**Halal Screening Methodology**

* **Shariah Compliance:** The Wahed FTSE USA Shariah ETF (HLAL) adheres to Islamic investment principles by tracking the **FTSE Shariah USA Index**. This index is constructed using a rules-based methodology, starting with the FTSE USA Index, which comprises large and mid-cap U.S. companies. Companies are then screened to exclude those involved in activities prohibited under Shariah law, such as conventional finance, alcohol, tobacco, pork-related products, gambling, adult entertainment, and weapons manufacturing.
* **Shariah Advisory:** The Shariah compliance screening is conducted by [**Yasaar Limited**](https://www.yasaar.org/home.php), a consultancy specializing in Shariah compliance. Yasaar's team of qualified Islamic scholars provides guidance to ensure that the ETF's holdings align with Islamic ethical standards. The Index constituents are reviewed on an ongoing and annual basis to ensure continued Shariah compliance. The Index is reconstituted quarterly. If a non-compliant security is identified, it is removed from the Index and the Fund within two business days following the discovery.

**Overall Thoughts on Wahed FTSE USA Shariah ETF (HLAL)**

* **Expense Ratio:** HLAL has an expense ratio of 0.50%, which is competitive among Shariah-compliant ETFs.
* **U.S. Market Exposure:** The fund offers Shariah-compliant exposure to large and mid-cap U.S. equities, providing investors with access to a diversified portfolio of companies across various sectors, excluding those prohibited under Shariah law.
* **Performance Snapshot:** As of February 24, 2025, HLAL is trading at $53.29.

**Comparison to Other Halal ETFs**

**SP Funds S&P 500 Sharia Industry Exclusions ETF (SPUS)**

* **Focus:** U.S. equities
* **Expense Ratio:** 0.49%
* **Risk:** Lower volatility due to investment in large-cap U.S. companies but with less sector diversification compared to HLAL.
* **Performance:** As of February 24, 2025, SPUS is trading at $43.19.

**Wealthsimple Shariah World Equity Index ETF (WSHR)**

* **Focus:** Global equities, including U.S. and international developed markets
* **Expense Ratio:** 0.56%
* **Risk:** More diversified geographically, reducing region-specific risks but potentially offering lower returns compared to U.S.-focused ETFs.
* **Performance:** Includes companies like Barry Callebaut AG, The Coca-Cola Company, Nestlé S.A., and Novartis AG, providing balanced growth with exposure to consumer staples, healthcare, and technology.

**iShares MSCI USA Islamic UCITS ETF (ISDU.L)**

* **Focus:** U.S. equities
* **Expense Ratio:** 0.30%
* **Risk:** Lower volatility with exposure to U.S. companies, offering less geographic diversification compared to WSHR.
* **Performance:** As of February 21, 2025, ISDU.L has a net asset value (NAV) of USD 72.98, reflecting a year-to-date return of 1.70%.

**Key Takeaway**

HLAL provides investors with a Shariah-compliant investment option focused on the U.S. equity market, offering exposure to large and mid-cap companies across various sectors. With a competitive expense ratio, HLAL is suitable for investors seeking adherence to Islamic principles while investing in the U.S. market. Compared to other ETFs like SPUS and ISDU.L, HLAL offers similar market exposure with a slightly higher expense ratio. For those seeking broader geographic diversification, WSHR provides global exposure but at a higher expense ratio.

*Please note that past performance does not guarantee future results. It's advisable to consult with a financial advisor to ensure alignment with your individual investment objectives and risk profile.*