

## RNS Reach Story

[Go to market news section](#)

<b>Company</b>	<a href="#">Shariah Capital, Inc</a>
<b>TIDM</b>	SCAP
<b>Headline</b>	Shariah Capital/GRT Account
<b>Released</b>	11:04 27-Mar-07
<b>Number</b>	7844T

### **PRESS RELEASE**

27 March 2007

Shariah Capital Inc., a Shariah advisory and consulting firm, and GRT Capital Partners, a multi-strategy investment adviser, announced today the launch of a unique Shariah-compliant managed account. Barclays Capital is acting as sole prime broker for the new account.

Shariah Capital believes the account structure and launch with Barclays Capital represent significant milestones in the Islamic finance and alternative investment world:

- It is the first strategy to use a classical Islamic Arboon structure which incorporates hedging techniques. The Organization of the Islamic Conference (OIC) Fiqh Academy previously approved the use of such structures for modern financial transactions.
- It signifies the implementation of a Shariah-compliant prime brokerage arrangement that allows the use of alternatives for both short sales and listed options without disrupting the prime broker's customary business model
- It is the first to utilize Shariah Capital's proprietary screening software and compliance criteria for an expanded universe of approved companies. This universe exceeds the pool of companies eligible under current Islamic screens by a significant factor, in many cases by more than 100%.
- It represents an open platform for investment managers to offer a Shariah compliant equivalent to their conventional portfolios without fundamentally changing their strategies and processes.

GRT will manage the account following a 130/30 quantitative strategy closely resembling its conventional 360 market neutral strategy. Kim Peters and Tim Krochuk will have direct management responsibility for the new account.

The account will follow strict Shariah guidelines and employ not only Shariah Capital's proprietary

screening software but also its fatawa-approved Shariah solutions that replicate short-sales, options and leverage. Shaykh Yusuf Talal DeLorenzo, Shariah Capital's Chief Shariah Officer, will monitor the account's ongoing compliance.

-2-

Eric Meyer, Shariah Capital's Chairman and CEO, commented: "This is an historic event. A conventional alternative investment manager now is using our Shariah screens and methodologies to manage a live Shariah compliant portfolio without fundamentally changing his conventional investment strategy. This account will demonstrate that, with innovative solutions and the support of internationally-recognized Shariah scholars, Western investment managers can accommodate the criteria of Islamic investors who have long sought the higher returns and lower volatility of absolute return strategies."

"Shariah Capital intends to build a broad platform of Shariah compliant alternative investment managers available to both institutional and individual investors around the world. These managers and their underlying strategies then can be configured into structured products and other vehicles for investors with a Shariah compliant mandate. We are actively speaking with managers whose strategies can comply with Shariah to join this platform."

Tim Krochuk added: "Speaking at recent conferences in Dubai and meeting prospective investors in the Gulf, I continually was impressed by the growing demand for Islamic products, particularly those that reduce market volatility and deliver consistent, absolute returns. With the Shariah Capital platform, a Shariah compliant investor could eventually scale across eight of GRT's investment strategies, which include 130/30, health care and technology strategies, as well as US, European and Asian market neutral strategies for truly diversified exposure. GRT's strategies, managed Shariah compliant, could be ideal components for a Shariah compliant structured product offering."

Shaykh Yusuf commented further: "I am extremely proud to have been part of the team of Shariah scholars that helped to develop and then approved Shariah Capital's tool kit, including short sale and option alternatives, refined Shariah compliance criteria and screening software. The expanded universe of Shariah compliant companies is the result of more efficient and, at the same time, more conservative criteria and represents a quantum leap from the number of companies currently approved by prevalent industry screens. I believe this dramatic increase in permissible companies will do for the alternative investment industry what the early Islamic indices did for the exponential growth of Islamic mutual funds. The investment alternatives made possible by our screens and short-sale solution will attract not only Islamic investors but also experienced and skillful investment managers, thereby enhancing risk management capabilities for the entire Islamic finance industry."

“For the first time, we have a truly Shariah-compliant alternative investment product with the ability to clear trades through a major prime broker. This is a historical breakthrough for Islamic Finance, and it is impossible to estimate the significance of this development other than to say that the way to alternative asset management for Islamic investors is now wide open.”

-3-

Shariah Capital, Inc. (<http://www.shariahcap.com>) is a multi-dimensional U.S.-based company that creates and customizes Shariah compliant financial products and provides Shariah compliant consulting and advisory services primarily to financial institutions and investment management firms with product platforms directed to Islamic institutional and individual investors. Boston-based GRT Capital Partners, led by money management veterans from Fidelity Investments and State Street Research, currently manages alternative investment strategies primarily for U.S. institutional investors. GRT Capital Partners, LLC is a registered investment adviser.

END

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.**

©2007 London Stock Exchange plc. All rights reserved