they provide a high degree of certainty that invested monies will be used for a specific purpose. This is a refreshing alternative for SRI investors because of their current inability to track monies invested with an entity through a bond issue. (Capital raised through debt issuance can be used for any purpose for which the issuer sees fit.) As a result, sukuk that are structured to provide funds for a specified development project, such as a renewable energy project or a low-cost housing program, have given the Azzad Wise Capital Fund a devoted following among SRI investors who want to invest in harmony with their values and know how their money is being used. In 2015, Azzad added investments in ethical trade finance deals to WISEX. These investments may provide returns for investors while helping underserved populations in Asia and Africa obtain reasonable financing to grow their businesses and cooperatives.

To invest, call: 888-862-9923

Fund Institution Information

Institution Name:
Azzad Asset Management

Mutual Funds Description: Azzad has been managing socially responsible portfolios since 1997. We sponsor a wrap program for retail clients who demand a comprehensive investment solution using asset allocation, rebalancing, socially responsible screening and a unique broker platform. Azzad also manages and is the investment advisor to the Azzad Funds. For institutional clients, Azzad manages international and real estate model portfolios.

Contact info:
3141 Fairview Park Dr., Ste. 460
Account Minimums

Minimum Account: $4,000
Minimum IRA: $4,000

Methodology

Screening Venue: In-house

Screening Party: Jamal Barmil, Portfolio Manager

Screening Database Used: A unique proprietary software called ISFA

Screening Process: We screen out companies that derive significant revenue (more than 5%) from areas that violate our Ethical and Shari'ah Investment Guidelines. These include usury/interest, alcohol, tobacco, pornography, pork products, gambling, private prisons, and weapons. We consider a company’s debt ratio as well as its practices with respect to environmental responsibility, labor standards, and human rights. With an eye toward social justice, we do not invest in securities that violate the UN Global Compact or that are involved in hydraulic fracturing (fracking), for-profit prisons, or other socially and environmentally destructive industries. We do not invest in areas of conflict around the world. Our ethical screening doesn’t stop once a portfolio is created; we regularly re-screen our portfolios. If we find a company is no longer compliant, we sell it. We believe that halal investing is part of the wider movement toward the promotion of sustainability as a key element of economic life.

Proxy Voting Information

Proxy Voting Guidelines or Policies: Azzad engages in shareholder advocacy on behalf of investors in accordance with our ethical proxy voting guidelines. Full proxy voting policy: http://www.azzad.net/pages/ProxyVoting.aspx

Proxy Voting Records: Call fund company: (703) 207-7005 x101

Specific Screening Information by Category

Environment

- **Climate / Clean Technology**: Restricted/Exclusionary Investment - UN Global Compact principles. We do not invest in companies involved in hydraulic fracturing (fracking).
- **Other Environmental**: Restricted/Exclusionary Investment - UN Global Compact Principles

Social

- **Community Development**: Positive Investment - Participation banking; profit- and loss-sharing accounts
- **Human Rights**: Restricted/Exclusionary Investment - UN Global Compact Principles
- **Labor Relations**: Restricted/Exclusionary Investment - UN Global Compact Principles
- **Conflict Risk**: No Investment

Governance

Products
- Alcohol: No Investment
- Animal Welfare: Restricted/Exclusionary Investment
- Defense/Weapons: No Investment
- Gambling: No Investment
- Tobacco: No Investment

Other

- Shareholder Engagement - Shareholder Resolutions: Filed or co-filed with companies on environmental, social or governance issues
- Shareholder Engagement - Private Dialogue: Conducted with companies on environmental, social or governance issues

Performance Data

Data provided by: Bloomberg - Information current as of January 31, 2020

Year-to-date rate of return: 0.14%

1-year rate of return: 4.4%

3-year rate of return: 2.57%

5-year rate of return: 1.78%

10-year rate of return: --

Previous year rate of return: 5.23%

Management fee: 1.19%

Expense ratio: 1.36%

Standard deviation: 1.16%

Benchmark used: Bank of America Merrill Lynch US Corp & Gov't 1-3 Year Treasury Index

Disclaimer: The Azzad Funds are available through prospectus only. Please contact us for a free copy.

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