# Invest in Yourself - Session 4

In the final session of the "Invest in Yourself" course, Rahim Rabbi discussed practical applications of the knowledge gained, focusing on using various investment apps. The session covered the pros and cons of apps like Wahid, Free Trade, and Zoya, emphasizing their user experiences, risk levels, and investment options. Key points included understanding capital gains tax, KYC processes, and the importance of aligning investments with personal values and risk tolerance. The speaker also highlighted the significance of balancing financial decisions with ethical considerations and the importance of involving Allah in financial affairs to achieve personal and spiritual growth.

## Action Items

* [ ] Complete the testimonial form to provide feedback on the course.
* [ ] Watch the practical videos on the three investment platforms
* [ ] Conduct a financial audit to understand your income, expenses, and investment priorities.
* [ ] Involve Allah in your financial decisions and seek His guidance.

### Overview of Practical Week

* Speaker 1 outlines the practical week's agenda, including referencing a folder with uploaded videos on various apps.
* Mentions the topics to be covered: tax, KYC (Know Your Customer), and the differences between general investment accounts and ISAs.
* Explains capital gains tax, using an example to illustrate how it works and its implications.
* Discusses the tax implications of different types of investments, including personal possessions and crypto assets.

### Setting Up an Investment Account

* Speaker 1 details the KYC process, including providing personal information, identity verification, and financial information.
* Explains the risk assessment questions that users must answer to ensure they understand the risks involved in investing.
* Describes the steps involved in onboarding and activating an investment account, including depositing money.
* Emphasizes the importance of KYC in preventing fraud and money laundering.

### Introduction to the Focused Platforms

* Speaker 1 introduces the three platforms to be discussed: Wahid, Free Trade, and Zoya.
* Wahid is highlighted as a halal stock screening app, Free Trade as a mainstream platform, and Zoya as an additional option.
* Encourages participants to watch the uploaded videos on the folder to understand the navigation and features of each app.
* Welcomes participants back and begins the discussion on the pros and cons of each platform.

### Pros and Cons of Wahid

* Wahid is praised for its user experience and product offerings, including its own form of ETF (H.L.A.L.).
* The app allows users to be angel investors with a minimum investment of £500, but this is considered high risk and long-term.
* Automated payments are a pro for busy individuals, but it may not foster a conscious investment approach.
* Users cannot choose their own stocks, and there can be tech issues and administrative delays with the app.

### Pros and Cons of Free Trade

* Free Trade is praised for its user-friendly interface, clear investment information, and the ability to create custom portfolios.
* The app offers a gold ETF and provides educational content through a newsletter.
* Premium accounts offer additional features, but there are limitations on the free account.
* The app discourages short selling, which is prohibited in Islam, but it has limited ETF options and no built-in risk assessment.

### Pros and Cons of Zoya Finance

* Zoya Finance is highlighted for its user experience, API integration, and ability to screen halal stocks.
* The app offers reports and baskets for specific industries, which can help users align their investments with their values.
* There are limited brokerage firms connected to Zoya, and it has an additional cost, but it offers discounts periodically.
* The app is US-dominant, but it may expand to include more global options in the future.

### Conclusion and Final Thoughts

* Speaker 1 thanks participants for joining and emphasizes the importance of building the life they want through financially conscious decisions.
* Encourages participants to reflect on their financial choices and how they align with their values and goals.
* Stresses the importance of involving Allah in all aspects of life, including financial decisions.
* Concludes with a Quranic verse that highlights the balance between seeking Allah's remembrance and seeking worldly success.

Invest in Yourself - Session 4

Fri, Oct 11, 2024 9:49PM • 33:27

**SUMMARY KEYWORDS**

practical week, capital gains tax, KYC process, investment apps, risk assessment, angel investment, automate payments, user experience, gold ETF, premium account, ethical investments, financial audit, personal development, akhira investment, God-conscious choices

00:03

I was Rahim Rabbi shahili sadriwa, thank you for joining me for the final session, Session Four of invest in yourself. Today's session will be focusing on the practicals, and we will definitely be getting into that later on in this session. And really what this session is about is putting all the knowledge we've acquired thus far together and applying it in the real world to a few different apps across this particular session.

00:52

As always, we've got the housekeeping rules, which I'm sure you're all fully aware of by now. I've also sent across testimonials to ask you of your opinions of this course, and I would really appreciate it if you could please fill that in all the comments we receive really go a long way into helping create and curate content that's designed for you, designed for other Muslim Women, to really help them learn, prosper and grow financially and in order for them to make their next steps. Inshallah, so all feedback is welcome. Now the disclaimer for today's session, Riz comms is Director volunteers or third parties in connection with the organization are not liable financially or otherwise for any advice taken, all advice provided is based on research, and any advice taken is solely at the discretion of the attendee or user. We strongly recommend attendees carry out their own research before making any financial decisions or otherwise capital at risk. Riz cons is Director volunteers or third parties in connection with the organization are not Islamic scholars, therefore, please take any advice provided as a matter of opinion and consult those with scholarly knowledge regarding fixed rulings or similar. It's really important that I focus on risk capsule at risk in today's session, specifically, and that's largely because we're going to be looking at apps. We're going to be looking at the pros and cons of using them, and we're going to be looking at different altering numbers as well. And so really, it's about however, however much you feel comfortable with investing in and assessing your risk level accordingly. That's how much cash or investment you should part with, whether this stock market then goes up or down is in entirely of its own choosing, but you need to understand that you need to be comfortable with whatever you're parting with.

03:00

So today's session, what we're covering it is indeed practical week. So I kindly ask you that during the session, you'll need to refer back to the folder and look at the uploads made regarding the particular apps. There are some practical videos that have been put up to show you how navigation takes place across these apps, what it looks like, what each thing means, and the pros and cons. And then I'd ask you to then come back to the session to then finish it off. We'll also be looking at things like tax. We're going to be looking at outer KYC. KYC meaning know your customer. And we'll also be looking at, when we do discuss tax, the differences between general investment accounts and indeed isas. We'll also be looking at different products, as mentioned, and the pros and cons of each now looking at tax specifically, as we kick off, there's something called capital gains tax. Now, capital gains tax largely follows the basis that you're essentially paying tax on the profit of whatever you sell. Right? That's increased in value. So if you were to invest in a general investment account as an IE, that is the investment vehicle you're using as your account. You're using a general investment account up to 6000 pounds is capital gains tax free. IE, you will not be taxed on that 6000 pounds invested in right now, it's anything thereafter that you will be taxed for, right so in this example, if you bought a painting with 5000 pounds and sold it later for 25,000 pounds, you'd make a gain of 20,000 pounds, ie 25 1000 minus 5000 now this is obviously dependent on you selling that particular asset as well that has increased in value. Now, as we crack on, you pay capital gains tax on the gain when you sell, so it's on the profit you've made from that cell, most personal possessions worth 6000 pounds or more, apart from your car. So this can obviously occur from all sorts of investments you make, unless it's also the your main home as well. You wouldn't pay gaps or gain tax on that. However, your main home, if you've decided to let it out, ie rent it or use it for business, or it's very or it's very large shares, right, that are not in an ISO or in a pep business assessment, that's also up. So these are also known as chargeable assets. So if you sell or give away crypto assets, for example, so let's say Bitcoin, you should check if you have to pay capital gains tax on that. Specifically, there are different variations for crypto, specifically as a market, particularly as something that's very new. It's not particularly nuanced when it comes to the regulation surrounding it, but there's something that's being developed as we speak. And of course, if you jointly own something with someone else, let's say, for example, your husband, you have to pay capital gains tax on your share of the gain if you were to both invest in it. Now how to set up an investment account. Essentially, I'm going to walk you through what is included in a KYC.

06:54

So for example, you if you were to go on a website of your particular favored investment app or website, let's say you were to download it, you then have to include your personal information. So for example, they may ask you your your name, your surname, where you live. They may ask your National Insurance number as a form of identity verification. They may also ask you for proving you are who you are. So for example, you may have to include your driver's license or your passport or your birth certificate, and take a picture of such and and and, and provide that level of information so they can cross reference to confirm your identity. You may also be asked further financial information as well to establish you are who you're. You say you are. In some instances, they may even ask your employment information. It doesn't tend to happen an awful lot it can happen depending on the app you choose. By and large, they probably won't, but just in case, and then, following that, they will, then the app will ask you for your risk assessment, so you may go through a certain number of questions, by and large, essentially attesting to the fact that you understand that you're investing in something, there is a risk associated with that and that you're happy to do so and the company is not basically being held accountable if you make huge losses. So you're entirely aware of why you're using this app. You're entirely competent with regards to using this app, usually they ask you a quick Q and A it's a yes or no, something like six questions, just so you're aware of the risks that come with investing, they the company then review and approve whether You can use the app and essentially onboard you. There's then a confirmation and account activation that basically approves you using the app. And then, generally speaking, you would deposit X amount of money into the app for you to then use. So that's a general understanding of what a KYC is, and that's by and large, what would happen on any type of app you use. I I'm specifically talking about apps because the web, a website would work slightly differently. It may even take slightly longer, and generally speaking, because of the way in which we work nowadays, by and large, we do tend to use apps. So when we say KYC, what that actually means is, know your customer. And there's many reasons why investment companies, and to be perfectly honest, many different financial services use a KYC program, and it's essentially to tackle things like fraud, tackling things like money laundering. It's a really. Great way of understanding the consumers that you are onboarding, where they may fit, geographically, socio economically, and really establishing that that market in that sense, and gathering and understanding of who is using your product, as mentioned before, it's really a great way to curb things like fraud, particularly in an era where Fintech is so prevalent, it's just an additional layer of protection in that sense. Now the three platforms we're going to be focusing on today are Wahid, free trade and Zoya. Now pick these specifically, largely because I'm providing you an example of something that's halal, something that's mainstream and something that's additional to that as well. It is halal in the sense that it is a halal stock screening app in the form of Zoya, which you can also link to your brokerage firm, so it's a little different to the other two, but still all the same, we will be talking about it now. This is the part I finally ask you to pause what you're doing, get onto the folder and watch through the particular uploads of Wahid free trade and Zoya, so you can better understand how to navigate each app.

11:37

Welcome back. So now we're going to be discussing the pros and cons of each now, after watching all three of those short videos, what you'll come to understand is as them, there are many pros and cons to all three of them. Now there's a reason why I picked these three, as mentioned earlier, they all offer something different. They're also something halal, something that's mainstream and something that's somewhere in between as well. Now these are all particularly popular amongst the millennial and Gen Z um demographic, particularly free trade, but we really need to understand the new nuances behind that as well. So we're looking for the pros where, once again, this is entirely dependent on your lifestyle, entirely dependent on the research you've done thus far, what you're really interested in investing in, and how you want to go about doing that as well, on what kind of portfolio you want to build and how hands on you want to be as well. So with Wahid, as we know it, is halal, it has its own form of ETF, H, l, a, l, and they really enable you to navigate quite well across the app. And that's largely down to its sort of product ability. Its user experience has improved greatly over the last year. So and they're also offering different types of products as well. So they're offering the work they're offering warehead x, which essentially allows you to be an angel investor, though this is to the chime of 500 pounds. So you would have to invest at least 500 pounds into these particular investment opportunities. And as mentioned before, they are high risk, high reward, and that's very much a long term horizon. So you need to think about all the other things you're doing within your life, in the next year, in the next few years, perhaps in the next 10 years, etc. And think about the investments you're making. Because if you, for example, decided to lock in 10,000 pounds into an angel investment, but you wanted to buy a house next year, essentially, that money is no longer liquid. You cannot take that money out once you make an angel investment. Essentially, you're banking on that particular investment to do so well that you're going to make a significant return. I'm talking something along the lines of 5x 10x 20x in some cases, but you're very bullish on it in that sense that you're going to make that money back in anywhere between seven to 15 years. So you need to really think about that particular investment. By and large, the average investment somewhere between return is somewhere between 10, five to, sorry, seven to 10 years. However, there needs to also be an understanding that many startups do fail, so you do, once again, have to be very confident in investing and such. The good thing, however, is there are tax efficient ways to essentially subsidize and and get some of your money back by investing in very early startups. And these are government initiatives as well, and these are dependent on how much you're investing and at what stage you're investing in. So another thing that's really great is you're able to automate your payments on Wahid, which essentially allows you to really go into autopilot mode, not really think about is too much, and it's just essentially investing on your behalf. Now there's a pro and con to this. I've put it in a pro as a pro for people who tend to live very busy lifestyles, they do want to make sure and ensure that their financials are halal. But at the same time, it doesn't necessarily make you one, or it doesn't make one conscious of the types of investments they're making, why they're doing what they're doing? And that also leads me on to the fact that, ultimately, speaking, you cannot pick the stocks in your Wahid account. It's entirely dependent on your risk level, and they show you the portfolio that you would be investing in, ie, how it's skewed towards stocks or gold or Sukuk, whatever it may be, and on that basis, you're investing so you don't actually know what you're investing in. Once again, this is great if you're somebody who wants to invest in a halal way and is happy to send their money on autopilot, but if you're looking to build a very God conscious relationship with your finances, this may not be the one for you. Now, something that also works really well, and to the advantage for Wahid is that you can choose your risk level. So after you've gone about doing your financial audit, after you've understood where your money is going, where it's coming from, how much you're making, what you're attributing it to, how much you can part away on a monthly basis and not really feel the pinch. You can then assess your risk level at the same time and think about what's going to make you most comfortable, how you can sort of build on your risk level, and what what you can do with that as well. Now, interestingly, with Wahid, way back when. Now this is a couple of years ago when you had chosen your risk level. That was your risk level as it was, and it was set as that. Now I believe you can alter it accordingly. There is a lot of admin that goes on with a wired account, which I would say is another con or setback, which would involve you having to actually directly speak to them, and that wouldn't necessarily even have to be on app. It could even be on email as well. So even in the experience I've personally had, I've had to chase for a number of weeks, even months, in order to get a reply back on something that I needed done in the app. Find finally, something that is really good that they do is provide you with a performance graph. So they really do show you how well that particular risk level, what how it works out, and what return you'll be making, and what that looks like over a particular time horizon. So if you invested in 2000 and you cash out in 2024 what that would look like. I've mentioned a few of these now in terms of cons, but once again, the KYC process can take a while. It could take up to seven days, potentially longer, depending on what the demand looks like. They have just recently opened an office and launched in the UAE. So that is one to think about. There are many different proof points. You have to jump through a lot of different hoops in order to get build this account as well. You cannot choose your own stock. So as mentioned earlier, based on your risk assessment, they will build that portfolio of your own choosing. They're not going to mention, necessarily, what types of investments we're investing in, per se, but you can also find these online. So it's not necessarily that they're hiding you, hiding it from you and not telling you, but they will make it transparent online. You are therefore limited by the options you can invest in. In that sense, when it comes to a strict portfolio of stocks, and generally speaking, the feedback that I have heard as to date is that there can be tech issues with the particular app in using that. We'll then look at free trade specifically, once again, super easy to navigate. They make it very clear what you're investing in, what your what's on your watch list, you the user experience is really good on that particular app. You can also create your own portfolio of your choosing and pick the stocks that you want to invest in. They also have a gold ETF, which is really interesting as well. So that's something you. Can invest in on the app too. They provide really easy, nice explainers on their app as well, where you can click the little i button and it explains a whole host of different key terms. They also provide a free newsletter on the weekend to keep you up to date with the financial news and things that are going on and things that are happening within the stock market. So that's really great in order to help shape and inform your understanding of the stock market and what's taking place. It's also free to join on its premium account, and you can also pay 499 for a standard account, or 999, for a premium account to gain wider access. Obviously, there is a limitation to what you're able to access on the freemium account in terms of stocks, this is obviously widely accessible to you when using the when you upgrade, essentially, you're able to make reoccurring payments and set them up accordingly on the premium accounts, and you're also able to set limited payments. So, as mentioned in the actual video in itself, when talking about free trade, you can set up limited payments, and they are pros and cons to this as well.

21:22

When we look at the particular pros, it basically discourages you from short selling, in the sense that you're not constantly on the app, looking to sell, essentially watching the market minute by minute, hour by hour, but it may. It kind of allows you to forget about it a little bit by setting that that upper limit of when you would like to sell at the same time, short selling is something that is prohibited Islamically. If you were to set up an account essentially for the purpose of short selling, that would not be deemed halal. So you need to think about why you're doing what you're doing as well. Once again, it's invoking the idea that your finances aren't just your finances. They are a means for you to get close to Allah in doing, in formulating this and taking this step as an action of ibada. Now some of the setbacks include, there are limited ETFs. There are only three ETFs, all of which are iShares, all of which are essentially backed by BlackRock, which means you cannot, necessarily, not even necessarily, you cannot access other ETFs. So this may not necessarily be the platform for you. In that case, there isn't a sort of like go through an understanding of a risk assessment. Really, it's an idea that you understand why you're doing what you're doing if you've now onboarded onto this app, and that might not necessarily matter to you too much if you've been through this course now, it's just something to be made aware of you've then got Zoya Zoya finance, so they are a halal stocks and shares screener. They provide reports. They're very well made. It's super easy to navigate. It's a really great user experience. All three of these have pretty decent user experiences, but I find that Zoya and free trade really are really nice way to navigate through and understand your portfolio. API is embedded. So the other thing that's really interesting about Zoya is that you could essentially use the API, and this is if you're a really tech, tech savvy person, and embed it into your let's say, for example, you used Chrome and so you could screen your investments online as well on your laptop, if you had a brokerage firm that you were connected to as well the setbacks, however, there are limited brokerage firms that are connected to Zoya. So for example, free trade or Wahid is not on Zoya if you're in the UK, the two that would probably be flagged the most are fidelity and Vanguard. Those would be available to you in the UK. So if you're already with fidelity, this is just a really nice way of screening them. I've put it as a setback, but it isn't necessarily. It's just something that's yet to come. The baskets are a great idea, a really great initiative. I think it really streamlines the way people are able to access particular industries and put things together and really hone in on their interests. And remember, I have mentioned this in earlier sessions, consumption patterns really help to navigate a wider understanding of investing holistically. What do I mean by that? Essentially, you are what you eat, you are what you wear, you are what you do. So if people are consuming a lot of tech, they're constantly, constantly using tech. They're constantly on their tech, etc. By and large, it's probably very likely that big tech is going to perform very well in the stock market, because it's a necessity for many people in their lives. Therefore, if you're making baskets on particular industries like AI or cloud or whatever it may be, it's likely that these may potentially perform well because of the way in which we are navigating the world today. Another setback I've put down is us dominant. And what I mean by that is the brokerage firms that are made available on Zoysia finance are largely skewed towards the US or Canadian consumers. But that's not to say that they won't expand further. Obviously, with Zoya, there is an additional cost that comes to it as well. So it costs about $10 a month, although they do have at least two to three times a year, some sort of 30% off, 50% off sale on their accounts. So that's just something to also be mindful of. Now we're coming to the end of our session, of our final session, and I just want to take the time to thank you all for joining me in really taking this step forward, in building the life you want, accessing finance in a way that's meaningful, that really speaks to you, and taking that step ultimately, to use your everyday life as an act of ibadah, as an act of getting close to Allah. It's really important that we take all the things we do in our everyday life and ensure that we're embedding Allah into everything in order to take that minute. And I know that even the most mundane things we do all account for something, and all mean something, and they really reflect our consciousness as we do them as well. Ultimately, speaking, invest in yourself is about building the life you want. And it doesn't matter whether that's financially or not, it's essentially building the life you want by taking on acts that essentially help you to really reflect on who you are as a person and why you're doing what you're doing. In this case, obviously it's preferred for you to think about things financially, how you want to build your wealth, where you want to go, why you want to do what you want to do, and part of building the life you want is about making choices. And so hopefully, throughout the course of these sessions, it's been it a time for you to reflect on why you're doing what you're doing, but more to the point, it's been a point for you to really decide on who you want to be as well and where you want your life to go, ultimately, where to tie our camels. So we're to trust in Allah, and this is us taking that action, taking that initiative, to do something more and take that extra mile and take that extra step towards Allah in Bella. In addition to that, before you kick off with anything, it's and essentially, you know, you've sat there, you've thought about the life you want. Now it's about making those choices. So conducting that financial audit that we mentioned in session one, and really thinking about how much money is coming in, how much is going out, what you're in investing your money in right now, and it doesn't necessarily even mean you're investing in a portfolio, or you're investing in the stock market or whatever it may be, just even if it's something like you're spending 20 pounds a week on coffee, that's still an investment. So looking at the things that you're putting value to and asking yourself, why? What is this? How is this adding value to my life? And once again, adding value doesn't necessarily have to be a financial return at each and every corner. It could be adding value because it's helping you relieve stress. It could be adding value because it's making your family happy. It could be adding value because it's helping your mental health, whatever it may be, assign some level of value to the level of investment you're making, and why you're doing that, and that can really help you to build the portfolio you want. Because ultimately, like I said, it's not just about financials. It's about getting close to Allah or the Allah, but it's also about building the life you want and really helping yourself in keeping your mind, body and soul healthy. It's also about thinking about the akhirah, ultimately. King as well. If you recollect from session three, we spoke about investing in the akhira and how we do that, and how we can make those steps in the dunya as well. So really take some time to think about, as much as you're building your portfolio, how you're also balancing that out by investing in your akhira too. When you are investing, think about the ramifications this will have on society, on your communities, on your loved ones, on yourself, etc. Weigh up the pros and cons of investments in that way. Think about the ethics that go on go into making an investment halal as well. Like I said earlier on, just because something is halal does not necessarily mean that it's ethical. Think about the things you want to do and think about the person you want to be and the person you want to become. Ultimately, speaking, finally, always involve Allah SWT in your affairs. Affairs. It doesn't matter how small or minuscule. It doesn't matter how large center your life around Allah, absolutely, when we discuss finances, it's such a huge part of our lives. It infiltrates everything. It makes every decision we possibly can.

31:19

But ultimately, speaking, Allah, is there every step of the way, nothing happens without his say. So make sure you're reading your Ad Card. Make sure you're reading your dad. Make sure that when you're taking that financial audit, you are really stepping into the best version of yourself in making those God conscious choices. And I will leave you with this. O you who believe, when the call is made for the prayer or the day of Friday, on the day of Friday, then hasten to the remembrance of Allah and leave the business that is better for you, if you know and when the prayers have been concluded, disperse in the land and seek out the bounties of Allah, and remember Allah a lot so that you may be successful. Ultimately, what this ayah is saying is that there is a hierarchy of the way we conduct ourselves and what we do. We should hasten to remember Allah. We should be ready to be to pray our prayers on time, to go to Jama and and to observe worship and be in that state of Ibadan, doing so and leaving the dunya behind for Allah. But at the same time, this ayat is also saying, seek out the bounties of Allah, disperse in the land, go forth and seek that wealth, seek that level of personal development, seek all the goodness you possibly can to be the best version of yourself. And always, always remember Allah subhanahu wa in your affairs. Yes, JazakAllah, her for attending this session. As always, you can find me on Instagram, Anisa dot finance, on Twitter, at Anisa finance. I hope, Inshallah, you found this incredibly useful once again, please remember to complete your testimonials. I would love to hear from you. To zapolo here, and I can't wait to hear back. I.