

**ACHIEVE YOUR  
INVESTMENT GOALS  
WITHOUT COMPROMISING  
YOUR BELIEFS.**



**SENTIO'S GUIDE TO  
SHARI'AH-COMPLIANT INVESTING**

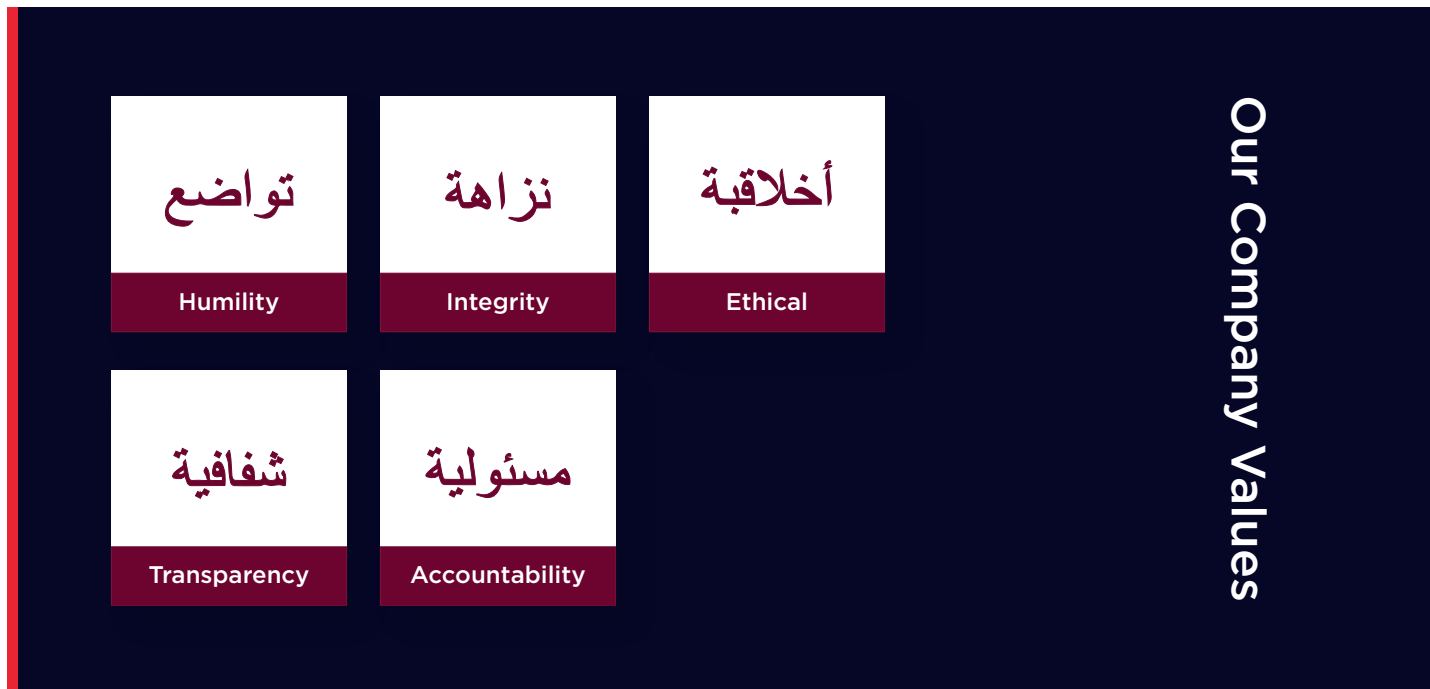


**SENTIO**  
INVEST FOR GOOD

## COMPANY INFO

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Founded in 2007, Sentio distinguishes itself from competitors in the investment industry with its unique approach that combines fundamental analysis and risk management. While many players in the industry are just starting to incorporate artificial intelligence and machine learning tools into their investment process, Sentio has been using cutting-edge investment technology since its inception. This has helped their portfolio managers make better-informed decisions and achieve superior risk-adjusted returns for their clients over the long term. Sentio firmly believes that the future of investing is still human, only smarter and faster.



## Invest for Good® Philosophy

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Our philosophy, Invest for Good®, is rooted in our sincere commitment to using our investment expertise to positively impact society. Our focus is on sustainable and responsible investing, as well as supporting charitable causes and empowering talented individuals who will shape the asset management industry and contribute to the betterment of our communities.

# AN OVERVIEW OF SHARI'AH-COMPLIANT INVESTING

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## What is Shari'ah investing?

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Shari'ah-compliant investing seeks to align investment practices with Islamic ethical and moral values.

## Can I invest in Shari'ah products if I am not Muslim?

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Yes. Shari'ah investing is an inclusive field, and some of these principles are not exclusive to Muslims. Whether you're a Muslim investor seeking Shari'ah-compliant funds or simply want to manage your wealth in a consciously ethical way, you can invest in what you believe in, assured that your returns remain pure.



# AN OVERVIEW OF SHARI'AH-COMPLIANT INVESTING

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## How does Sentio screen for potential Shari'ah investment opportunities?

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Sentio follows the guidelines and standards set out by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). AAOIFI is an international Islamic standard-setting organisation that provides guidelines and standards for various aspects of Islamic finance, including Shari'ah-compliant investing. These standards help ensure consistency and uniformity in Shari'ah-compliant investment practices across different financial institutions and jurisdictions. To ensure compliance with AAOIFI standards, Shari'ah-compliant investment products undergo a thorough Shari'ah screening process which evaluates the business activities and financial ratios of companies to ensure they meet the required criteria set forth by AAOIFI.

## What exclusions are involved in Shari'ah investing?

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Shari'ah law prohibits any Shari'ah-compliant fund from investing in entities that charge interest, companies with excessive debt or that deal in interest-bearing instruments. Additionally, it prohibits investing in businesses involved in socially harmful activities such as gambling, alcohol, pornography, and weapons manufacturing.



# AN OVERVIEW OF SHARI'AH-COMPLIANT INVESTING

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**How does a Shari'ah fund generate returns if it cannot benefit from interest?**

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Shari'ah funds can make money by receiving dividends from the underlying investments or by investing in Shari'ah-compliant instruments that follow the profit and loss sharing principle. Other income-earning methods that align with Islamic finance principles include equity and real estate investments.

**How can an investor be sure Sentio's Shari'ah funds are compliant?**

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For a Shari'ah fund to comply with Islamic laws and principles, an independent Shari'ah board with three qualified members must oversee the investment process. The board issues an annual Shari'ah compliance certificate that can be obtained from us on request or downloaded from the governance section on our website.



# SENTIO'S INVESTMENT PROCESS & APPROACH

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## Application of an integrated risk management framework with fundamental analysis:

Our priority is to help registered financial advisors, and wealth managers focus on their clients while we manage the risk of selecting the appropriate assets to meet their needs. We incorporate risk management into our asset selection process to maintain a stable long-term return, ensuring clients stay invested through all market cycles.

## Incorporation of machine learning and self-learning:

We utilise machine learning technology to process and analyse vast datasets. This helps us make more informed decisions based on fundamental analysis. We also have a flat portfolio management structure that allows all team members to collaborate and learn from each other, ensuring the highest level of scrutiny in our process. We aim to achieve long-term outperformance.

## Focused risk management for better risk-adjusted returns:

We ensure optimal use of our processes to maximise returns on investment portfolios while minimising risk.

## Bottom-up allocation to asset classes:

We use a fundamental bottom-up process to value the assets we invest in. We examine financials and business-specific factors to determine the true value of the asset. By purchasing assets at a discount to their fair market value, we aim to achieve long-term outperformance.

## Design of risk appropriate benchmarks:

To accurately evaluate our portfolio's performance, we ensure that we take the appropriate level of risk based on the portfolio's return mandate.

# SENTIO'S INVESTMENT PROCESS & APPROACH

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## Protecting downside through global best-of-breed investment technology:

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What does this mean? Simply put, this process involves using Shari'ah-approved and compliant protection instruments to mitigate potential losses in a portfolio, while still allowing for the possibility to benefit from positive returns.

## Application of scientific valuation methods that are evidence-based:

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Asset allocation decisions are measured using quantitative methods. Investments are only made if the return is sufficient for the risk taken in the portfolio.

## Active incorporation of global factors, metrics and risks:

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When managing our portfolio, we consider global macro factors, political risks, and exchange rate risks, as South Africa is not isolated from these external factors. This helps us manage volatility effectively.

## Style Agnostic:

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We are style-agnostic investors, which means we tailor our asset management style to match the current business and interest cycle. This allows advisors to keep clients invested while we ensure that the appropriate approach is taken to value assets and apply market themes that will lead to long-term outperformance.

## SENTIO'S INVESTMENT PROCESS & APPROACH

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### How do we assist in providing an investment outcome that is aligned to a client's goals and needs?

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Our investment portfolios are tailored to meet the specific goals of individual investors, as determined by a registered financial advisor or wealth manager. By conducting a thorough financial needs analysis, considering clients' requirements (religious or ESG), risk tolerance, liquidity needs, and tax position, an advisor can select the appropriate Sentio portfolio with the right mandate to achieve the desired outcome.

We partner with financial advisors and wealth managers in retail distribution by providing them with product knowledge and the latest economic and market updates and facilitating face-to-face interactions with our business development team and, on occasion, with our Portfolio Managers. This allows financial advisors and wealth managers to focus on always providing the best advice to their clients and keeping them invested, regardless of market cycles and asset class returns.





# FUNDS

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## Sentio SCI\* Hikma Shari'ah Balanced Fund

\*Sanlam Collective Investments

Risk Profile



The objective of the Fund is to provide long-term capital growth while preserving capital with a reasonable level of income that complies with Shari'ah (Islamic Law) and the standards prescribed by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

**Fund  
objective**

If you're seeking a fund that produces capital growth and a reasonable income while complying with Shari'ah law, this is the one for you. It uses a thorough bottom-up approach to selecting stocks and a strong risk-management system.

**Why choose  
this fund?**

# FUNDS

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## Sentio SCI\* Hikma Shari'ah General Equity Fund

\*Sanlam Collective Investments

Risk Profile



This fund aims to achieve capital growth and a reasonable level of income over a medium to long-term period by investing in various sectors of the equity market. The investments will comply with Shari'ah (Islamic Law) and the standards set by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

**Fund  
objective**

If you're seeking a fund that complies with Shari'ah principles and generates long-term capital growth through thorough stock selection and risk management, this is the fund for you. It utilises a strong bottom-up approach to stock picking.

**Why choose  
this fund?**

# PORTFOLIO MANAGERS

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BALANCED & GENERAL EQUITY FUNDS

**Imtiaz Suliman, CFA®**

BSc (Financial Mathematics)

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Imtiaz is an Executive Director and Portfolio Manager at Sentio who has more than 20 years of investment experience. He is responsible for the management of Sentio's Shari'ah unit trusts. He is the Industrials sector head, which spans a broad array of sub-sectors, allowing a multi-faceted angle of relative value across different sectors and jurisdictions. Imtiaz covers local and global stocks as part of his portfolio management activities which provides a holistic view when making investment decisions, as South Africa is part of a globally connected universe. During his early years at Sentio, Imtiaz oversaw the trading of equity and equity derivatives and gained extensive knowledge and experience in portfolio hedging and optimisation. Prior to joining Sentio, Imtiaz was a senior member of the Alternative Investments team at RMB Asset Management.



# PORTFOLIO MANAGERS

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## BALANCED FUND

**Sanveer Hariparsad, CFA®, CAIA**

BSc (Actuarial Science); BSc (Hons,  
Financial Mathematics, cum laude);  
MSc (Financial Engineering)

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Sanveer joined Sentio as Head of Fixed Income in 2017 and has worked in financial markets for more than 14 years. He started his career as a quantitative fixed-income analyst at Old Mutual Investment Group and Future Growth Asset Management, where he was responsible for building fair valuation models for nominal and inflation-linked bonds, FRAs, NCDs, interest rate swaps, preference shares, fixed-income derivatives, portfolio optimisers, and portfolio stress and scenario testing. He then moved to Prescient Investment Management (now M&G) to manage their fixed-interest portfolios for institutional and retail clients with a combined AUM of R20bn. He is currently completing his PhD in Actuarial Science.



# CONTACT INFORMATION

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**Verlyn Troskie, CFP®**

HEAD OF RETAIL DISTRIBUTION

BCom (Economics) BCom (Hons, Strategic Management); PGDip (Financial Planning Law, Golden Key); PGDip (Investment Planning, Cum Laude)

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#### **DISCLAIMER**

Collective investment schemes are generally medium to long-term investments. Please note that past performance is not necessarily a guide to future performance and that the value of investments/units/unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) (Pty) Ltd. Additional information on the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The fund may, from time to time, invest in foreign countries. Therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates.

Sentio Capital Management (Pty) Ltd is an Authorised Financial Services Provider.  
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