

## Jovian mulls Shariah-compliant investment product

Company partners with UM Financial

By: Megan Harman | May 27, 2009 | 16:25

Megan Harman

Jovian Capital Corp. announced on Wednesday that it is partnering with UM Financial Inc., an Islamic financial services company in Canada, to explore the launch of a co-branded, Shariah-compliant investment product.

The Shariah product would be geared toward Canada's Muslim population of approximately 1 million, as well as foreign investors looking for a uniquely Canadian, Shariah-compliant investment.

"We are very excited to be partnering with Jovian on a product that would provide Muslims in Canada with a much-needed, Canadian-based and Shariah-compliant investment product which avoids such industries as gambling, alcohol and tobacco, and enables active review of financial ratios and leveraging," said Omar Kalair, president and CEO of UM.

Toronto-based UM, founded in 2004, has previously developed Shariah-compliant investment and deposit products with other financial institutions in Canada.

"Canada is well regarded internationally and the introduction of a Canadian-based, Shariah-compliant product would provide a vehicle through which overseas investors can gain Shariah-compliant exposure to Canada's markets," Kalair added.

Philip Armstrong, CEO of Jovian, agreed that the product would likely attract international investors. “We feel that a product designed for Muslim investors will have broad appeal in Canada and elsewhere,” he said.

Shariah is Islamic religious law, which observant Muslims adhere to in their daily lives. Shariah has certain restraints regarding finance and commercial activities permitted for Muslims.

The news of the new product comes on the same day that Standard and Poor’s announced it is launching a Shariah compliant version of the S&P/TSX 60. The new index is highly correlated to the S&P/TSX 60 Index, while adopting explicit selection criteria defined by Islamic law.

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