

These notes are a recap of the educational workshop we hosted with Anthony Mohammed Jr., Investment Advisor at Wellington-Altus Private Wealth.

## Speaker

**Anthony Mohammed Jr.**  
Wellington-Altus Private Wealth

## Format

Interactive Seminar with Q&A

## Focus

Halal Investing Principles, Screening Tools & Portfolio Building

The session opened with a warm welcome from the executive team, followed by a brief introduction of the speaker. Anthony Mohammed Jr. brought both professional expertise and personal conviction to the room, as a practicing Muslim and accredited investment advisor who has expertise in Shariah compliance.

## Key Concepts

*What makes an investment halal?*

Shariah-compliant investing is grounded in the broader objectives of Islamic law (*Maqasid al-Shariah*), which prioritize the preservation of wealth, life, intellect, lineage, and religion. Any investment must support, or at minimum not contradict, these higher objectives.



### Prohibited Industries (Haram Sectors)

Investments in companies whose primary business involves **alcohol, tobacco, conventional banking and insurance, weapons manufacturing, pork products, adult entertainment, or gambling** are strictly prohibited. These exclusions are non-negotiable regardless of financial performance.



### Prohibition of *Riba*

*Riba* (the charging or receiving of interest) is one of the most clearly prohibited transactions in Islam. This affects both fixed-income investments like conventional bonds and companies that carry excessive interest-bearing debt on their balance sheets.



### Avoiding *Gharar* (Excessive Uncertainty)

Transactions must be clear and transparent. Investments involving excessive ambiguity, such as certain derivatives, highly speculative contracts, or opaque financial instruments, fall under *gharar* and are to be avoided.



### Profit & Loss Sharing

Islamic finance encourages structures where investors genuinely share in the risk and reward of an enterprise. This principle underpins equity investing as one of the most naturally Shariah-compatible vehicles for wealth building.

It is emphasized that these principles are not burdens; they are guardrails that protect investors from systemic fragility. Many of the companies excluded by Shariah screens (highly leveraged financial firms, tobacco, gambling) underperformed significantly during periods of market stress, reinforcing that ethical investing and prudent investing are often the same thing.

## AAOIFI Financial Screening Ratios

Once business activity screens have filtered out haram industries, a second layer of analysis is applied: financial ratio screening. These quantitative tests, developed and maintained by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), ensure that businesses in permissible industries are not excessively entangled with interest-based financing or prohibited income streams.

In today's interconnected economy, it is *nearly* impossible to find a publicly traded company with zero exposure to conventional finance. The screens are therefore tolerance thresholds (not perfection benchmarks) designed to exclude companies where the prohibited element is material rather than incidental. There are three core AAOIFI ratios:

| 1   | 2   | 3  |
|---|---|--|
| <b>Debt-to-Assets Ratio</b><br><b>Threshold: Interest-bearing debt must be less than 33% of total assets.</b><br>This screen limits exposure to companies that rely heavily on <i>riba</i> -based borrowing to finance their operations. A company with high conventional debt generates significant interest obligations, making a meaningful portion of its financial activity non-compliant. | <b>Cash &amp; Interest-Bearing Securities Ratio</b><br><b>Threshold: Cash and interest-bearing investments must be less than 33% of total assets.</b><br>This ensures that a company's balance sheet is not predominantly composed of interest-generating cash deposits or fixed-income instruments, which would effectively make the investor a passive recipient of <i>riba</i> . | <b>Non-Compliant Income Ratio</b><br><b>Threshold: Non-permissible income must be less than 5% of total revenue.</b><br>Even companies in halal industries may generate small amounts of prohibited income. For example, interest earned on cash holdings. This ratio ensures such income remains incidental. Any amount above the threshold triggers a purification obligation. |

**Note:** AAOIFI ratios are the most widely referenced standards globally, but different Shariah supervisory boards may apply slight variations. Always verify which standard your screening tool uses.

## Purification of Non-Compliant Income

Even after rigorous screening, many Shariah-compliant companies generate a small percentage of income from non-permissible sources, most commonly interest on cash deposits or minor transactions with conventional financial entities. Islamic scholars have developed the concept of purification (*tazkiyah*) as a mechanism to address this reality.

Purification requires that investors calculate the proportion of a company's income that is non-compliant, then donate the equivalent percentage of their dividends or investment returns to charity. This act does not make the haram income halal. Rather, it cleanses the investor's own earnings by ensuring they do not personally benefit from the prohibited portion.

Anthony walked through a practical example: if a company's non-compliant income represents 2% of total revenue, an investor should donate 2% of any dividends received to a reputable charity. This amount is given purely for purification, and carries no intention of receiving reward (*thawab*) since the underlying income was impermissible.

|   |  |
|---|--|
| <b>01</b><br><b>Identify the Non-Compliant Income Percentage</b><br>Use your screening tool (Zoya, Musaffa, etc.) to find the reported non-halal income ratio for the company you hold.           | <b>02</b><br><b>Calculate Your Purification Amount</b><br>Multiply the non-compliant income percentage by the total dividends or profit you received from that investment during the period.         |
| <b>03</b><br><b>Donate to Charity</b><br>Give this amount to any reputable charitable cause. <u>This is not zakat</u> ; it is a separate act of purification and should be tracked independently. | <b>04</b><br><b>Record and Repeat Annually</b><br>Repeat this process annually or whenever you receive investment income. Some apps calculate purification amounts automatically for your portfolio. |

## Tools for Shariah Screening

One of the most practically useful parts of the session was the sharing of available screening tools. A decade ago, determining whether a stock was Shariah-compliant required manual research through annual reports and direct consultation with a Shariah scholar. Today, a growing ecosystem of fintech platforms has made this process accessible to everyday investors, including students managing modest portfolios.

It is encouraged to use multiple tools for cross-verification, since different platforms may apply slightly different ratio thresholds or update their data at different frequencies.



### Zoya

A user-friendly mobile app widely popular among Muslim investors in North America. Zoya provides compliance ratings, detailed financial breakdowns, purification calculations, and a clean portfolio tracking interface. Ideal for beginners and intermediate investors. Available on iOS and Android.



### Musaffa

A comprehensive web platform offering deep-dive stock analysis with AAOIFI-aligned screening. Musaffa includes halal ETF screening, global stock coverage, and detailed ratio breakdowns. Particularly well-suited for students who want to understand the methodology behind each compliance decision.



### Islamicly

A global platform with one of the largest databases of Shariah-screened stocks. Islamicly covers major exchanges worldwide and is trusted by institutional investors and retail users alike. Their methodology is reviewed by accredited Shariah scholars, lending additional credibility to their ratings.



### Finispia

A newer entrant in the Shariah fintech space, Finispia offers detailed screening data with a strong emphasis on transparency. Users can trace exactly which data points triggered a compliance or non-compliance rating, making it a valuable educational tool for students learning the mechanics of financial screening.

**Tip:** No single tool is infallible. Use at least two platforms to cross-check any stock before investing, and periodically re-screen holdings since a company's financial ratios change every quarter.

## Key Takeaways

The presentation closed with a segment specifically addressed to students, acknowledging the unique financial position of young Muslim investors who are just beginning to build wealth. Challenges were discussed candidly: smaller capital, student debt considerations, limited time, and sometimes skepticism from those unfamiliar with Islamic finance. But he was equally emphatic that these challenges are surmountable, and that starting early, even with small amounts, creates compounding habits that matter far more than initial capital.

- Start Small, Start Now**  
You do not need a large portfolio to begin Shariah-compliant investing. Many halal-screened ETFs and fractional share platforms allow you to begin with as little as \$10-\$25 per month. The habit of consistent, principled investing matters more than the initial amount.
- Screen Before You Buy, Every Time**  
A company's compliance status is not static. Acquisitions, new revenue streams, or changes in debt structure can shift a stock from compliant to non-compliant between quarters. Make screening a regular part of your investment routine, not a one-time check.
- Don't Neglect Purification**  
Purification is *not optional* for conscientious Muslim investors; it is part of the ethical framework that keeps your wealth clean. Several apps now automate this calculation, removing any excuse to overlook it.
- Seek Knowledge and Community**  
Islamic finance is a growing field with an increasingly active global community. Engage with scholars, attend webinars, follow credible voices in the Shariah finance space, and, most importantly, continue asking questions.
- Align Wealth with Values, Intentionally**  
Every dollar you invest is a vote for the kind of economy you want to see. Shariah-compliant investing is not just about personal compliance, it is an act of conscious participation in a more ethical financial system. This intention (*niyyah*) transforms investing from a mundane transaction into an act of worship.

**\$4.5T**

Global Islamic Finance Assets

Estimated total size of the global Islamic finance industry

**3**

Screening Layers

Business activity, financial ratios, and purification:

Three distinct checks every Shariah investor applies

**4+**

Free Screening Tools

Accessible platforms available today that did not exist a decade ago

**33%**

Max Debt Ratio

The AAOIFI threshold for permissible interest-bearing debt as a share of total assets

## Reflection on Ethical Investing

The same standards that feel like a burden to you are the ones that will protect you from greed and recklessness. Your *deen* is not holding you back, it is holding you up.

Shariah-compliant investing is not merely a compliance exercise, a checklist to satisfy before proceeding with an otherwise secular financial life. It is, at its core, a coherent worldview: one in which money is a trust, wealth is a responsibility, and every financial decision is made in full awareness of its ethical and spiritual dimensions.

For Muslim university students navigating a financial system that was not designed with their values in mind, this perspective is both validating and empowering. It reframes the question from "*what am I not allowed to invest in?*" to "*what kind of investor do I want to be, and what kind of world do I want my money to build?*" That shift in framing, from restriction to intention, is what Shariah-compliant investing, done well, actually looks like.

### A Note of Gratitude

The UMMSA extends sincere thanks to Anthony Mohammed Jr. for generously sharing his time, expertise, and personal commitment to Islamic finance education. His willingness to meet students where they are, practically, intellectually, and spiritually, made this an impactful session.

We also thank every student who attended, asked questions, and engaged so thoughtfully. Events like this thrive because of communities like ours.

### Stay Engaged, Continue Learning

- Follow **Zoya, Musaffa, and Islamicly** on social media for ongoing education
- Explore AAOIFI's permissible standards [here](#)
- Look for upcoming events on Islamic finance and ethical investing
- Connect with a Shariah-compliant financial advisor before making major investment decisions
- Share this summary with friends and family who may benefit

### Our Next Event

Watch our official channels for announcements about our next financial literacy session!

### Questions or Feedback?

We welcome your reflections on this event. Reach out through our official communication channels to share feedback, suggest future topics, or to get involved.