

Wahed Invest LLC

Wrap Fee Brochure

ADV Part 2A Appendix 1



This wrap fee program brochure provides information about the qualifications and business practices of Wahed Invest LLC. If you have any questions about the contents of this brochure, please contact us by phone at +1 855 976 4747 or by email at: info@wahedinvest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Wahed Invest LLC can be found on the Investment Adviser Public Disclosure Website at www.adviserinfo.sec.gov. Wahed Invest LLC’s CRD number is 242793.

Wahed Invest LLC
12 E. 49th St., 11th Fl.
New York, NY 10117
www.wahedinvest.com
info@wahedinvest.com

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Item 2: Material Changes

This version of our Form ADV, Part 2A Appendix 1, is commonly known as the “Wrap Fee Brochure” of Wahed Invest LLC. The following material change has been made since our last annual updating amendment of Form ADV filed on March 25, 2019:

Wahed now serves as the investment adviser to the Wahed FTSE USA Shariah ETF (“Wahed Fund”), a registered investment company which seeks to track the total return performance, before fees and expenses, of the FTSE USA Shariah Index.

In future versions of our Brochure, we will address only those “material changes” that have been incorporated since our last delivery or posting of this Brochure on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.

We may, at any time, update this Brochure and send a copy to you with a summary of material changes, or send you only a summary of material changes that includes an offer to send you a copy of the full brochure, either by electronic means (email) or in hard copy form.

If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above, download it from the Wahed website at www.wahedinvest.com or contact our Chief Compliance Officer, Musa Abdul-Basser at +1 855 976 4747 or via email at info@wahedinvest.com.

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Item 4: Services, Fees, and Compensation

Wahed Invest LLC (“Wahed” or the “Firm”) charges a wrap fee to manage assets. A Wrap Fee (“Wrap Fee” or “Program Fee”) account is a professionally managed investment account in which expenses, including brokerage commissions, management fees, and administrative costs, are “wrapped” into a single charge. Clients will pay Wahed a management fee, from which Wahed will pay transaction and other charges to third party service providers such as the account custodian. This arrangement creates a conflict of interest in that Wahed has an incentive to avoid transactions in the wrap account in order to avoid transaction charges. We mitigate this risk by assuring that appropriate transactions for rebalancing and other purposes are undertaken, regardless of costs to us.

Wahed’s Wrap Fee program provides clients portfolio management and brokerage services for one comprehensive fee based on a percentage of individual account assets. Wahed may buy or sell securities consistent with analysis designed to seek an investment return suitable to the investment objectives and goals of each distinct client. Each account is managed based upon the individual needs of the client. Wahed manages the accounts on a discretionary basis, which means that transactions are implemented by us without first contacting the client. Wahed’s Wrap Fee program is provided online through an interactive website at www.wahedinvest.com (the “Website”).

Wahed determines a suitable proposed investment plan by performing a review of each client’s individual account and suitability parameters. This review may include type of account, investment objectives, overall financial condition, income and tax status, personal and business assets, risk tolerance, and other factors unique to the individual client’s situation. Based on client suitability parameters, Wahed will design, revise, and reallocate a client’s custom portfolio.

When a client enrolls in Wahed’s Wrap Fee program, they grant trading authority over their accounts to Wahed as described herein. Clients are not allowed to make trades in their accounts except as described herein. Clients authorize Wahed to suspend trading in their accounts if Wahed believes it necessary due to market conditions or other reasons and to reactivate trading when Wahed decides it is appropriate to do so. Clients also authorize Wahed to suspend trading in their accounts and/or access to the Website if Wahed believes it is necessary for reasons related to the Website or Wahed’s Wrap Fee program and to reactivate access and trading when Wahed decides it is appropriate to do so.

To invest with Wahed, a client must:

1. Complete an investor profile on the Website that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation and any other supporting documentation the Program requires;

2. Complete the investment advisory wrap fee agreement (the “Agreement”) with Wahed;
3. Complete a new account agreement with Apex Clearing Corporation (“Apex”), or another broker-dealer Wahed approves for participation in the Program (Apex or such other participating broker-dealer, the “Participating Broker-Dealer”); and
4. Open a securities brokerage account (the client’s “Account”) with the Participating Broker-Dealer and deposit those assets designated for participation in the Program into the account.

Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with Wahed and to keep Wahed informed of any changes thereto. Wahed will contact clients quarterly to determine whether their financial situation or investment objectives have changed, or whether they want to reasonably modify their Account. The Website allows clients to review information about Wahed’s Wrap Fee Program and monitor their portfolio’s allocation, activity, and performance

The Participating Broker-Dealer acts as the qualified custodian and provides trade execution, clearing and related services for accounts. Each client’s investment plan will include a cash allocation at the Participating Broker-Dealer, which cash allocation will not earn interest.

As of July 30, 2019, Wahed currently has \$23,803,071.05 assets under management.

Fees

Accounts are custodied at the Participating Broker-Dealer and charged a Wrap Fee. This Wrap Fee includes all portfolio management costs, trading costs, custodial costs, and operational costs. There are no sales charges or commissions paid by the client. All portfolio management services offered in the program are provided by Wahed. Therefore, no portion of the annual fee is paid to outside portfolio managers. The Firm’s fee schedule is listed below. Fees are charged on a daily basis in arrears based on a percent (listed below) of the net liquidation value of the account. Our fees are payable daily on each date on which the qualified custodian is open for business. Fees are charged on the client level, meaning the sum of all accounts managed under a unique Social Security or Employer Identification Number is considered when calculating fees. Fees may be negotiable. Other than as described above, Wahed does not allow clients to prepay fees.

Wahed Wrap Fee Schedule	
Assets under mgmt.	Wahed Fee
\$100 - \$99,999	.79%
\$100,000 and over	.49%

In addition to the Wrap Fee program described above, Wahed serves as the investment adviser to the Wahed Fund. Wrap Fee program clients generally are directed by Wahed to invest a portion of their account into securities of the Wahed Fund. Wahed will use an investment in the Wahed Fund for the portion of each Wrap Fee program account allocated to equities. The amount of each Wrap Fee program account invested in equities (which will be represented by interests in the Wahed Fund)

will differ based upon the risk profile of each such account. For example, “Very Aggressive” Wrap Fee program accounts will have a greater interest in the Wahed Fund than “Very Conservative” Wrap Fee program accounts.

Wrap Fee program accounts with allocations to the Wahed Fund will not be charged a Program Fee with respect to the portion of their portfolio that is allocated to the Wahed Fund; provided, however, that the Firm reserves the right to charge a Program Fee to allocations made to the Wahed Fund in the future. Under certain instances, based on the fee structure of the Wrap Fee program account and the Wahed Fund, the management fee for the Wahed Fund is greater than the Wrap Fee otherwise charged to the client.

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client’s accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Charges

Other than its advisory fee described above and advisory fees with respect to the Wahed Fund, neither the Firm nor its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Accounts. Wahed’s Wrap Fee is inclusive of all management fees, custodian fees, and transaction fees, except for any wiring, IRA, withdrawal or other miscellaneous Fees that are charged by the custodian, as more fully explained in the separate agreement between client and the custodian. Expense ratios charged by third-party ETF sponsors or mutual fund companies (including without limitation the Wahed Fund, except as otherwise expressly stated herein) are not included in the Wrap Fee. The broker-dealers, mutual fund companies, and other custodians who provide services for your account charge these fees (“third party fees”) and clients are responsible for payment of all third party fees and expenses. For these clients it is important to note that the advisory fees paid to Wahed are separate and distinct from the maintenance fees and transaction expenses charged by these third parties (except with respect to the Wahed Fund, as expressly stated herein).

In addition, IRA customers will be responsible for paying a \$7.50 quarterly fee charged by the trustee. This fee is charged to the account quarterly at the beginning of each calendar quarter.

Compensation of Persons Recommending the Wrap Fee Program

Wahed may perform advertising campaigns to attract Clients to open accounts on the site. These campaigns may include promotions such as additional account services or products, more

favorable fee arrangements or waived advisory fees. In addition, Wahed may offer advisory Clients a reduction or waiver of advisory fees, or a cash payment, for referrals of friends, family or other members of their social circle. Wahed may also enter into referral agreements with third party investment advisers whereby Wahed pays a portion of the wrap fees paid by the referred Clients to such third-party investment advisers. As a result of this referral fee, such third party investment advisers have a financial incentive to recommend Wahed's wrap fee program over other programs or services. In addition to the foregoing, Wahed has or expects to have referral arrangements in place with certain unaffiliated third parties that may act as solicitors and may from time-to-time refer potential Clients to Wahed. Each arrangement must be in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940. For each successful referral, Wahed will generally pay a commission based upon a percentage of the investment management revenue that Wahed charges and collects from the Client (and/or another payment upon certain growth goals being reached). The length of each arrangement may vary. In all cases, an affected potential Client is provided a copy of this brochure as well as the terms of the specific referral arrangement. As a result of such arrangements, such third parties may have a financial incentive to recommend Wahed's wrap fee program over other programs or services. Clients are not charged any fee nor do they incur any additional costs for being referred to Wahed by a current Client or any other person. Other than as stated above, Wahed, or any related person, does not otherwise directly or indirectly compensate any person who is not our supervised person for Client referrals.

Item 5: Account Requirements and Types of Clients

We offer investment advisory services to all individuals that reside in a country where we conduct business.¹ Wahed offers an automated investment service based on modern portfolio theory. Wahed will endeavor to purchase only Shari'ah compliant securities for our clients. Wahed utilizes a Shari'ah compliance advisory to periodically assess whether the securities selected for our clients are Shari'ah compliant. Our mission is to provide an efficient, reliable and truly automated Shari'ah compliant investment platform to Islamic investors across the globe. Each portfolio is designed to be consistent with each client's risk tolerance and investment objectives. Wahed creates an investment plan and manages a client's portfolio by seeking to identify subject to the requirements of Shari'ah: 1) the optimal asset classes in which to invest, 2) the most efficient ETFs or other investments to represent each of those asset classes, 3) the ideal mix of asset classes based on the client's specific risk tolerance.

The minimum investment needed to access the program is \$500 per client. Wahed only trades and manages United States Dollars and no other currencies. Wahed generally provides the program to the following Types of clients:

- Individuals
- Retirement Accounts

Clients have real-time access to their Accounts through the Website, which is directly connected via Application Program Interface ("API") to the custodian. At any time, a client may terminate an Account, or withdraw all or part of an Account, or update his or her investment profile.

¹ Our custodian approves the countries in which clients can reside. Wahed checks all potential clients against the specially designated nationals list to ensure they do not conduct business with persons they are prohibited from doing business with.

Wahed may terminate a client for failure to fund their Account with the initial required minimum, for failure to maintain a valid email address or for any other reason in Wahed's sole discretion. Unless otherwise directed by the client and pursuant to the advisory agreement, in order to meet liquidation requests or upon termination of a client, Wahed will sell securities in the client's Account at market prices at the time of the termination, withdrawal or update.

Wahed's internet-based financial adviser platform is different than "traditional" financial adviser platforms in the following ways:

1. Wahed is an internet-based financial adviser, which means each client must acknowledge their ability and willingness to conduct their relationship with Wahed on an electronic basis. Under the terms of the Investment Management Agreement, each client agrees to receive all Account information and Account documents (including this Brochure), and any updates or changes to same, through their access to the Website and electronic communications. Wahed's advisory service, the signature for the Account Agreement, and all documentation related to the advisory services are managed electronically. Wahed does make individual representatives available to discuss servicing matters with clients via a customer service live chat function on the Website and to discuss technical enquiries via telephone.
2. Wahed collects information from each client, including specific information about their investing profile such as financial situation, investment experience, and investment objectives, to provide its advisory services and tailor its investment decisions to each client's specific needs. Wahed solely relies on information from the client in order to customize the client's portfolio. Wahed maintains this information confidentially, subject to its Privacy Policy, which is provided on the Website. Although Wahed contacts its clients periodically as described further in Item 13 below, a client must promptly notify Wahed of any change in her financial situation or investment objectives that might require a review or revision of their portfolio.
3. The internet-based financial adviser service includes ETFs or other securities for each asset class within the plan recommended to a client. Wahed further improves accessibility through a fractional share capability, which allows investors to purchase fractional shares of securities. Wahed does not allow clients to select their own securities because each security and asset class is considered to be part of the overall investment plan. Wahed will contact clients quarterly via e-mail to determine whether their financial situation or investment objectives have changed, or if they want to place reasonable restrictions on the Account.

Item 6: Portfolio Manager Selection and Evaluation

Portfolio Management Services

Wahed provides clients with financial advice that is based on Modern Portfolio Theory ("MPT"). In MPT, the Adviser selects proportions of various asset classes rather than individual securities to attempt to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return. MPT has its limitations, especially in the area of very low probability significant downside scenarios, but we believe it is the best framework on which to build a compelling investment management service.

Our investment methodology employs five steps:

1. Identify an ideal set of asset classes for the current investment environment.
2. Select Mutual Funds, ETF's and/or securities to represent each asset class.
3. Determine your risk tolerance to create the appropriate portfolio for you.
4. Apply Modern Portfolio Theory to allocate among the chosen asset classes for your risk tolerance.
5. Monitor and periodically rebalance your portfolio.

Specifically, Wahed must start with an accurate determination of the client's objective and subjective tolerance of risk. Wahed uses a questionnaire to ascertain the appropriate risk level for a specific client. Based on this risk analysis, Wahed seeks to create an individualized investment plan using the optimal asset classes in which to invest in Shari'ah compliant products.

Specifically, Wahed endeavors to recommend the most efficient and inexpensive ETFs, Mutual Funds, and securities to represent each of the asset classes the client is suitable for and the ideal mix of asset classes based on the client's specific risk tolerance.

Wahed uses Mean Variance Optimization ("MVO") to evaluate every possible combination of the following asset classes: US equities, foreign developed markets equities, emerging markets equities, real estate, commodities, and fixed income funds. Mean Variance Optimization uses the expected return and volatility for each asset class and the covariance among asset classes to find the combination that delivers the highest possible return for any given standard deviation of a portfolio's returns. In addition to portfolio construction, we also use MVO as an important quantitative tool to evaluate how many asset classes we should use in a portfolio. If adding an asset class to the mix raises the efficient frontier, then it improves the risk-return tradeoff of the portfolios, (i.e. it offers a higher return for the same risk level or lower risk for the same return level).

Wahed periodically reviews the population of all Shari'ah compliant securities, giving preference to mutual funds and ETFs, in order to identify the most appropriate securities to represent each asset class. The Firm looks for Shari'ah compliant securities that minimize cost and tracking error and offer market liquidity. We choose mutual funds and ETFs that are expected to have sufficient liquidity to allow client withdrawals at any time. These selections may (and generally do) include allocations of portions of our clients' portfolios to the Wahed Fund.

Using our online platform, Wahed continuously monitors our clients' portfolios. Wahed receives an alert when a client portfolio is outside the appropriate standard deviation for the client's risk tolerance. If necessary, Wahed periodically rebalances the portfolio back to the clients' target mix in an effort to optimize returns for the intended level of risk. We consider the volatility associated with each of our chosen asset classes when deciding when and how to rebalance. We do not consider tax implications. Please consult a tax specialist to determine tax implications.

The investments offered at Wahed are integrated with the Website where clients manage their Wahed account by setting an allocation between portfolios of Funds available through the program. When clients deposit to or withdraw money from their Wahed account, they are initiating

transactions for the purchase or sale of proportional interests in the available Funds, in an amount that corresponds to their allocation.

Similarly, when clients adjust their allocation they are initiating transactions to exchange available Funds for one another to reflect the updated allocation.

A portfolio created using MPT-based techniques will not stay optimized over time. Wahed offers ‘rebalancing’ of client portfolios so that in the face of fluctuating market prices each client’s portfolio remains controlled to within a narrow range of his or her allocation. Wahed recommends rebalancing because it has been shown to improve returns and because it simplifies account management for clients. Wahed’s portfolio management services also include a dividend reinvestment plan. Dividend reinvestment means that dividends from the client’s Funds are used to purchase additional investments in accordance with a client’s allocation. We continually monitor client portfolios as our platform is engineered to alert our investment management team when any portfolio steps outside its assigned standard deviation and/or assigned optimal asset allocation mix.

Investment Tools

In addition, the Website provides tools to help clients project their expected returns, understand their risks, access information related to transactions, and review their account’s prior performance.

Trade Execution, Account Maintenance, and Asset Custody

Wahed recommends Apex as a custodian for client accounts. Apex provides custody, trade execution and clearing services. Wahed recommends Apex primarily because they offer the types of securities Wahed needs to purchase in order to maintain Shari’ah compliance. Wahed recommends account custodians after evaluating several factors including but not limited to, fees and expenses, capability to execute, clear, and settle trades, reputation, breadth of investment products made available, access to securities markets and expertise in handling brokerage support processes. We may also select custodians based on dual registrations and/or other qualifications and/or experience. The Firm reviews the execution of trades at each custodian used to determine whether the clients are receiving the best execution for their transactions. We will consider whether the total costs to our clients, considering all factors, including any discounted commissions and other trading costs charged to our clients by virtue of our relationships with our existing broker-dealers, are significantly affected by poor execution or execution errors. If we determine it is in the best interests of our clients to do so, we will change broker-dealers. In addition, if during our review of the broker-dealer execution we determine that Apex fails to provide the proper securities for Shari’ah compliance, we will change broker-dealers.

Apex is a registered broker-dealer (member of FINRA and SIPC). We are independently owned and operated and not affiliated with Apex. Apex provides brokerage, operational support and other custodial services to our firm. Apex will be recommended to our discretionary and non-discretionary investment management clients as a result of our established services agreement, cost implications, operational support, and custodial services provided.

Wahed receives research or other products or services from broker-dealers in exchange for placing trades or processing securities related transactions for clients. No client is charged directly for these services. Specifically, Apex makes available to us other services intended to help us

manage and further develop our business enterprise, such as software, compliance and business consulting, practice management publications and conferences, access to employee benefit providers, and other services. The products or services received may benefit all of our customers, not just those whose assets are custodied at the broker-dealer who provides the products or services. This may result in higher transaction costs than those that would have been incurred but for the soft dollar benefits. We have determined that the transaction charges we incur and charge to you are reasonable in relation to the value of the services received.

As a fiduciary, we endeavor to act in our client's best interests. The above-described arrangement may create a conflict of interest as we may want to place more client accounts with a broker-dealer/custodian such as Apex, solely or primarily because of these added benefits. As such, Wahed may have an incentive to select or recommend a broker-dealer based on interests in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. Wahed attempts to mitigate this potential conflict by performing regular reviews of execution services and the value clients receive to ensure clients are receiving the best possible value for costs paid. However, the value to all of our clients of these benefits is included in our evaluation of custodians. These benefits provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis. However, we monitor and periodically assess the totality of these benefits, including particularly those that inure directly or indirectly to our clients, to assure that the continued recommendation of Apex, such other broker-dealer or such other third party manager is in our clients' best interests.

Wahed also does not use client transaction fees to compensate or otherwise reward any third-parties for client referrals. In the interest of better trade execution, Wahed may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows Wahed to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other Accounts.

Generally, when clients make changes to their accounts during normal stock market hours transactions will be processed at the end of day while changes clients make to their accounts when markets are closed will be processed the next business day. Transactions are sometimes subject to processing delays which can cause significant time lapses between the time clients have initiated a change to an account and execution. In particular, processing delays may mean that account changes initiated less than thirty minutes before markets close may not transact until the next business day. Markets close at different times considering the global reach of our chosen securities basket which is traded on multiple stock exchanges around the world. Further, deposits are automatically subject to a processing period that may be up to five business days or longer; deposit related transactions will not occur until the next business day after this processing period is complete.

To treat all customers fairly and improve execution, Wahed effects aggregated block transactions involving multiple Accounts. These transactions are not subject to any mark-ups, mark-downs, or dealer spreads. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for

transactions in the aggregated order. If market conditions show that these large orders will negatively impact the security prices and create an inefficient investment for our clients, we will use a technology that allows for maximum efficiency by slicing block orders into smaller, non-uniform increments and executing them at random intervals over time. Prices are equalized for all clients that are included in a block order.

There are never any separate fees for any trade execution or custody service.

Material Risks of Investing

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Political Risks. Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

Foreign Investing and Emerging Markets Risk. Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

General Market Risks. Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

Currency Risk. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Regulatory Risk. Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

Tax Risks Related to Short Term Trading. Clients should note that Wahed may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Wahed endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.

Risks Related to Investment Term. If you require us to liquidate your portfolio during a period in which the price of the security is low, you will not realize as much value as you would have had the investment had the opportunity to regain its value, as investments frequently do, or had we been able to reinvest in another security.

Purchasing Power Risk. Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

Business Risk. These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.

Financial Risk. Excessive borrowing to finance a business' operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

Advisory Risk. There is no guarantee that Wahed's judgment, models, or investment decisions about particular securities or asset classes will necessarily produce the intended or expected results. Wahed's judgment may prove to be incorrect, and a client might not achieve the client's investment objectives. Wahed may also make future changes to the investing algorithms and services that it provides. In addition, it is possible that clients or Wahed itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Wahed's software-based or web-based service. Wahed and its representatives are not responsible to any client for losses unless caused by Wahed breaching a duty or breaching a contract.

Fund Risks, including Net Asset Valuations and Tracking Error. Wahed expects to primarily recommend and make available through its Wrap Fee program exchange-listed securities, including ETFs and other funds.

ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because (i) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; (ii) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and (iii) supply and demand in the market for either the ETF and/or for the securities held by the ETF

may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF or other fund strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF or other fund securities they will pay multiple levels of compensation – fees charged by Wahed plus any management fees charged by the issuer of the ETF or other fund. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF or other fund directly. Notwithstanding the foregoing, the Firm is currently waiving the Wrap Fee for the portion of client portfolios that are invested in the Wahed Fund in order to mitigate the aforementioned layering of compensation as it applies to Wahed.

An ETF or other fund (including, without limitation, the Wahed Fund) typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF and other fund expenses may change from time to time at the sole discretion of the issuer. ETF tracking error and expenses may vary.

Large Investment Risks. Clients may collectively account for a large portion of the assets in certain investments. If many Accounts buy or sell some or all of a particular investment where clients hold a significant portion of that investment may negatively impact the value of that investment.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in Investments. As Wahed's investment strategies develop and change over time, clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Other Information about Wahed's Portfolio Management

Wahed's fees are not charged on the basis of a share of capital gains upon or capital appreciation of the Funds or any portion of the assets of an advisory client.

Our ethical compliance advisor is Straightway Ethical Advisory LLC ("Straightway"). Straightway is a boutique consulting group that specializes in providing Shari'ah compliance services to the financial services sector. The Managing Partner of Straightway, Taha Abdul-Basser, has served as a financial ethicist for investment funds and banks for more than 15 years, has been a course instructor at the Harvard Business School and was a staff member at the Harvard Islamic Finance Program for 19 years. As per our agreement with Straightway, the latter will establish and manage a panel of three financial ethicists--consisting of Mr. Abdul-Basser and two Straightway associates--that will act as our Ethical Compliance Review Panel. Our Ethical Compliance Review Panel will advise, review and monitor the design and implementation of our products for compliance with Islamic financial ethics.

Wahed does not participate in proxy voting on behalf of clients. Our clients are responsible for

directing their own proxies solicited by issuers of securities. Clients are responsible for making elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings and other type events pertaining to the securities in your account. Proxy and other solicitation information will be mailed to clients from the Participating Broker-Dealer. Please follow the instructions for proxy voting included in the mailing. Should Wahed receive any request for proxy voting or other solicitation on a behalf of a client, it will forward such request to the client for its determination and handling.

Item 7: Client Information Provided to Portfolio Managers

Because Wahed manages all client portfolios directly, we do not share client information with other portfolio managers.

Item 8: Client Contact with Portfolio Managers

Clients may contact Wahed regarding any and all matters and at any time via email. Clients may contact Wahed by phone solely regarding technical matters with respect to the Website during our support telephone hours.

Item 9: Additional Information

Wahed's Disciplinary History

Wahed and its management persons do not have any legal, financial, regulatory, or any other disciplinary item that are material to report to any client or prospective client's evaluation of Wahed's business or the integrity of Wahed's management. There have been no criminal or civil actions in a domestic, foreign or military court of competent jurisdiction involving either Wahed or a management person. There have been no administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority involving either Wahed or a management person.

There have been no self-regulatory organization proceedings involving either Wahed or a management person.

Wahed's Financial Industry Activities and Affiliations

Neither Wahed nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Wahed nor any of its management persons are registered or have a pending registration as a futures commission merchant, commodity pool operator, commodity-trading advisor, or as an associated person of the forgoing list. Neither Wahed nor its management persons have relationships with other entities in the financial services industry that materially affect Wahed's business or clients.

Wahed's Code of Ethics

Wahed and its management and supervised persons (collectively, “personnel”) subscribe to a strict code of ethics. Our Code of Ethics is constructed to comply with the investment advisory laws and regulations that require firms to act as fiduciaries in transactions with their clients. Our inherent fiduciary duty requires that we act solely in your best interest and adhere to standards of utmost integrity in our communications and transactions. These standards ensure that your interests are given precedence.

Accordingly, we have implemented extensive policies, guidelines, and procedures that promote ethical practices and conduct by all of our firm’s personnel. The foregoing has been compiled and is collectively referred to as our Code of Ethics. We adopted our Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or perceived conflicts of interest), as well as to establish reporting requirements and enforcement procedures relating to personal transactions by our personnel. Wahed’s Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes our ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our complete Code of Ethics to any client or prospective client upon request.

Brokerage Practices

All brokerage transactions for securities in accounts will be routed to the Participating Broker-Dealer for execution, which may not always obtain as favorable a price as another broker-dealer. Wahed may aggregate securities sales or purchases (a trade order) among two or more clients within a single strategy and, where possible and as appropriate. Wahed will not aggregate trades unless it believes that aggregation is consistent with its duty to seek best execution for affected clients in the aggregate. Wahed’s trading practices (aggregations of trades, allocation of trades, and use of trade rotation and other processes) are designed so that the practices do not unfairly and systematically favor one client over another and so that, over time, client accounts are treated equitably.

Wahed excludes from aggregation those client accounts that have relevant investment restrictions or client activity (e.g., withdrawals pending) and, therefore, should not participate in the aggregated trade. Wahed reserves the right to not aggregate transactions when to do so would be (i) unfair under the circumstances; (ii) impractical or (iii) otherwise inappropriate. Wahed generally allocates trade orders pro rata among clients who participated in the aggregated trade order. Wahed will review its aggregation procedures at least annually to confirm that they are adequate to prevent any client from being systematically disadvantaged as a result of the aggregated transactions.

Trading orders that can only be partially filled are generally allocated on a pro rata basis, randomly allocated, or allocated on some other basis consistent with the goal of giving all clients equitable opportunities over time. If a single aggregated trade order is filled at varying prices, client accounts subject to the same trading strategy generally receive an average price for trades placed through the same broker, or other steps are taken so that all similarly situated accounts receive fair consideration over time. In some cases, the trading desk may execute one trading strategy at the same time it is executing a trade order for the same security with the same or a different broker to meet account or strategy-specific requirements, in which case the two trades may be treated as distinct trades and may not be subject to pro rata allocation.

Large share trade orders can occur when there are large daily flows into or out of Wahed's Wrap Fee program, upon reallocation or rebalancing of Accounts, or if Wahed replaces an investment with another investment across all applicable Accounts. For these large trade orders, the Participating Broker-Dealer may solicit bids from other broker-dealers that may act as principal in the transaction, meaning that the other broker-dealer executes the trade in an account in which the broker-dealer has a beneficial ownership interest, or may execute a riskless-principal trade where the other broker-dealer buys (sells) a security from (to) a third party (e.g., another customer or broker-dealer).

In transactions where the Participating Broker-Dealer uses another broker-dealer acting as principal, the other broker-dealer typically accepts the risk of market price and liquidity fluctuations of executing the transactions. The broker-dealer adds a fee, called a markup or markdown (or "spread"), to compensate for this risk. The spread is not shown separately on a client's trade confirmation or account statement. No Participating Broker-Dealer acts as principal for trades in the Program or receives the spread. These markups and markdowns will reduce the overall return of an Account.

A Participating Broker-Dealer may receive remuneration such as liquidity or order flow rebates from a market or firm to which orders are routed, but its trading practices are designed to achieve best execution.

Products and Services Provided to Wahed

A Participating Broker-Dealer may provide Wahed, at no fee or at a discounted fee, with research, software and other technology, information and consulting services, and other products and services that benefit Wahed. The provision of these products and services to Wahed may be based upon clients placing a certain amount of assets in Wahed's Wrap Fee program. These products and services may not necessarily benefit Accounts.

Participation in Client Transactions and Potential Conflicts of Interest

We may at times buy or sell securities for our own account that we have also recommended to clients. Wahed will always document any transactions that could be construed as a conflict of interest. To mitigate or remedy any actual or potential conflicts of interest, we will monitor trading reports for adherence to our Code of Ethics.

From time to time, the Firm and its representatives may buy or sell securities for their own accounts at or around the same time as clients. In any instance in which such securities are purchased or sold we will uphold our fiduciary duty by always ensuring that transactions are beneficial to the interest of our clients and that neither the sequence nor timing of execution or any other factor results in a benefit to Wahed or our representatives.

Wahed monitors the personal securities holdings and trading of its representatives. The surveillance program monitors holdings and trades against the Code of Ethics and other applicable policies. Additionally, Wahed's access persons must disclose all securities accounts they own or control after their hire date and review and confirm the accuracy of those accounts on an annual basis during their employment. Such access persons must also submit quarterly securities transaction reports, which shall be subject to monitoring. Access persons are required to obtain

approval before acquiring securities in an initial public offering or a private placement. In addition, Wahed may, from time to time, require pre-approval of transactions by access persons in certain securities.

The Wahed Fund and Potential Conflicts of Interest

The Firm has discretion to recommend the Wahed Fund as one of its ETF selections depending on the particular suitability of each client. Accordingly, we may (and generally do) at times buy or sell securities of the Wahed Fund within client accounts, which can create a potential conflict of interest due to the relationship of the Firm as the investment adviser of the Wahed Fund. In particular, Wahed has an economic incentive as investment adviser to the Wahed Fund to recommend the securities issued by the Wahed Fund. Wahed attempts to mitigate this risk by waiving the Wrap Fee with respect to the portion of each client account that is invested in the Wahed Fund. However, in certain instances, based on the fee structure of the client account and the Wahed Fund, the management fee for the Wahed Fund is greater than the Wrap Fee otherwise charged to the client.

Review of Accounts

Wahed provides all clients with continuous access via the Website to reporting information updated daily about Account status, securities positions and balances. Clients may also receive periodic e-mail communications describing portfolio performance, account information, and product features.

Wahed's internet-based financial adviser service assumes that a portfolio created using MPT-based techniques will not stay optimized over time, and must be periodically rebalanced back to its original targets to maintain the intended risk level and asset allocations. Wahed reviews each client's Account when it is opened, and continuously monitors and periodically rebalances each client's portfolio to seek to maintain a client's targeted risk tolerance and optimal return for the client's risk level. Wahed also conducts reviews when material changes may have occurred to a client's portfolio or investment objectives. We consider the volatility and timing associated with each of our chosen asset classes when deciding when and how to rebalance.

On a quarterly basis, Wahed contacts each client to remind her to review and update the profile information they previously provided. Wahed also requests that clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the client's current information and contact information for Wahed support team. Wahed team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are the Chief Compliance Officer and its Investment Adviser Representative.

Wahed conducts separate reviews related to the ETFs, securities, and mutual funds used for client portfolios. These reviews are approved by Wahed's Investment Committee, which has the authority, if necessary, to take action up to and including the removal, addition or replacement of a security, from the portfolios advised by Wahed.

Client Referrals

Wahed does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Wahed clients.

Wahed may enter into solicitation agreements with Registered Investment Advisers (RIAs) or other licensed financial or legal professionals, as sanctioned by the state in which the professional does business, but has not done so at this time.

Termination of Advisory Relationship

Either party may terminate Investment Management Agreement any time upon written notice, said notice to be effective upon receipt. Upon termination, Advisory Fees will be calculated through the date of termination and assessed in accordance with the agreed upon rate. Unearned portions of prepaid fees will be refunded and any earned but unpaid fees will be assessed prior to the final disbursement of refunds, if any. Refund disbursements or fee invoices will be mailed to client within fourteen (14) business days of termination.

Fund Fees and Expenses

All fees paid to Wahed for investment advisory services are separate and distinct from the fees and expenses charged by Funds to their shareholders. These fees and expenses are described in each Fund's prospectus. These fees are generally composed of a management fee and other Fund expenses. The Wahed Fund's fees and expenses (including, without limitation, fees paid by the Wahed Fund to Wahed as investment adviser thereto) are separate from the Wrap Fee, which as noted above, will be waived for accounts with allocations to the Wahed Fund with respect to the portion of their portfolio that is allocated to the Wahed Fund.

Privacy Policy

Wahed is committed to protecting our clients' private information. Wahed has instituted policies and procedures to ensure that customer information is kept private and secure. Wahed does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law or agreed to by the client. In the course of servicing a client account, Wahed may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys. Wahed restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to a particular client. Wahed also maintains physical, electronic, and procedural safeguards to protect client information.

Financial Information

A. Balance Sheet

Wahed does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Wahed nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C.Bankruptcy Petitions in Previous Ten Years

Neither Wahed nor its management have been the subject of a bankruptcy petition in the last ten years.