

Wahed Invest Inc.

Wrap Fee Brochure

ADV Part 2A Appendix 1



This wrap fee program brochure provides information about the qualifications and business practices of Wahed Invest Inc. If you have any questions about the contents of this brochure, please contact us by phone at +1 888 334 1272 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 can be found on the Investment Adviser Public Disclosure Website at www.adviserinfo.sec.gov. Wahed Invest’s CRD number is 242793.

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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, Inc. This Wrap Fee Brochure is dated July 30, 2015 and is our initial brochure.

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 Invest website at www.wahedinvest.com or contact our Chief Compliance Officer, Dr. Sufyan Muhammad at +1 888 334-1272 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 account is a professionally managed investment plan 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.

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 determines a suitable course of action 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. Base on client suitability parameters, Wahed will design, revise, and reallocate a client’s custom portfolio.

To join the Program, a client must:

1. Complete an investor profile 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 Interactive Brokers, LLC (“IB”), or another broker dealer Wahed approves for participation in the Program; and
4. Open a securities brokerage account with IB 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.

Fees

Accounts are custodied at Interactive Brokers, LLC. 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. Please find the Firm's fee schedule below. Fees are charged on a monthly basis in arrears based on an average daily balance in the Client's accounts. Upon initial advisory engagement, advisory fees will be charged in advance based upon the value of the account and in proportion to the number of days remaining in the quarter. 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. Wahed does not allow clients to prepay fees.

Wahed Wrap Fee Schedule

<u>Assets under mgmt.</u>	<u>Wahed Fee</u>
<u>\$12,500 - \$99,999</u>	<u>.99%</u>
<u>\$100,00 - \$249,999</u>	<u>.79%</u>
<u>\$250,000 - \$499,999</u>	<u>.49%</u>
<u>\$500,000 and over</u>	<u>.29%</u>

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, neither the Firm nor its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Client 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 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.

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.

Item 5: Account Requirements and Types of Clients

We offer investment advisory services to all individuals who are United States and United Kingdom residents.

The minimum investment needed to access the program is \$12,500 per client. Wahed generally provides the program to the following Types of Clients:

- Individuals
- Retirement Accounts
- Trusts

Clients have real-time access to their Accounts through the Website, which is directly connected via live feed 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. Unless otherwise directed by the Client and pursuant to the advisory agreement, Wahed will sell securities in the Client 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 a 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 Wahed 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 its website and to discuss corporate and miscellaneous 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 Wahed 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 her 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 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.

Specifically, Wahed must start with an accurate determinate of the Client's objective and subjective tolerance of risk. Wahed uses detailed questions 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 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 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.

Wahed periodically reviews the population of all Shari'ah compliant securities, giving preference to 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 ETFs that are expected to have sufficient liquidity to allow Client withdrawals at any time.

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 Invest are integrated with the Wahed Invest website where clients manage their Wahed Invest account by setting an Allocation between portfolios of Funds available through the program. When clients deposit to or withdraw money from their Wahed Invest 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.

Wahed Invest 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 Invest recommends rebalancing because it has been shown to improve returns and because it simplifies account management for clients. Wahed Invest’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.

Investment Tools

In addition, the Wahed Invest 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 Invest recommends the appointment of Interactive Brokers LLC as broker and custodian. Wahed Invest’s execution procedures are designed to ensure that trades are executed in a timely and efficient manner, although there can be no assurance that it can be obtained. Clients should consider whether or not the appointment of Interactive Brokers LLC as the sole broker may or may not result in certain costs or disadvantages to the client as a possible result of less favorable executions.

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 Invest effects aggregated block transactions involving multiple Wahed Invest 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.

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

Other Information about Wahed Invest's Portfolio Management

Wahed Invest'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 Invest 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 account custodian. Please follow the instructions for proxy voting included in the mailing.

Item 7: Client Information Provided to Portfolio Managers

Because Wahed Invest 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 Invest by phone during our support telephone hours and via email at all times.

Item 9: Additional Information

Wahed Invest's Disciplinary History

Wahed Invest has not been subject to any disciplinary events by regulators nor is it party to any legal events that are material to client evaluation of our advisory business.

Wahed Invest's Financial Industry Activities and Affiliations

Wahed Invest has no other industry affiliations to disclose.

Wahed Invest'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.

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.

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 the Wahed support team. The 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 and securities 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 Invest 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.

Privacy Policy

Wahed Invest is committed to protecting our clients' private information. Wahed Invest and Wahed Invest Securities have instituted policies and procedures to ensure that customer information is kept private and secure. Wahed Invest 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 Invest may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys. Wahed Invest 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 Invest also maintains physical, electronic, and procedural safeguards to protect client information. A copy of the Wahed Invest's Privacy Policy is available on the Wahed Invest website.

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.