



Item 1: Cover Page

Firm Brochure (Part 2A of Form ADV)

**ShariaPortfolio, Inc.**

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*March 31, 2023*

This Firm Brochure (“brochure”) provides information about the qualifications and business practices of ShariaPortfolio, Inc. (“ShariaPortfolio”), a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at (321) 275-5125 or by email at [info@shariaportfolio.com](mailto:info@shariaportfolio.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC does not imply a certain level of skill or training. Additional information about ShariaPortfolio is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

This Brochure contains updated information about ShariaPortfolio, Inc.'s (referred to herein as "ShariaPortfolio," "Firm," "Company" or "Adviser") business since the last annual update in March 2022. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. The following material changes have been made:

- We have renamed our broad investment categories from Income Strategy, Moderate Strategy, and Aggressive Strategy to the Passive Strategies, Active Value Strategy, and Active Growth Strategy, respectively. Within those broad categories, we have changed our investment models; the Mutual Fund and Stock Models have been discontinued while we have begun offering the Passive Fund Models and the Active Standard (Value and Growth) Models. These changes are in Item 8.

This Brochure is prepared according to the SEC's requirements and rules. Other amendments may have been made to this Brochure, which may not have been discussed in this summary, and consequently, we encourage you to read this Brochure in its entirety. Currently, our Brochure may be requested by contacting ShariaPortfolio at (321) 275-5125.

Clients and prospective clients are strongly encouraged to review this Brochure very carefully. Pursuant to SEC Rules, ShariaPortfolio will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as ShariaPortfolio experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. For more information about the firm, please visit [www.shariaportfolio.com](http://www.shariaportfolio.com). Additional information about the firm and our investment adviser representatives is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4: Advisory Business

ShariaPortfolio, Inc., (hereinafter referred to as “ShariaPortfolio”, “the Company”, “we”, “us” and “our”) is a fee-only registered investment advisor incorporated October 30, 2014 as a Florida corporation. ShariaPortfolio is a boutique asset management firm focusing on Sharia-compliant investing to assist you, our client, achieve your financial goals. Naushad Virji, Portfolio Manager (CRD 5027106) and Wasia Sheikh, Shareholder (CRD 6422969) are the principal owners of the Company.

### Types of Advisory Services

ShariaPortfolio offers professionally managed portfolio solutions for Muslims, to help achieve their financial goals while conforming to their personal values. We manage wealth tailored to the individual needs of our clients. Our advisory services begin with stressing the importance of you making fiscally responsible decisions and disciplined economic choices in your personal life so we can effectively help you achieve your monetary goals for today’s needs, tomorrow’s dreams, and a strategy to build a lasting legacy for future generations.

### *Access Program*

Focus of our management begins with identifying your standards of living and quality of life expectations for us to gain deeper insight into your investment mentality, objectives, and desires. We will conduct a pre-advisory consultation, which includes gathering information in a profile questionnaire<sup>3</sup> and/or management software, to assess your risk tolerance, current income and expenses, career objectives, personal goals, investment time horizon, targeted rate of return, and prior investment experience. Our pre-advisory consultation is designed to:

- Define and narrow objectives and investment options;
- Identify areas of greatest distress;
- Develop a strategy for addressing future concerns;
- Cultivate peace of mind; and,
- Create a unique picture of your financial condition.

Once your investment parameters have been identified, we will prepare a recommended allocation plan using one, or a combination of, our model portfolios with the appropriate investment strategy in an effort to achieve the most optimal return on your investment capital. The securities we use in our model portfolios will be a mix of equity (“stock”) positions, Investment Company (“mutual funds”) products, and Exchange-Traded Funds (“ETFs”) based on your unique investment expectations and risk tolerance levels.

For certain qualifying clients, ShariaPortfolio will recommend that a portion of such client's assets be invested in one or more private investment funds. These usually include, private real estate funds, but can include other types of private funds (collectively "Private Funds"). When determining which clients should receive a recommendation to invest in a Private Fund, ShariaPortfolio considers a number of factors, including but not limited to a client's sophistication and qualification, risk tolerance, and investment objectives. Our goal is to allocate these investment opportunities in a fair and balanced manner; however, given differing factors, the allocation of investment opportunities in Private Funds to clients is mainly subjective and not all qualifying clients will be provided an investment opportunity.

Clients that receive a recommendation to invest in Private Funds will be provided with a copy of each fund's offering documents, which should be read in their entirety prior to investing in order to understand the investment objectives, fees, risks and conflicts pertaining to such investments.

Information regarding our management fee structure is disclosed under "Portfolio Management Fee" in Item 5, "Fees & Compensation" and further description of our investment strategies under Item 8, "Methods of Analysis, Investment Strategies & Risk of Loss".

ShariaPortfolio also manages one private fund, SP Fund RE, LLC, a Florida limited liability company (the "Fund"), that qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, which seeks to acquire, directly or indirectly, interests in mixed use commercial, industrial, multi-family, and residential real estate investments (the "Investments") which are to be selected by the SP Funds Management, LLC, a Florida limited liability company (the "Manager"). In selecting the Investments, the Manager will focus on identifying value-add mixed use commercial, industrial, multi-family, and residential real estate projects, including Section 8 housing projects. The fund will only invest in un-leveraged real estate investments to conform with personal values of avoiding debt.

As of August 21, 2019, the Interests in the Fund are generally being offered to "Accredited Investors" as that term is defined by Rule 501 of Regulation D promulgated under the Securities Act. However, the Fund is permitted to admit no more than 35 non-accredited investors as Investors and, at the discretion of the Manager, the Fund will admit such investors provided they are able to make the minimum investment.

The Fund's investment objective is to seek to generate long-term total returns with a focus on current income. At least seventy-five percent (75%) of Fund assets will be invested in commercial real estate, residential real estate, Section 8 housing projects and other private investment funds holding those types of assets. The Fund will only invest in un-leveraged real estate investments to conform with personal values of avoiding debt.

Additionally, up to twenty-five percent (25%) of the Fund assets will be invested in publicly traded securities or cash. The publicly traded securities selected will focus on income and stability investments, including, among other things, equity stocks and mutual funds that pay dividends, with an emphasis on stability and high yield.

*Registered Investment Companies, including ETFs (SPSK, SPUS)*

The SP Funds Dow Jones Global Sukuk ETF (the “Fund” or the “Sukuk ETF”) seeks to track the performance, before fees and expenses, of the Dow Jones Sukuk Total Return (ex-Reinvestment) Index (the “Index” or the “Sukuk Index”). Toroso Investments, LLC (the “Adviser”) serves as investment adviser to the Fund. Csat Investment Advisory, L.P. d/b/a Exponential ETFs (“Exponential”) and ShariaPortfolio, Inc. (“ShariaPortfolio”) (together, the “Sub-Advisers”) serve as investment sub-advisers to the Fund. Charles A. Ragauss, CFA, Managing Director at Exponential, has been a portfolio manager of the Fund since its inception in 2019. Naushad Virji, Portfolio Manager at ShariaPortfolio, has been a portfolio manager of the Fund since its inception in 2019.

The Index was co-developed in 2019 by S&P Dow Jones Indices LLC (the “Index Provider”), a division of S&P Global, and ShariaPortfolio, and is owned and administered by the Index Provider. The Fund attempts to invest all, or substantially all, of its assets in the component securities that make up the Index. Under normal circumstances, at least 80% of the Fund’s total assets will be invested in the component securities of the Index. The Fund’s investment adviser expects that, over time, the correlation between the Fund’s performance and that of the Index, before fees and expenses, will be 95% or better.

The Fund will generally use a “replication” strategy to achieve its investment objective, meaning it generally will invest in all of the component securities of the Index. However, the Fund may use a “representative sampling” strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole, when the Fund’s sub-advisers believe it is in the best interests of the Fund (e.g., when replicating the index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable, or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund generally may invest up to 20% of its total assets in Sharia-compliant securities or other investments not included in the Index, but which the Fund’s sub-advisers believe will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions, and deletions). To the extent the Index concentrates (i.e.,

holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index. The Fund is deemed to be “non-diversified,” which means that it may invest a greater percentage of its assets in the securities of a single issuer or a small number of issuers than if it was a diversified fund.

Shares are listed on a national securities exchange, such as the Exchange, and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The SP Funds S&P 500 Sharia Industry Exclusions ETF (SPUS) seeks to track the performance, before fees and expenses, of the S&P 500 Sharia Industry Exclusions Index. Gain value-conscious exposure to an S&P 500 ETF composed according to AAOIFI guidelines. The SP Funds S&P 500 Sharia Industry Exclusions ETF (the “Fund” or the “Sharia ETF”) seeks to track the performance, before fees and expenses, of the S&P 500 Shariah Industry Exclusions Index (the “Index” or the “Shariah Index”).

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the Example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

#### **Fees and Expenses of the Fund**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the Example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	0.49%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses <sup>1</sup>	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.49%</b>

<sup>1</sup> Estimated for the current fiscal year

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the expense example above, affect the Fund’s performance. Because the Fund is newly organized, portfolio turnover information is not yet available.

Management for SPUS includes the below:

- *Investment Adviser*: Toroso Investments, LLC (the “Adviser”) serves as investment adviser to the Fund.
- *Investment Sub-Advisers*: Csat Investment Advisory, L.P. d/b/a Exponential ETFs (“Exponential”) and ShariaPortfolio (together, the “Sub-Advisers”), serve as investment sub-advisers to the Fund.
- *Portfolio Managers*: Charles A. Ragauss, CFA, Managing Director at Exponential, has been a portfolio manager of the Fund since its inception in 2019. Naushad Virji, Portfolio Manager at ShariaPortfolio, has been a portfolio manager of the Fund since its inception in 2019.

Shares are listed on a national securities exchange, such as the Exchange, and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount). The Fund issues and redeems Shares at NAV only in large blocks known as “Creation Units,” which only Aps (typically, broker-dealers) may purchase or redeem. Creation Units generally consist of 25,000 Shares, though this may change from time to time. The Fund generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the Fund (the “Deposit Securities”) and/or a designated amount of U.S. cash.

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank) (an “Intermediary”), the Fund’s Adviser, Sub-Advisers, or their affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary’s website for more information.

#### *Express Program*

ShariaPortfolio also sponsors a wrap program, wherein it offers its discretionary portfolio management services via an automated online interactive website (the “Express Program”). Details regarding this program are outlined in our Form ADV Part 2A – Appendix 1 (“Wrap Brochure”).



## Retirement Planning

We assist ERISA-qualified retirement and savings plans in the design of the fiduciary governance structure and with the development of an investment management program. Our services under ERISA are to act as a **Limited-Scope 3(21) Fiduciary**. As such, we acknowledge we have a co-fiduciary role but **do not** take discretion or act as a 3(38) Fiduciary to construct an investment menu, select and monitor money managers, mutual funds, or ETFs or to replace the investment options within the plan.

Our responsibility will be to provide the plan sponsors and/or named fiduciary of the retirement plan with access to extensive investment tools offered by various retirement planning providers, third-party administrators (“TPAs”), to guide them in their duty to implement, maintain, administer and provide fiduciary oversight of their corporate defined benefit and/or defined contribution retirement plan. Generally, these services will include, but are not limited to:

- Identifying asset classes and various asset class combinations;
- Diversification and optimization approaches for the plan to effectively control asset allocation decisions and risk management; and,
- Educating plan participants on investment options and use of the investment platform menu.

Fees for our retirement planning are disclosed below under “Retirement Planning Fee” in Item 5, “**Fees & Compensation.**”

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations;
- Never put our financial interests ahead of yours when making recommendations;
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

For more information about our conflicts of interest, please review items 5, 10, 11 and 14 or reach out to us using the contact information on the cover page of this brochure.

## Assets Under Management

As of December 31, 2022, ShariaPortfolio had approximately \$440,642,005 in discretionary assets under management, as well as approximately \$6,461,415 in non-discretionary assets under management, totaling approximately \$447,103,421 in assets under management.

## Item 5: Fees and Compensation

### Investment Management Fees

Portfolio management services are provided on an **asset-based fee** arrangement. The management fee is billed in advance and will be calculated based on the **market value** of your portfolio account (including cash, cash equivalents, and as applicable accrued interest and dividends) on the last business day of the previous calendar quarter **multiplied by one-fourth** the corresponding annual percentage rate (i.e.,  $1.50\% / 4 = 0.375\%$ ).

We retain **discretion to negotiate the management fee within each tier** on a client-by-client basis depending on the size, complexity, and nature of the portfolio managed. In addition, as your portfolio value exceeds each tier level, either through additional deposits or asset growth, a fee break will occur. The tier breaks are as follows:

Portfolio Value	Annual Fee Rate Not to exceed
<b>Standard Portfolios</b>	
Up to \$500,000 .....	<b>1.50%</b>
\$500,001 to \$1,000,000 .....	<b>1.20%</b>
\$1,000,001 to \$5,000,000.....	<b>1.00%</b>
Over \$5,000,000 .....	<b>0.75%</b>
<b>Mutual Fund Portfolios</b>	
All Account Values .....	<b>0.50%</b>
Defined Contribution Portfolios	
<b>All Account Values .....</b>	<b>0.75%</b>

We generally suggest a minimum initial investment of **\$100,000** when opening a managed account. However, we retain the right to **waive or reduce** any minimum amount if we feel circumstances are warranted.

### **Express Program Fees**

Our Express Program is charged a separate fee from our other programs listed in this Brochure. Information regarding the Express Program fees may be found in Item 4.B of our Form ADV Part 2A Appendix 1.

### **Fees for the Fund's Investment Advisory Services and Fees**

The Fund generally will pay the Adviser an annualized management fee of up to 1.20%. The Manager and/or its affiliates will manage certain aspects of each applicable Investment in real estate (each a "Real Estate Investment" and collectively, "Real Estate Investments") and provide certain services, and in connection therewith, the Fund will pay to the Manager an annual management fee equal to 1.20% of assets of the Fund, payable monthly in arrears from the Capital Account of each Investor. The Manager may enter into agreements with affiliates of the Manager to perform all or any amount of the services for which the Fund compensates the Manager pursuant to the above provision without adjustment to the fees and amounts set forth above and may pay any portion of the fees received to such affiliate.

In addition, the Fund expects to enter into Management Services Agreement(s) pursuant to which the Manager and/or a third-party manager(s) will provide certain services to the Fund with respect to applicable properties in which the Fund invests, including asset management, property management, construction management, acquisition, disposition and refinance services. The Manager intends to compensate the third-party manager(s) as necessary. Fees paid to the Manager and third-party managers shall not exceed market conditions where the individual investment is located. See also "Compensation to Property Manager," and "Investment Management Services" below for additional potential compensation payable to the Manager, its affiliates and third parties. If the Manager determines it to be necessary, it will cause the Fund to retain one or more affiliated or third-party property managers (each, a "Property Manager") to provide management services for the Real Estate Investments pursuant to one or more written property management agreement (each, a "Property Management Agreement"). The Property Management Agreement(s) will be terminable in accordance with the terms and conditions contained therein. In addition, The Fund expects to enter into a written Property Management Agreement with each Property Manager. Pursuant to such Property Management Agreement(s), the Property Manager will manage an applicable Real Estate Investment and provide property management and other related services, and in connection therewith. The compensation ("Property Management Fee") payable to each Property Manager will vary depending on market conditions, property type and other considerations specific to each Real Estate Investment, as set forth in the applicable Property Management Agreement.

### **Fees and Expenses of the SPSK Fund**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the Example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares. Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.65%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.00%
Total Annual Fund Operating Expenses	0.65%

Estimated for the current fiscal year.

**Expense Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same.

**Portfolio Turnover** the Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in total annual fund operating expenses or in the expense example above, affect the Fund’s performance. Because the Fund is newly organized, portfolio turnover information is not yet available.

The Fund uses a “passive management” (or indexing) approach to track the performance, before fees and expenses, of the Index. The Index is rebalanced and reconstituted monthly and is market value weighted. As of November 30, 2019, the Index was composed of 83 constituents, representing investments in seven foreign countries, and had an average weighted maturity of 6.00 years.

The terms of our client’s advisory fees and expenses are typically detailed in the advisory agreement and described above in our Form ADV as well as corresponding Form ADV Part 1A, and other materials provided to the client. ShariaPortfolio seeks to value assets in our client’s account using the same method that is specified in each of our client’s advisory agreements. For example, the Access Program management fee is calculated by taking the fair market value, as determined by the Company, of the Client’s Portfolio on the last business day of the previous calendar quarter multiplied by one fourth of the corresponding annual fee rate. The fair market value of the The terms of our client’s advisory fees and expenses are typically detailed in the advisory agreement and described above in our Form ADV as well as corresponding Form ADV Part 1A, and other materials provided to the client. ShariaPortfolio seeks to value assets in our client’s account using the same method that is specified in each of

our client's advisory agreements. For example, the Access Program management fee is calculated by taking the fair market value, as determined by the Company, of the Client's Portfolio on the last business day of the previous calendar quarter multiplied by one fourth of the corresponding annual fee rate. The fair market value of the Portfolio (securities, cash, and cash equivalents) under management shall be valued by the Company, in good faith, based on the value of Client's account as reported on the Client's statement provided by the Custodian where the Client's Portfolio is maintained. The Firm discloses that there may be a nominal difference related to the receipt of dividends in the account.

### *Protocols for Portfolio Management*

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawals of funds; and (iv) other fees charged to your account(s).

### *Discretion*

We will establish discretionary trading authority on all management accounts to execute securities transactions at any time without your prior consent or advice.

You may, however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

### *Billing*

Through the Investment Advisory Agreement, you give us permission to invoice your custodian for debiting our advisory fees from your managed account assets. Your account will be **billed quarterly in advance** based on the fair market value of your portfolio and where it **falls within our tiered** fee schedule. For **new managed** accounts opened in mid- quarter, our fee will be based upon a **pro-rated calculation of your assets to be managed** for the current quarterly period.

As the market value of your portfolio exceeds/decreases to the next/previous tier level, either from market activity or additional deposits/withdrawals, **a fee break will occur and the Client's management fee will be adjusted accordingly at the next quarterly fee billing calculation.** The portfolio value will include all related accounts with the same address and related corporate accounts. This does not include related accounts that are fully invested in mutual funds ("mutual fund portfolios") and account assets invested in Private Funds, as those portfolios and assets are only charged 0.50%.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

### ***Deposits and Withdrawals***

Assets deposited by you into your managed portfolio between billing cycles will **not** result in additional management fees being billed to you **unless such deposits exceed \$20,000**. We do not want to discourage you from investing additional capital for your future, however deposits of this amount or greater, in most cases, will require modifications and adjustments to your investment allocation. Therefore, we reserve the right to bill your account a pro-rated fee based upon the number of days remaining in the current quarterly period for deposits exceeding the above amount.

We **do not make partial refunds** of our quarterly fee for withdrawals you make during a calendar quarter. Just as with deposits, withdrawals from your account will require modifications and adjustments to be made to correct the allocation of assets in your portfolio.

### ***Fee Exclusions***

The above fees for all of our portfolio management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as administrative fees and 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges can occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds/ETFs is contained in each mutual funds or ETF's prospectus. Client assets invested in Private Funds are also subject to management fees, performance and/or incentive fees and other expenses as described in each Private Fund's offering documents. You are encouraged to carefully read all offering documents and mutual fund prospectus for full details on these fees.

For more information on the custodial firm that we will recommend to custody your portfolio accounts, see Item 12, "**Brokerage Practices**".

### ***Termination of Portfolio Management Services***

To terminate our portfolio management services, either party (you or us), by **written notification to the other party**, may terminate the Investment Advisory Agreement at any

time, provided such written notification is received **at least 5 days** prior to the date of termination. Such written notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the first/last day of a calendar quarter, **you shall be entitled to a pro-rated refund** of the prepaid quarterly management fee based upon the number of days remaining in the quarterly cycle after the termination notice goes into effect. **Once the termination of investment advisory services has been implemented, neither party has any obligation to the other** – we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

#### *Terminated Accounts*

If ShariaPortfolio's services are terminated by written notice by either party, ShariaPortfolio will conduct an analysis of services provided to determine whether any pre-paid costs were unearned, and any such unearned pre-paid costs will be refunded to the Client on a pro-rata basis. If the prorated refund amount is \$10 or more then ShariaPortfolio will send the client the refund check. Any amount below \$10 the Firm will not send. Upon notice of termination to the Client, ShariaPortfolio will begin the process of removing its access to the Client's Advisory Accounts; however, the custodian may require a reasonable amount of time to liquidate and/or transfer assets, including time for required recordkeeping, processing, and complying with the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

#### *Retirement Planning Fee*

As a **Limited-Scope 3(21) Fiduciary** our responsibility to the plan sponsors and/or named fiduciary will be to assist with the development of an investment program menu based on the investment disciplines that most closely resemble the retirement plan's investment objectives and risk tolerance as outlined in the plan's Investment Policy Statement. The investment platform menu, administered by a third-party administrator ("TPA") offers:

- Customized mutual fund allocation models with each model consisting of varying target asset allocations.
- Customized open architecture platform of leading third-party portfolio managers ("Portfolio Manager").
- Construction tools to implement effective investment portfolios.
- Online reporting and account access.

Once the platform menu is in place, we will advise the plan investment committee on the performance of each allocation model and/or Portfolio Manager and make recommendations, if any, on rebalancing and/or replacement of investment options to the platform menu.

### *Retirement Planning Fees*

Retirement planning services are provided on an asset-based fee arrangement and such fees will be administered by the retirement plan TPA platform. **The TPA will disclose all fees to the plan sponsors and/or named fiduciary in a retirement planning agreement** and provide copies of any disclosure documents such as a Portfolio Manager's Disclosure Brochures (i.e.: Form ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure). The retirement planning fees that will be charged to retirement plan will include:

1. The TPA platform fee;
2. The Portfolio Manager's management fee, if any; and,
3. Our retirement planning fee (not to exceed 1.00%) that the TPA **will pay us from the total fee collected.**

### *Protocols for Retirement Planning Services*

The TPA's retirement planning agreement contains all pertinent disclosures relating to the management services being offered: such as, the fee structure for such services, billing, fee exclusions, termination provisions, and any other unique advisory costs associated with servicing the retirement plan. We will discuss all these arrangements with the plan sponsors and/or named fiduciary when we go to select the retirement plan TPA platform; however, the plan sponsors and/or named fiduciary **is encouraged to read about these retirement planning services on their own.**

## **Item 6: Performance-Based Fees and Side-by-Side Management**

Should you be interested, and meet the minimum qualifications, we offer an optional performance-based management fee structure.

### *Performance Trading*

**DESCRIPTION** – The Performance Trading Portfolio is aggressive, and formula driven using quantitative analysis to calculate risk and probability with the overall objective being to preserve asset growth while, at the same time, participating in the potential appreciation of the market. This aggressive strategy will incorporate components of the Aggressive and Moderate objectives depending on your preferences.

**OBJECTIVE** – Aggressively Traded Performance Drive: The Performance Trading portfolio seeks to offer enhanced equity growth and income performance using an aggressive management strategy for enhanced performance and participation in major market trends and



sector trends.

## **PERFORMANCE TRADING FEE**

**Style: Actively Managed – Aggressive Growth Account Minimum: \$500,000<sup>1</sup>**

Fee Structure: The Performance Trading Fee is based on how well the portfolio performs over a **quarterly** period. The Performance Trading Fee structure is set as follows:

- If the account market value, at the close of the current calendar quarter, **exceeds the prior high watermark account value by 1.00%, we will earn 25% of the trading profits over the 1.00%.**
- *Therefore, if the quarterly account value does not achieve a 1.00% return, we do not earn a fee.*
- The “**high watermark**” is the Performance Trading portfolio market value at the close of a calendar quarter adjusted for deposits, withdrawals, and our performance fee earned from the prior quarter, if any.
- The “**hurdle rate**” is the high watermark **plus** 1.00%. We must achieve the hurdle

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<sup>1</sup> The minimum account size of \$500,000 is negotiable on a client-to-client basis. However, regardless of the minimum account size, you must still meet either the \$1,000,000 or \$2,000,000 requirement for performance management (See “Regulatory Restrictions” below for more information.), understand the risks involved in an aggressive investment strategy, and be able to absorb the potential loss that can occur in this type of strategy.

rate in order to charge a performance fee. If the market value of the Performance Trading portfolio at the close of a calendar quarter exceeds the hurdle rate, that market value becomes the new high watermark. **The high watermark resets January 1<sup>st</sup> of each calendar year.** The first 1.00% in trading profits is **not** charged a fee.

- The “**market value**” is the value of the Performance Trading portfolio account as shown on the account statement at the close of each calendar quarter provided by the custodial firm.

**IMPORTANT CONSIDERATIONS** – This strategy is designed for clients who can tolerate above average risks in order to seek unusually high returns. This account can utilize various aggressive tools including margin, market timing, sector fund selection, concentrated equity positions, and specialized securities designed to magnify (and in some cases produce inverse of) the performance of various market indexes. This strategy may not be tax efficient and is best implemented in qualified accounts such as IRA’s.

### *Performance Trading Fee Billing*

The Performance Trading Fee is billed to the account in arrears. The Performance Trading Fee will **only** be assessed if the account value exceeds the previously established high watermark for the account. The Performance Trading Fee is 25% of the trading profits over 1.00%. For example, if the high watermark is \$1,000,000, and the net account value at the end of the quarter is \$1,020,000, the account during the quarter had a 2% trading profit return. Our fee will be calculated as follows:  $\$1,020,000 - \$1,010,000 = \$10,000 \times 25\% = \$2,500$ .

### *Withdrawing Assets from Your Performance Trading Account*

Should you withdraw assets from your Performance Trading account during the quarterly effectively lowering your quarterly account value to a level that could cause us to not earn a performance fee, we reserve the right to reduce the high watermark set on your account equal to the amount of your withdrawal.

### *Termination of Performance Trading Services*

A Performance Trading account can be terminated at any time at the end of a calendar quarter. Upon termination, if your Performance Trading account exceeds the quarterly high watermark, we will bill your account our performance fee.

### *Regulatory Restrictions*

To participate in the Performance Trading strategy, you must meet the minimum requirements of SEC Rule 205-3(d)(1), which are only available to you if:

- You fully understand the risks involved in performance-based fee management;
- You have at least \$1,000,000 under management with us or a net worth equal to or greater than \$2,000,000; or,
- You are a “qualified purchaser” under Section 2(a)(51)(A) of the Investment Company Act of 1940.

### *Positives and Negatives with Performance-Based Fee Accounts*

**A performance-based fee arrangement gives you the ability to hedge our fees.** The benefit, in comparing the non-performance asset-based management fee with our performance-based fee is, if we **don’t** achieve and exceed the quarterly high watermark by a minimum 1.00%, you would **not pay any management fee** for your account while enjoying, hopefully, a moderate to neutral return. The negative to you is, if we **do exceed the quarterly high watermark**, the fee you would pay would be a share of the capital gains in your account – **which could be substantially higher than our standard asset-based fee structure.**

### *Performance-Based Management Conflicts*

In a performance-based fee account, we can earn a substantially higher fee based on the returns we generate in your account. This poses a potential conflict of interest, which could affect the objectivity of our advice and recommendations in the following ways:

- Such performance-based accounts create greater incentives for us to be more aggressive so as to achieve higher returns. When we do this, you absorb a greater risk of possible loss due to excessive trading (churning) in the account while we would only lose potential performance-based management fees.
- Focus on such performance-based accounts could consume much of our time and therefore those other non-performance managed accounts could lose out on valuable time that should be devoted to all investments.
- Lower fees for comparable services may be available from other sources

Notwithstanding such potential conflicts, we strive to serve your best interest; as well as, ensuring such performance-based management is in compliance with the Investment Advisor Act of 1940, Rule 275.205-3.

Importantly, some of the Private Funds that our clients invest in will charge performance or incentive-based fees, which are outlined in the respective Private Fund's offering documents and should be reviewed by investors prior to investing. ShariaPortfolio does not receive any portion of these fees.

## **Item 7: Types of Clients**

The types of clients to whom we offer advisory services are described above under "Who We Are" in Item 4, "**Advisory Business**". We generally suggest, but do not require a minimum account size for portfolio management services; however, our services do have a minimum fee as disclosed above under "Portfolio Management Fee" in the Item 5, "**Fees & Compensation**" section of this Brochure.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Our portfolio management and investment consulting services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance to yield an effective investment strategy. Your portfolio is then tailored to these unique investment parameters using a mix of equity (“stock”) positions, Investment Company (“mutual funds”) products, and Exchange-Traded Funds (“ETFs”) to achieve the best return on your investment capital.

In addition, depending on your risk tolerance, we may also recommend using the following investment vehicles to achieve your desired investment objective: closed-end funds, hedge funds, private placements and other publicly traded securities. These investment vehicles bring on a whole different risk dynamic. If we recommend investment in one of these securities, we will discuss with you the limitations of such security and the potential risk factors to your portfolio.

In addition, the Adviser currently provides investment advisory services to the Fund which are the Adviser’s client(s), subject to the direction and control of the General Partner of the Fund, and not individually to the limited partners of the Fund.

The minimum investment requirement for the Fund is \$50,000. However, the General Partner of the Fund, in its sole discretion, may permit investments that are less than the required minimum investment commitment set forth in the applicable Fund’s offering documents. The Fund is seeking to raise a maximum of up to \$100,000,000 in cash investments through the sale of Interests as part of the Offering. The minimum subscription amount is \$50,000 per investor, although the Manager may waive that requirement in its sole discretion to permit purchases of lower amounts. Each Member shall convey by way of contribution to the Fund cash having an aggregate value equal to the amount set forth in such Member’s Subscription Agreement. Except with the prior consent of the General Partner, the minimum Initial Capital Contribution for each Member shall be \$50,000.

In analyzing securities to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gather information and to guide us in our management decisions.

## **Methods of Analysis and Investment Strategies**

*Investment Strategies for the Fund.* The Adviser's strategy for the Funds consists of the Fund's investment objective is to seek to generate long-term total returns with a focus on current income. At least seventy-five percent (75%) of Fund assets will be invested in commercial real estate, residential real estate, Section 8 housing projects and other private investment funds holding those types of assets. The Fund will only invest in un-leveraged real estate investments to conform with personal values of avoiding debt.

Additionally, up to twenty-five percent (25%) of the Fund assets will be invested in publicly traded securities or cash. The publicly traded securities selected will focus on income and stability investments, including, among other things, equity stocks and mutual funds that pay dividends, with an emphasis on stability and high yield.

*General Risks of Private Company Investments.* The Funds' investments will be subject to the risks generally inherent in privately held businesses. These risks include, without limitation, risks that the privately-held businesses (i) will not be able to attract sufficient capital to meet operating needs; (ii) will not have products or services that are accepted in the market; (iii) will not be able to attract a work force of a sufficient size; and (iv) will have competitors that are better funded.

*Illiquidity.* Investment in the Funds requires a long-term commitment, with no certainty of return. The Funds do not expect to generate cash flow to the limited partners in the near term. Most of the Funds' investments will be highly illiquid and there can be no assurance that the Fund will be able to realize return of its capital or profits on such investments in a timely manner, if at all.

*Reliance on the General Partner and the Principals.* The Fund's General Partner will have exclusive responsibility for managing that Fund's activities, and limited partners will not be able to make investments or any other decisions in the management of the Funds. Additional members may be admitted to the General Partners following a Fund's initial closing, existing members may withdraw, and the limited partners will have no power to prevent any specific person from being admitted to, or withdrawing from, a General Partner. The loss of any individual principal of a General Partner could have a significant adverse impact on the business of a Fund.

*Conflicts of Interest.* The principals of the Fund currently manage multiple types of clients as disclosed in Item 5 of Form ADV, Part 1A, that are engaged in similar investment activities. As such, conflicts between the interests of one client and a Fund may arise from time to time in differing contexts. The offering documents contain certain protections for limited partners

against conflicts of interest faced by the General Partner and its members, but do not purport to address all types of conflicts that may arise. By acquiring a limited partnership interest in a Fund, each investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to the existence of any such conflicts of interest. The Funds or the General Partners may, in certain circumstances, choose to seek the approval of a Fund's Advisory Committee, which consists of representatives from the Fund's limited partners, with respect to certain conflicts of interest. Any such approval of the Advisory Committee will be binding. Please see the Fund's offering documents for information about the specific risks associated with an investment in the Fund.

#### Fundamental Analysis

Fundamental analysis considers: efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

**RISKS** – Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is actually happening in the marketplace. Investing in companies with sound financial data/strength and a history of health returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

#### Quantitative Analysis

Quantitative analysis seeks to understand the behavior of a security using mathematical and statistical modeling to measure certain unique characteristics such as, for example, revenues, earnings, margins, and market share. Mathematical and statistical modeling helps us to ascertain security price and risk to ultimately help identify profitable opportunities.

**RISKS** – The key benefit of quantitative analysis is its ability to reduce complex figures to a single piece of data that is easy to grasp, discuss, and support decision-making and investment recommendations. However, using quantitative analysis alone with no further evaluation is often too narrow and sometime misleading since focus is on financial data while neglecting other details such as management experience, employee attitudes, and brand recognition.

#### Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This usually involves the use of various technical indicators, such as

moving averages and trend-lines, among others.

**RISKS** – Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the marketplace. This is an ideal tool for short-term investing to identify ideal market entry/exit points. However, no market indicator is absolutely reliable and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

#### *Cyclical Analysis*

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit strategies.

**RISKS** – Cyclical data reveals regular intervals of repeated events that can be forecasted into the future to time the market on when to buy/sell a security. The risk with cyclical analysis is attempting to buy/sell a security based on a future price prediction and missing beneficial movements in price due to an error in timing. This causes harm to the value of the security being bought too high or sold too low.

**Fundamental analysis** provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while **quantitative analysis** assists us with portfolio optimization techniques. **Technical analysis** is short-term focusing on the statistics generated by market activity; and, **cyclical analysis** provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

#### *Investment Strategies*

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio. We understand markets and **money made** from increased stock values has greater risk (volatility) than **money earned** from dividends (secure and stable) in income-oriented securities. Our goal is to balance making and earning money by maintaining a disciplined management approach, regardless of the strategy, so as to not sacrifice long-term goals for short-term gains.

Taking into consideration your need for money (portfolio withdrawals) and your tolerance for risk, we can help you select among the following investment strategies (~~ordered from conservative to aggressive~~):

<b>Passive Strategies</b> <ul style="list-style-type: none"> <li>○ Focused on ETFs</li> <li>○ Seeks lower volatility</li> <li>○ Seeks lower cost holdings</li> <li>○ Buy and hold</li> <li>○ Preferable for smaller investors with lower risk appetite</li> <li>○ Six investment strategies to choose from</li> </ul>	<b>Active Strategies</b> <ul style="list-style-type: none"> <li>○ Focused on stocks</li> <li>○ Personalized portfolios</li> <li>○ Tax loss harvesting</li> <li>○ Tactical Maneuvering</li> <li>○ Preferable for those seeking combination of long-term returns with tax efficiency</li> <li>○ Five investment strategies and two approaches (Value and Growth)</li> </ul>	
	<b>Value</b> <ul style="list-style-type: none"> <li>○ Buy companies that are perceived to be, according to their financial statements, trading less than their value</li> <li>○ Relatively lower volatility</li> <li>○ Typically well suited for investors seeking stable returns over time</li> </ul>	<b>Growth</b> <ul style="list-style-type: none"> <li>○ Buy companies perceived to have, based on their financial statements, higher growth potential but with potentially higher price to earnings multiples</li> <li>○ Typically well suited for investors comfortable with volatility</li> <li>○ Seeks higher potential returns over time</li> </ul>

- **Passive Strategies** – The Passive investment strategies focuses on market returns using benchmarked ETFs. Portfolios can be designed for short-term investors and investors seeking regular income, but also can be tailored to investors with a longer time horizon and seeking capital appreciation.
- **Active Value Strategies** – The Active Value investment strategy focuses on income as well as growth also using dividend-paying Sharia-compliant stocks and ~~mutual funds~~ ETFs. Stocks are selected using a value-based approach. Sharia-compliant ~~mutual funds~~ Exchange Traded Funds are also utilized for greater diversification and added exposure to international investments. The Active Value portfolios seek to produce income with the potential for capital growth through an actively managed portfolio of socially responsible sector stocks. ~~This strategy is suitable for investors that have a 3 to 5 year investment time horizon.~~
  - Typically well-suited for investors seeking stable returns over time; generally and relatively lower volatility
  - Emphasizes companies considered to be inexpensive on PE and price-to-book basis
  - Buys companies perceived to be, according to their financial statements, trading less than their value



- **Active Growth Strategy** – The Active Growth investment strategy focuses on long-term capital growth using individual Sharia-compliant common stocks primarily by means of a value-based approach to security selection. Sharia-compliant ~~mutual funds~~ Exchange Traded Funds are also utilized for greater diversification and added exposure to international investments. The Active Growth portfolios seek to provide long-term capital appreciation through an actively managed portfolio of socially responsible sector stocks. ~~This strategy is suitable for investors with a time horizon greater than 5 years.~~
  - Typically well-suited for investors comfortable with volatility
  - Buys companies perceived to have, based on their financial statements, higher growth potential but with potentially higher price-to-earnings multiples
  - Seeks higher potential returns over time

### Value Investing

Value Investing involves selecting securities that trade for less than their intrinsic values, being more concerned with the business and its fundamentals than other influences on the stock's price. Value investing is about finding stocks that we believe the market has undervalued. We perform fundamental analysis of a company's stock looking at both the qualitative (business model, governance, earning potential, target market factors, etc...) and quantitative (ratios, cash flow, dividends, financial statement analysis, etc...) aspects of the company to determine if the business is currently out of favor with the market and the stock price is deflated. Generally, if we find that a company's fundamentals reveal the stock to be undervalued, we will buy and hold the security for the long term.

### Asset Allocation

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this we may use more narrow and aggressive Asset Allocation derivatives. We have developed five primary model portfolio structures that are used as Asset Allocation guideline models in designing your investment portfolio. These models consist of:

- **Passive Fund Models** – These models are designed for investors who wish to utilize benchmarked ETFs as opposed to having individual stocks in their portfolio. A buy and hold approach is utilized. Setup using the Sukuk, Conservative, Moderate, and Aggressive allocation models.
- **Active Standard Models (Value and Growth)**– These models are tracked with our Portfolio Snapshot reports and are designed for all stages of investment need. Models contain a combination of stocks and Exchange Traded Funds using the Conservative, Moderate, and Aggressive strategies.
- **401(k) Models** – These models contain only mutual funds available on the

TPA/custodian platform. Models are structured similar to our Standard Models using a combination of the Conservative, Moderate, and Aggressive strategies.

Each model consists of a different “target” Asset Allocation comprised of different asset classes<sup>6</sup> – spreading money among a variety of investments as opposed to investing in just one – creating a more prudent approach to managing risk. The investment mix is uniquely designed to achieve your desired investment return. The selected stocks and other investment vehicles in your investment portfolio are diversified to reflect their risk profile.

<b>Asset Allocation Model</b>	<b>Stocks</b>	<b>Percentage of Mutual Funds</b>	<b>Cash</b>
Conservative	40% - 65%	25% - 50%	0% - 20%
Moderate	70% - 85%	10% - 30%	0% - 20%
Aggressive	80% - 95%	0% - 20%	0% - 20%

Such allocation guidelines are a representation of a typical account composition but should not be construed as absolute. Ultimately, the exact composition makeup and allocation of securities are determined by the client’s investment parameters, which can compose a more detailed and/or complex structure.

#### Asset Allocation Ranges (as of 2022)

<b>Asset Allocation Model</b>	<b>Equity</b>	<b>Sukuk</b>	<b>Cash</b>	<b>RE</b>
<b>Aggressive</b>	<b>80-95</b>	<b>0-10</b>	<b>2-6</b>	<b>0-10</b>
<b>Moderate</b>	<b>40-80</b>	<b>10-50</b>	<b>2-6</b>	<b>0-20</b>
<b>Conservative</b>	<b>10-40</b>	<b>50-80</b>	<b>2-6</b>	<b>0-20</b>
<b>Sukuk</b>	<b>0-10</b>	<b>80-95</b>	<b>2-6</b>	<b>0-20</b>

- **Each model has a minimum and maximum range for asset allocation**
- **Asset types are Equity, Income (Sukuk), Real Estate and Cash.**
- **Precious metals are considered part of Equity allocation.**
- **Under extreme market conditions, portfolio managers may temporarily stray**

**from these ranges. A financial crisis, war, or other major event can warrant this.**

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. ShariaPortfolio's investment approach constantly keeps the risk of loss in mind and ShariaPortfolio attempts to mitigate portfolio risk through diversified asset allocation and targeted security selection within asset classes, which seeks to avoid investments in ETFs with index methodologies that are overly exposed to sector risk or tactical knockouts.

The following is not meant to be a complete description of potential risks. For each ETF that ShariaPortfolio provides advisory services to, please see the Prospectus of that ETF for a complete list of the material risks specific to that ETF.

- **Market Risk:** The price of any security, including ETFs, ETNs, mutual funds, closed- end funds, equities, bonds and other financial instruments may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a securities or financial instruments' particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment, including ETFs, into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to bonds.
- **Call Risk:** Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- **Credit Risk:** The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- **Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Speculation Risk:** The commodities markets are populated by traders whose primary interest is in making short-term profits by speculating whether the price of a security will go up or go down. The speculative actions of these traders may increase market volatility that could drive down the prices of commodities.
- **Geopolitical Risk:** The world's natural resources are located in various continents and the jurisdiction over those commodities lies with sovereign governments, international companies, and many other entities. Disagreements over licensing agreements, tax structures, environmental concerns, employment of indigenous workers, and access to technology could negatively impact the price of commodities. Additionally, international disagreements over the control of natural resources could negatively impact the price of commodities.
- **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.
- **Foreign Market Risk:** The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets in the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market or by large investors' trading significant blocks of securities, than as it is in the United States. The limited liquidity of some foreign markets may affect ShariaPortfolio's ability to acquire or dispose of securities at a price and time it believes is advisable. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries.
- **Counterparty and Broker Credit Risk:** Certain assets will be exposed to the credit risk of the counterparties when engaging in exchange-traded or off-exchange transactions. There may be a risk of loss of assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions, or the bankruptcy of an exchange clearinghouse.
- **Leverage Risk:** Although ShariaPortfolio does not employ leverage in the implementation of its investment strategies, some exchange traded products and CEFs employ leverage. Leverage increases returns to investors if the investment strategy earns a greater return on leveraged investments than the strategy's cost of such leverage. However, the use of leverage exposes investors to additional levels of risk and loss that could be substantial.
- **Manager Risk:** ShariaPortfolio may recommend or utilize the services of other advisers in the management of client accounts, primarily to provide tactical overlay guidance or recommendations regarding asset allocations. Despite ShariaPortfolio's efforts, an account's value may decrease if

ShariaPortfolio relies on recommendations received from such investment advisers that do not properly evaluate current economic conditions or do not correctly anticipate changes to economic or market conditions.

- **Exchange-Traded Funds:** ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts (“UITs”). However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies and the market price for a share of an ETF may fluctuate from the value of its underlying securities. Consequently, ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread”, which generally varies based on the ETF’s trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- **Exchange-Traded Notes:** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some common risks associated with ETNs are that the issuer may be unable to repay the principal, interest (if any), and any returns at maturity or upon redemption. In addition, the trading price of an ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The index or asset class for performance replication in an ETN may be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- **Leveraged and Inverse ETFs, ETNs and Mutual Funds:** Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual resetting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have

higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

- **VIX Futures:** VIX futures are among the most volatile futures contracts. VIX futures are almost continually in a state of contango, a situation where the futures price is higher than the expected future spot price. ETFs that hold VIX futures on a continuous basis must “roll” their contracts as each expiration date approaches in order to maintain their VIX exposure. Furthermore, as VIX futures are mean reverting, which means that the futures price and the future spot price must converge, eventually the futures price must drop, the future spot price must rise or a combination of the two must occur, but usually involving some drop in the futures price. Consequently, such ETFs must generally sell VIX futures contracts about to expire at a price lower than the price at which it purchases a replacement VIX futures contract to roll their position. In order to generate a profit, ETFs that invest in VIX futures must generate a return that exceeds the costs of contango, which may be substantial and, consequently, ETFs benchmarked to the VIX or investing materially in VIX futures should not be expected to appreciate over extended periods of time.
- **Digital Commodity Risk:** To the extent strategies have exposure to digital commodities through its investments in Blockchain Funds, investment companies or ETFs, the value of those investments is subject to fluctuations in the value of the underlying digital commodity. The value of digital commodities is determined by the supply of and demand for the commodity in the global market for the trading of digital commodities, which consists of transactions on electronic digital commodity exchanges. Pricing on digital commodity exchanges and other venues can be volatile and can adversely affect the value of an investment strategy. Currently, there is relatively small use of digital commodities in the retail and commercial marketplace in comparison to speculators in the asset, thus contributing to price volatility that could adversely affect the investment. Digital commodity transactions are irrevocable and stolen or incorrectly transferred digital commodities may be irretrievable. As a result, any incorrectly executed transactions could adversely affect the value of the investment.
- **Fund Performance Risk:** The performance of each client’s account will depend in part upon the performance of the investment adviser to each underlying investment vehicle selected for the client’s account (Underlying Fund), the strategies and instruments used by the Underlying Funds, and ShariaPortfolio’s ability to select Underlying Funds and effectively allocate client assets among them. The Underlying Funds each have their own unique investment objective, strategies, and risks. There is no guarantee that the Underlying Funds will achieve their investment objectives and a client account will have exposure to the investment risks of the Underlying Funds indirect proportion to the allocation of assets among the Underlying Funds. The investment policies of the Underlying Funds may differ from strategy used for the client’s account. Although ShariaPortfolio will regularly evaluate each Underlying Fund to determine whether its investment program is consistent with the relevant ShariaPortfolio investment strategy, ShariaPortfolio will not have any control over the investments made by an Underlying Fund. The investment adviser to each Underlying Fund may change aspects of its investment strategies at any time. ShariaPortfolio will not have the ability to control or otherwise influence the composition of the investment portfolio of an Underlying Fund.

- **Asset Allocation and Rebalancing Risk:** The risk that a client's assets may be out of balance with the target allocation. Any rebalancing of such assets may be infrequent and limited by several factors and, even if achieved, may have an adverse effect on the performance of the client's assets.
- **Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues.** Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).
- **Privacy/ Cybersecurity Risk:** The risk of actual and attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to ShariaPortfolio interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, ShariaPortfolio, and thus indirectly our clients, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although ShariaPortfolio takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render ShariaPortfolio unable to transact business on behalf of clients.

## **Item 9: Disciplinary Information**

Neither ShariaPortfolio nor any of its supervised persons have been the subject of any legal or disciplinary events that would be material to an evaluation of ShariaPortfolio or the integrity of ShariaPortfolio's management.

## **Item 10: Other Financial Industry Activities and Affiliations**

### *Affiliations*

In addition to serving as Portfolio Manager at ShariaPortfolio, Naushad Virji is the CEO of SP Funds Management and Chairman of the ShariaPortfolio group of companies ([www.sp-wealth.com](http://www.sp-wealth.com)). He also serves in the same capacity with Virji Investments, Inc., an investment advisor registered in the State of Florida. Mr. Virji's duties include providing operational oversight and conducting all investment activities on behalf of Virji Investments.

The time Mr. Virji devotes to the activities of Virji Investments can vary up to 20% of his time depending on his fiduciary responsibilities and regulatory reporting time constraints as part of his administrative duties. Mr. Virji's responsibility to Virji Investments can occasionally create a time management conflict that you should consider. However, we do not feel Mr. Virji's responsibilities to Virji Investments will distract from his duty to manage your investment portfolio. Regardless, we strive to serve your best interest and maintain our fiduciary responsibility by making you aware of circumstances that could adversely affect the management of your account(s) in compliance with the Investment Advisers Act of 1940.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

ShariaPortfolio has adopted a Code of Ethics for all its supervised persons, which describes its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes a prohibition on insider trading, provisions requiring all of ShariaPortfolio's supervised persons to comply with applicable federal securities laws, provisions requiring ShariaPortfolio's supervised persons to report their personal securities transactions, and provisions requiring ShariaPortfolio's supervised persons to promptly report any violations of its Code of Ethics. All supervised persons must also acknowledge the terms of the Code of Ethics annually and as it is amended from time to time. A copy of ShariaPortfolio's Code of Ethics is available for review by clients and prospective clients upon request.

On occasion, ShariaPortfolio or its supervised persons may invest in the same securities as those recommended to clients. This may create potential conflicts of interest because (1) ShariaPortfolio or its supervised persons may have an incentive not to recommend the sale of those securities to clients in order to protect the value of their personal investment, and (2) ShariaPortfolio or its supervised persons may have an incentive to place their orders before those of clients in order to obtain a better price. All ShariaPortfolio's employees review and acknowledge the Code of Ethics. ShariaPortfolio's Code of Ethics addresses these potential conflicts of interest by instituting a standard of business conduct for all supervised persons, by prohibiting supervised persons from effecting certain securities transactions without



obtaining pre-clearance from ShariaPortfolio's Chief Compliance Officer and by reviewing personal securities transactions reports filed by supervised persons for potential conflicts of interest.

## **Item 12: Brokerage Practices**

The Company recommends TD AMERITRADE, Inc. ("TDA"), a licensed broker-dealer (member FINRA/SIPC/NFA), through their division TD AMERITRADE Institutional, to serve as custodian and broker for certain client accounts. We also recommend Interactive Brokers to serve as custodian and broker for clients that have elected to be charged performance based fees and for our international clients. Interactive Brokers is a licensed broker-dealer and member of FINRA and SIPC.

Both TDA and Interactive Brokers offer us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with TDA or Interactive Brokers has no direct correlation to the services we receive from TDA or Interactive Brokers and the investment advice we offer you, although **we do receive economic benefits for which we do not have to pay** through our relationship with TDA and Interactive Brokers that are typically not available to retail clients. This creates an incentive for us to recommend TDA and Interactive Brokers based on the economic benefits we receive rather than on your interest in receiving most favorable execution.

These economic benefits include, but are not limited to the following products and services provided without cost or at a discount:

- The ability to have advisory fees deducted directly from accounts;
- **Access to an electronic communications network for order entry and account information;**
- Receipt of duplicate client statements and confirmations;
- Research related products, tools and consulting services;
- Access to a dedicated trading desk;
- Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- Access to mutual funds with no transaction fees and to certain institutional money managers.

**We are not a subsidiary of, or an affiliated entity of, TDA or Interactive Brokers. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from TDA and Interactive Brokers.**

The Adviser (through the General Partners) is deemed to have custody of certain assets of the Funds. All the Funds' certificated investment securities are held by the qualified custodian on behalf of the Fund. The Adviser does not use the qualified custodian to send quarterly account statements directly to the Funds or investors in the Funds. Each Fund is audited annually, and the annual audited financial statements of each Fund are sent to the Fund's investors.

#### *Direction of Transactions and Commission Rates (Best Execution)*

**We have a fiduciary duty to put your interests before our own.** The advisory support services we received from TDA and Interactive Brokers creates an economic benefit to us and a potential conflict of interest; in that, our recommendation to custody your account(s) with either firm can be influenced by these benefits. **This is not the case;** we have selected Interactive Brokers and TDA as our custodians of choice based on a number of factors, including but not limited to:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with their staff.

ShariaPortfolio has full discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. Our general policy is to place your trades with the broker custodian selected (e.g., TDA or Interactive Brokers) and we will continue to do so as long as we believe that the broker custodian is providing the best overall deal for you and they remain competitive in relation to executions and the cost of each transaction ("best execution").

Since we do not recommend, suggest, or make available a selection of custodians other than TDA and Interactive Brokers, **you do not have to accept our recommendation to use TDA or Interactive Brokers** as your custodian. However, if you elect to use another custodian, **we may not be able to provide you complete institutional services.**

To help ensure that our clients are receiving best execution, we periodically (and no less often than annually) evaluate the trade execution and services provided by the broker/custodians we utilize.

#### *Aggregating Trade Orders*

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- **Security Trading Volume** – Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- **Number of Clients** – The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- **Financial Instruments** – The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like additional information on our trading allocation policies, a copy is available.

## **Item 13: Review of Accounts**

### *Periodic Reviews*

Our basic service is active portfolio management, and each account is reviewed daily, in the normal course of market observation, by Mr. Naushad Virji or the supervised person over your account. The general economy, market conditions, and/or changes in tax law can trigger more frequent reviews. Cash needs will be adjusted as necessary. Material changes in your personal/financial situation and/or investment objectives will require additional review and evaluation for us to properly advise you on revisions to previous recommendations and/or services. However, it is your responsibility to communicate these changes for us to make the appropriate corrections to your management account(s).

You will receive statements, at least quarterly, from TD AMERITRADE, Inc. (“TDA”) where your account(s) are held in custody. You are encouraged to review the trading activities disclosed on your account statements which summarizes your portfolio account value, current holdings, and all account transactions made during the quarter. It is important for you to review these documents for accurate reporting and to determine whether we are meeting your investment expectations. Generally, the portfolio managers of the Fund review Fund accounts quarterly. These reviews will focus on appropriateness of the Fund’s investments for the Fund’s portfolio and the performance of the Fund.

Investors in the Funds generally receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of the Fund. In addition, investors in each Fund may receive unaudited summary financial information regarding the Fund following the end of each financial quarter. Investors in the Funds also

receive regular reporting updates through letters and investor meetings.

On a periodic basis, we will provide the plan sponsor and named fiduciary with a written performance evaluation of the investment(s) (herein called the Performance Report). The Performance Report reviews the performance of the retirement plan expressed by various modern portfolio statistics that compare the performance of the investment funds to the guidelines called for by the Investment Policy Statement. The Performance Report provides historical and comparative information and should not be relied upon as predictive of future performance.

We will review fund data for all the Portfolio Managers on at least an annual basis, with respect to their overall performance in achieving the desired objectives of the plan sponsor's Investment Policy Statement.

The written review is directed to whether the Portfolio Managers' performance and discipline is consistent with the intent and objectives of the Investment Policy Statement. We will provide information to facilitate comparisons of the Portfolio Managers' overall performance benchmarks described in the Plan's Investment Policy Statement.

## **Item 14: Client Referrals and Other Compensation**

We do have arrangements in place where we compensate persons for client referrals provided such persons are qualified and have entered a solicitation agreement with us as required by Rule 206(4)-1 of the Investment Adviser Act of 1940, as amended. Under such arrangements, if a solicitor referred you, the solicitor will provide you complete information on our relationship – the relationship between the solicitor and us – and the compensation the solicitor will receive should you choose to open an account. This compensation will be paid solely from our fee and will not result in any additional charge to you. In addition, we will adhere to each state's rules and regulations where the solicitor resides prior to entering into any solicitation agreement with that person.

The solicitor is not licensed to give you any investment advice and therefore cannot advise you on the management of your account. A solicitor simply makes an introduction and is compensated only if you were to open a management account with us under these arrangements.

The Company receives an indirect economic benefit from TDA (See "Custodial Services" above under Item 12, "Brokerage Practices" for more detailed information on these services and products could be.).

## **Item 15: Custody**

Neither we nor any of our affiliates maintain physical possession of the funds or securities of any Fund. Physical custody of the assets of a Fund are maintained with a qualified custodian selected by us, in our exclusive discretion, which selection may change from time to time generally without the consent of investors in the Fund. Although neither we nor our affiliates have physical possession or custody of the assets of any Fund, under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), we are deemed to have “constructive” custody of the assets of the Funds by virtue of our and our affiliates relationships with the Funds. In order to comply with the Custody Rule, each Fund undergoes an annual audit performed by an independent accounting firm registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB) and the audited financial statements are distributed to all investors in each Fund following the end of such Fund’s fiscal year.

Physical possession and custody of your funds and/or securities shall be maintained with TDA as indicated above in Item 12, “Brokerage Practices.”

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- Your funds and securities will be maintained with a qualified custodian (TDA) in a separate account in your name.
- Authorization to withdrawal our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

TDA is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from TDA to verify the accuracy and correctness of our reporting.

As discussed above, Shariaportfolio may provide monthly reports to the investors of the Fund that includes a summary of performance results. The clients are urged to compare the information in our monthly reports with that of the brokerage statements from the custodian. We encourage the clients to contact us if they have any questions regarding the information in our reports or the brokerage statements. Clients are also asked to promptly notify us if the custodian fails to provide statements on each account held.

## **Item 16: Investment Discretion**

We have you complete our Investment Advisory Agreement which sets forth our authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at any time, impose restrictions, in writing, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

In addition, the Adviser has discretionary authority to determine the investments to be bought or sold and the amounts to invest for each client, including the Fund under the governing In addition, the Adviser has discretionary authority to determine the investments to be bought or sold and the amounts to invest for each client, including the Fund under the governing documents of the Fund and other agreements.

## **Item 17: Voting Client Securities**

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies solicited for securities held in your managed accounts. The custodian of your managed accounts will mail you all proxy solicitations. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

However, if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote; the ultimate decision on how you vote is your responsibility and left to you to decide.

## **Item 18: Financial Information**

Under this disclosure item, the SEC requires advisers to disclose certain financial information if, among other things, the adviser requires pre-payment of advisory fees of more than \$1,200 per client, six months or more in advance, or the adviser's financial condition is reasonably likely to impair its ability to meet its contractual commitments to clients. Because ShariaPortfolio does not require such pre-payments and its financial condition is not impaired, this disclosure item is not applicable.