



WITH NO PARTICIPANT EVER LOSING PRINCIPAL

Gain Financial
Stability Through

ISLAMIC CENTERS' COOPERATIVE FUND

Offered by
North American Islamic Trust

- ✓ Pools Islamic non-profits' funds and invests them according to Islamic values.
- ✓ A reliable and safe investment option for Islamic organizations to help them gain long-term financial stability.
- ✓ Mutual financial benefits to the Islamic centers through no-interest loans.



ISLAMIC CENTERS' COOPERATIVE FUND (ICCF)

HOW DOES ICCF WORK?

Established by NAIT in 1980, the ICCF has been serving the Muslim community with a commitment to help Islamic organizations secure their financial standing through a pool of halal investments while avoiding Riba (“interest”).

Approximately 300 Islamic centers, schools, relief and civic organizations have been participating in the ICCF; not all of these have entrusted their properties to NAIT. Participants keep their endowments in ICCF as a long-term investment. Others invest excess funds after fulfilling short-term needs. Historically, **up to 12% of the ICCF pool has been used to extend no-interest loans to build new or upgrade existing Islamic centers and institutions.**

Where are ICCF funds invested?

ICCF funds are invested in the shariah compliant Iman Fund, and in real estate properties and leases, etc. Previously, investments were also made in equipment and car leasing and home financing.

**As of
December 31,
2021, the ICCF
pool stood at close
to \$50 million.**

Liquidity and withdrawals

- ✓ Importantly, ICCF allows very quick and convenient withdrawals with some simple due procedures based on the conditions stipulated in the ICCF application by the participant.
- ✓ Withdrawals can be wire-transferred or post-mailed. Amounts up to \$500,000 can be withdrawn with one day's notice. Higher amounts require 3 to 4 business days' notice.
- ✓ Withdrawals by a participant from its account during a year are based on that account's then current value.
- ✓ No intra year gain (or loss) is assessed to an account at the time of any withdrawal or closure.
- ✓ Increased security over Center's funds by restricting withdrawals to **only** the authorized individuals of your center's Board.



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PERFORMANCE AND YIELD

How does ICCF protect from loss of principal?

The most unique aspect of ICCF is how it protects and preserves the principal amount pooled into the Fund by Islamic centers and organization who don't have the luxury to bear sudden market fluctuations. This protection is achieved by creating a takaafu mechanism called Yield Equalization Reserve (YER).

It's remarkable that ICCF managed to offer an average annual yield of 5.75% over 40 years without having any ICCF participant lose any principal or accumulated earnings.

How does YER work?

YER consists of a part of the net gains on the ICCF pool. A part of the yearly gains in good profitable years is retained into the YER to shoulder any losses in years of the stock and real estate market decline. Over the years, more than \$11.5 million of the YER funds were placed back into the ICCF to make up for the years with market decline.

Yield distribution

The ICCF's long-term investment gains are shared with the Fund's Participants as yield per the IRS regulations. The yield is calculated on an account's daily average balance during the 365 days of the calendar year. From 1981 to 2020, the ICCF participants received close to \$40 Million through annual yield distributions, ranging from 0 to 10.2% averaging over 5.75% annual yield over 40 years' period.

ICCF protects your investment against market volatility. Any loss due to market decline on the valuable principal investment is borne by a Yield Equalization Reserve (YER).



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WHY ICCF?

An excellent investment tool for Islamic centers

- ✓ **Safety:** Even though past results on investments are no guarantee of future performance, ICCF, since inception 40 years ago, has managed to protect the principal investment of all of its account holders through Yield Equalization Reserve (YER).
- ✓ **Returns:** Excellent track record with an annual return of 5.75% since its inception. Unlike bank deposits, investments in ICCF are never idle.
- ✓ **Liquidity:** Assets and returns are liquid with quick access to your money. Amounts higher than \$500K require 3 to 4 business days' notice.
- ✓ **Minimized risk:** Unlike bank deposits, investments in the Fund do not involve interest income. Risk in bank deposits increases with deposits' increase. Amounts over \$250K are at risk even if they are in multiple accounts.
- ✓ **Trust-like structure:** Organizations opening an account can determine who can make withdrawals, for what purpose and how. If the funds in the ICCF were entrusted for a center's expansion, they can be withdrawn for that purpose only. This makes the ICCF an excellent tool to restrict the use or withdrawal of funds as per the wishes of your Board.

How to open an ICCF account?

- Download application from www.nait.net or request it via phone or email.
- A resolution from applicant center's board authorizing the opening of an ICCF account is preferable.
- Information (Full Name, Title, Date of Birth, etc.) of center/organization's officers who will be authorized to access the account and make transactions on behalf of and in the name of the applicant center.
- Applicant center will specify the date of expiration of persons designated to transact if applicable.
- Applicant center will specify if one or more signatures are required for withdrawals.
- Disbursements will be made only to the centers after due diligence and proper verifications by ICCF authorities.

Disclaimer: ICCF pool is not a bank account, and thus, is not FDIC-insured. Past performance is not an indication of future results. All investments involve risk, including loss of principal.

A hand is shown dropping a coin into a donation box. The box is shaped like a mosque with intricate geometric patterns on its facade. The background is a textured, light blue and white wash.

ISLAMIC CENTERS' COOPERATIVE FUND

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