# Invest in Yourself session 2

Uneesa led the second session of "Invest in Yourself," focusing on investment types and their Islamic permissibility. Key points included the distinction between investing and trading, emphasizing that trading, including forex, is haram due to its speculative nature and involvement in interest (Riba). The session covered various investment vehicles like ETFs, index funds, and Sukuk, highlighting their benefits and risks. Anisa stressed the importance of diversifying portfolios, setting financial goals, and understanding one's consumption habits to align with Islamic principles. She also discussed the role of financial platforms and the necessity of purifying wealth through Sadaqah to maintain a healthy relationship with Allah.

## Action Items

* [ ] Assess your near-term financial goals and how they align with Islamic principles.
* [ ] Research and explore Halal investment options, such as Halal ETFs, that fit your risk profile.
* [ ] Evaluate your current spending and saving habits, and identify ways to incorporate more Islamic principles into your financial management.
* [ ] Attend the live Q&A session at the end of the course to get any remaining questions answered.

## Outline

### Housekeeping and Introduction

* Speaker 1 begins the session by greeting attendees and thanking them for joining.
* Emphasizes the importance of the session and the positive feedback received from the first session.
* Reiterates housekeeping rules, stating the session is personal and private, and it is recorded for replay.
* Mentions the live Q&A session scheduled at the end of the course and the importance of testimonials.
* Disclaimer about the limitations of advice provided and the responsibility of attendees in making financial decisions.

### Overview of Investment Topics

* Speaker 1 outlines the core focus of the session, including investment vs. trading, diversifying portfolios, and the difference between ETFs and index funds.
* Discusses the deeper relationship between wealth and Islam, and how to embed this as a form of Ibadah.
* Encourages attendees to think about their near-term financial goals and how they handle their money.
* Emphasizes the importance of goal setting and sustainability in financial habits.

### Financial Instruments and Halal Investments

* Speaker 1 explains financial instruments as money contracts that can be traded, with examples of halal and haram practices.
* Discusses the concept of derivatives and why they are haram, using examples of faulty products and financial call options.
* Introduces mutual funds, ETFs, and index funds, explaining their roles in diversifying portfolios.
* Highlights the differences between ETFs and index funds, including how they are traded and their pros and cons.

### Investment Platforms and Their Features

* Speaker 1 presents a snapshot of various investment platforms available in the UK and abroad, including their features and costs.
* Discusses the benefits of platforms like FreeTrade, Zoya, AJ Bell, and Hargreaves Lansdown.
* Mentions the importance of choosing a platform that offers a good user experience and is cost-effective.
* Highlights the availability of halal ETFs and the importance of considering the underlying assets of these funds.

### Investing vs. Trading and Forex

* Speaker 1 explains the differences between investing and trading, using forex trading as an example.
* Discusses the concept of leverage and the risks associated with trading currencies.
* Explains why forex trading is considered haram due to its speculative nature and the involvement of interest (Riba).
* Emphasizes the importance of understanding the underlying assets and the risks involved in different types of investments.

### Types of Investments and Their Benefits

* Speaker 1 outlines various types of investments, including stocks, precious metals, cryptocurrencies, and Sukuk.
* Explains the concept of Sukuk as Islamic bonds and their benefits over conventional bonds.
* Discusses the importance of investing in halal industries and the potential pitfalls of Muslim-owned companies.
* Emphasizes the need to purify one's wealth and the importance of making Sadaqah to renew one's relationship with Allah.

### Building a Financial Plan and Setting Goals

* Speaker 1 advises attendees to build a financial plan, including paying off high-interest debt and budgeting.
* Discusses the importance of setting financial goals and assessing how much one can comfortably invest each month.
* Emphasizes the need to invest in oneself and in things that add joy and value to one's life.
* Highlights the importance of making financial decisions with a clear understanding of the risks involved.

### Purifying Wealth and the Role of Sadaqah

* Speaker 1 explains the importance of purifying one's wealth and the role of Sadaqah in renewing one's relationship with Allah.
* Discusses the concept of detaching oneself from wealth and viewing it as a means for exchange.
* Emphasizes the importance of making financial decisions that align with Islamic principles and benefit both oneself and others.
* Highlights the benefits of investing in a halal manner and the role of passive income in building a relationship with Allah.

### Key Takeaways and Final Thoughts

* Speaker 1 summarizes the key takeaways of the session, including the importance of making money work for oneself and diversifying investments.
* Emphasizes the need to assess one's risk level and make informed financial decisions.
* Discusses the importance of setting financial goals and understanding the underlying assets of investments.
* Encourages attendees to think about their spending and saving habits and how they relate to their relationship with Allah.

### Closing Remarks and Contact Information

* Speaker 1 concludes the session by reminding attendees to make their money work for them and to invest regularly.
* Emphasizes the importance of spreading risk and understanding the financial audit process.
* Encourages attendees to think about the companies they invest in and their impact on their relationship with Allah.
* Provides contact information for further questions and support, and thanks attendees for participating in the session.

Invest in Yourself session 2

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**SUMMARY KEYWORDS**

investment types, financial goals, goal setting, financial instruments, ETFs vs index funds, halal investments, financial security, risk assessment, diversification, trading vs investing, leverage, financial independence, Sadaqah, wealth purification, financial planning

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How the Billahi minus Miller, man I Rahim, Rabbi, shahli, sadrivali, rabini, assalam, Alaikum, everyone. It's me. Anisa of Anisa finance. Thank you so much for joining me today for session two of invest in yourself. Let's get straight into it. So much has happened since the first session in so many different ways. Thank you so much for the positive feedback as well. What we're really looking to do in this session is dissect things a little further. As mentioned in the first session, we won't be covering these particular slides. I will just reiterate a few housekeeping rules before cracking on to today's session. So these sessions are personal and private sessions. This is a safe and trusted space for yourself. The session is, of course, recorded so you're able to come back for a replay as an when you wish. These sessions are for you and you only as pain clientele and as attendees. And that's largely because, of course, we are a small business, and we're continuing to grow, and we rely on creating bigger and better courses and content and such for women just like you, and in doing so, we have this formal social contract so you're able to benefit and such. Don't forget, there will be a live Q and A scheduled at the end of the course with details to be confirmed in due course of the email. So do keep an eye out for that as well as testimonials. Now I believe I sent this across after the first session, but do take a look as well to and make sure you fill that in as and when. Now, a disclaimer for myself, so 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 discretion of the attendee user. We strongly recommend attendees carry out their own research before making any final financial decisions or otherwise capital at risk, which means essentially any capital, any financial choices you decide to make in terms of investment or otherwise, is of your own choosing and is at your own risk. So however little or however much you decide to invest risk, cons, its 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 fifth rulings and similar. So today's session today, we're going to be covering a plethora of different things, but largely different types of investments and their meanings. We're going to actually go into greater detail about some of these next week as well. The core focus of today's session, as the second session of the course is looking at things like investment versus trading, the difference between the two and what is Islamically permissible diversifying your portfolio, looking at the difference between ETFs and index funds, and also how this ultimately reconnects you with Allah subhanaw taala, looking at the deeper relationship between wealth and Islam, and how you can really make this or embed this as a form of Ida in your life, inshallah. So let's start as we mean to go on, and let's talk about your near based financial goals. So I want you to take a minute to just sit here and think about things now. We're at the top of the year at this moment in time, and I really want you to think about sort of the idea of new as resolutions, whether that be in January, some people and myself included, tend to set these sorts of resolutions just before Ramadan to really acquaint themselves and almost use it as a point of detox as well. And of course, Ramadan is coming up, so this is just an equally beneficial time to really think about the kinds of goals you have and where you want to be as well. So think about this, and think about how it applies to our own life. How do you handle your money at this moment in

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time? So is it a case of, you're a big spender, you're a big saver. What is the goal? What are your intentions when it comes to your money?

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What. Is the purpose of you spending excessively or saving excessively? Or it might not be, either it might be that you feel like you're in a happy medium. But where are your financial habits taking you? What are you spending your money on in the first place? How is it getting you closer to Allah subhanaw, taala, now the the primary reasoning surrounding actions of goal setting, or the actual action of goal setting in itself, primarily relates to the idea of building towards something, hopefully an improvement in some form or other. Now, it's told to us many times over throughout our deen that making small, consistent changes are something that is particularly Beloved. You're working towards something, whether that be incrementally or otherwise, but the idea that underlining assertion within that is sustainability. So are you able to sustain that goal through small, concurrent actions that really help pedal you towards your goal. Or are you sort of waking up one day deciding, okay, I want to, in total, revamp whatever it may be, in this case, sort of finances, and then it becomes really difficult to sustain afterwards, and that's why goal setting is incredibly important in finances, a lot of finance is ultimately just about being a really good organizer, being really efficient, and in doing that, you can really help to build the life you want. But ultimately that can only happen through the action of goal setting as well. So that's something to also think about. Is, what are your goals? What are your financial goals for 2024 How does Islam relate to your personal financial goals as well? So whether that be investing, the fact that you've decided to take on board this course, jump on think about investing. Think about your next steps, about where you want to be, where you want it, where you want to go and how you can ensure that Islam is enshrined within that. Alhamdulillah, you're definitely on your way there. The fact that you're taking that active goal is amazing, and now it's just about implementing that knowledge. So being God conscious and focused within this is incredibly important as well, Inshallah, to not only developing and furthering your relationship with Islam and certainly with Allah SWT, but improving your life holistically as well. Okay, so I put up a quick little diagram of thought here about financial instruments. Now, a financial instrument is essentially a money contract between two parties which can be traded, which means, essentially you can buy or sell it. So think of it like this. These are all examples, by the way, of different financial instruments, some of which are halal, some of which are not. And we'll go into that a little bit in a little while as well. But essentially, it's the idea of being able to buy or sell something financial so in this and it's contractually obliged as well. IE, I am selling you, for example, $100 to the tune of 100 pounds. Let's say it's like for like. So we have made that money contract, right? Let's say we're having a currency exchange. So I gain 100 pounds. You gain $100 that has been traded. You've bought $100 I have sold those $100 and essentially, in this essence, that's absolutely fine. There's nothing haram about that whatsoever. Everybody was fully aware of the contract that was taking place. Everybody had agreed to that said contract. There was no underlying sort of misunderstanding or something. Where are I, for example, as the seller was trying to sell you something, and let's say, for example, I was trying to sell you the $100 and actually it was counterfeit, and I knew that that wasn't taking place, if that were taking place, however, and that is where we're in a little bit of trouble, because that in itself would be haram, not for you as the buyer, because it would have been unknown to you, but me as the seller, because I'm now selling you a faulty product, a faulty good, that exchange is not halal. Now, derivatives in themselves are haram. We don't engage in derivatives. So whether that be financial call options, whether that be put options, future contracts, for example, all of which have an underlying value and it's derived from somewhere else. So I'm basically saying I'm going to. Sell you. Let's say I bought 50 Biro pens for 100 pounds, and I wasn't really good for the money. Let's say I could only afford to pay 50 and then, and I said, okay, cool, once I've sold all of these by this particular day, let's say this time next week, I can give you your money and and on top of that, I'll give you an additional 10 pounds, or 10% for the time it's taken as well. So that's absolutely that, in itself, would not be okay, largely because you're unable to pay in real time for those goods, you're not actually good for that money. You don't have that money to buy those goods you and you cannot guarantee that that you're able to sell those said products for that said price, etc. And in that way, you're essentially the seller at that point who's selling me the pens is losing out, because what they're doing is they're deriving value from this future idea that they are going to make X amount of money, which is not guaranteed. You then have things like mutual funds, you've got ETFs, and they can be halal. And certainly there are many Halal ones on the market, and we will definitely look at those as we crack on in this particular session.

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So ETFs versus index funds. So what is a fund? A fund is an easy and convenient way to invest. They're popular. They're particularly popular amongst beginners, and they're often easy way of diversifying across a number of different investments. So a number of if you were to diversify your portfolio, this is a super easy way of going about it. It's almost like a one stop shop. So you can do this by yourself, or you can go to a fund manager. And obviously, if you do go to a fund manager, they take a particular set fee for executing those investments on your behalf. But it means, once again, you're one step further removed. You're sort of entrusting upon somebody to manage your wealth in that way. And so there's pros and cons to both. A lot of very wealthy people tend to have wealth managers to execute on their behalf, and that's largely because they enjoy investing in some in riskier assets, where they may not be as well read on those particular investments, or it may also be a case of being very time short as well. So a fund essentially pulls together the money of lots of different investors, and a fund manager invests on their behalf. Perfect funds can invest in various different assets, such as shares, bonds, property, and it really depends on your investment objective. All right, great, we now know what our fund is. Now, what's the difference between an ETF, an exchange traded fund, and an index fund, right? These are the two most popular types of funds, particularly for beginners. Now. So when as an ETF, an ETS is a type of fund which is essentially traded on the stock exchange. So it's like, much like shares. They're a type of exchange train, exchange traded product. So they pull together a number of different shares, usually the top 10 highest performing stocks. And they sort of gift wrap that and sell that as a product. They still track an underlying index, but the price of these ETFs will fluctuate throughout the day, or being able to trade ETFs throughout the day makes them more flexible. It's not always a good idea and time in the it's not a good idea to try and time the market, because you could be waiting forever. So essentially, it's super easy to go off and buy an ETF. You'd need to go on a trading platform you can purchase said ETF. There are a number of Halal ETFs available, which we will talk about later, um, and it allows you that range of flexibility to buy as and when. Now, the reason why it's not a good idea to time the market is because it's never going to be a good idea to time the market. Really and truly. The best way, or one of the best strategies, to have, is spending as long as you can in the market. So like time in the market adds more value to your portfolio, then trying to time the market when it crashes, and buying low and selling high, etc, which obviously is incredibly favorable and is often peddled by loads of investors, retail, institutional, etc. But once again, it's incredibly difficult to play that game. What you want to do is. Is essentially invest and invest very regularly, as much, as much or as much as you're comfortable with on a regular basis, and essentially leave it there. And this is provided you're making healthy financial decisions as well. Obviously, if you're investing in something that's incredibly volatile and you're somebody who's incredibly risk averse, investing in something like crypto wouldn't necessarily work, because it's not going to give you the payoff you necessarily want. Now, when we compare this to an index fund, an index fund only sort of values and trades once a day, and that's usually midday. So unlike an ETF, investors won't know exactly what price they're buying or selling for until the trades take place. So an example would be like not NASDAQ or the S, p5, 100. The interesting thing is between the two, because people tend to conflate the both is the how they're traded. So as I meant, as it's mentioned here, an index fund is only traded once a day, all right, and usually speaking, an index fund is bought or sold for the price at the end of said trading day. Right now, that works for some people, where they're happy to just sort of invest incrementally or otherwise, depending on their investment strategy, they'll invest in such and then crack on an ETF will fluctuate because it's a group of stocks together, and this can be bought as the market opens and sold, for example, at any point during the market, between the market opening and closing, Right? That's essentially the primary difference between the two.

17:09

Now you might want to screenshot this. I made a lovely little table just to sort of highlight further the similarities and differences between the two. So

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now we're talking about platforms. Platforms are going to be something we're going to really cover properly next week, but I've taken a snapshot a specific reason. This is a plethora of different platforms that will be available to you today, both in the UK, but also abroad. And I picked these for various different reasons, because there are a whole host of other platforms out there as well. So something that's particularly popular as an investment platform is free trade, which is split bang in the middle, this lovely little pink one here. And you can get a premium on this particular account if you choose to upgrade it costs for a standard accounts, 499, for a premium account, it's 999, and that opens you up to different products as well. So once you get a standard account, for example, you're able to open an ISA. If you go for a freemium, you will have a general investment account, a Geo. And what that means is you don't have the tax efficient benefits, and Isa is able to give you so right now, and per tax year, as it stands, you're able to invest in up to 20,000 pounds a year, which is tax efficient. I cannot be capital gains tax. And that it just enabled you to save and save and grow and grow, essentially, which is really great. Now this platform is really great in many different ways. It does offer you particular types of ETFs, largely the MSCI shares ETFs, and there are three of them that are available on the platform, but otherwise you're able to produce your own DIY portfolio as well. So if you're somebody who is looking to build your own portfolio as well and your own investments, that's something that's really great use of that. Or to its left on with lovely little green background, you've got Zoya. Zoya is actually a hello screening product, so it screens all the stocks are out there. It will inform you and inform you as to why something is halal or haram, which is really great. And you can also connect this to your brokerage firm. So for example, the likes of fidelity, the likes of. Vanguard, which isn't on here, etc, you can connect it accordingly. You've got something a bit more old school, like AJ Bell and Hargrove Lansdowne. They've been in the game for many, many, many a year, and people really enjoy using them, I would say, by and large, people who are probably more traditional in their outlook and approach to investing. There are also particular fees that are associated as well, such as executing the fund on your behalf or executing the investment rather, you've got DFM, Adx, London Stock Exchange and Versa Malaysia. I've included these for a specific reason. They are as stock markets. You're able to invest in them specifically. Once again, it would be single stocks, and there will also be, by and large, different types of investments available on those platforms as well. But once again, it re they're really useful if you're looking to invest in an IPO so something that's got an initial offering that's going to market. So let's say, for example, Airbnb was just being made public its initial public offering, you could then invest into that particular stock live as as it goes live. Now that's a very specific USP. You can also invest using different platforms like free trade and such as well, but really intrigued, that's something that people really enjoy using their stock market platforms for. Specifically, you've also got fidelity to the right with the red background, and that's something that also offers Sharia compliant isas more specifically, and that's really great if you perhaps have your pension with fidelity. It's something that you can probably use as an add on if you're familiar with their products and it's something you enjoy. Blackrock provides institutional and retail offerings, so you've got investors that are both the everyday Joe and also big, big companies and big investment bank, for example, investing through them. They have their own particular ETFs that do particularly well as well. Vahid has its own particular ETF and you can, as a robot Robo advisory, skew your risk. Something that has been mentioned to me, and I've played around with as well, is the fact that once you initially open an account and set your risk, you're unable to change said risk on the actual app as a user feature. So you'd have to go to great levels to change that, if you wanted to change your risk level, but they essentially build that portfolio and show you, for example, 30% will be invested in stocks, 10% will be invested in gold, 10% will be invested in Sukuk, so on and so forth based on your risk level, they won't tell you exactly What you're investing in. So that's something you would have to figure out within yourself in terms of if that's something you would want to go down. But otherwise, essentially, as a robo advisory, it will take money out of your account and invest on your behalf. On a regular basis with ETF, you would have to dig deep, deeper, little bit in terms of what that actually includes for a halal ETF, but that's not too difficult that can be found online. So here are a snapshot of a few selective, different ETFs, something I would say is HSBC does offer an incredibly competitive ETF, however, they are also involved in essentially providing financial assistance or leeway to occupying powers. So that would be something to think about. I personally don't invest in that particular index. But once, once again, that's just something to be aware of. You've got something like, I believe it's the next page as well, but you've got iShares as mentioned. So you've got, you've got MSCI USA Islamic, and then world Islamic. So the ones that are specific to the US market and ones that are specific to global markets, you've got ones that are specific to emerging markets, more specifically, as well, as mentioned, these are ones that are available on Hargreaves lands down, but they're also available on free trade. They're all. So bar the HSBC one you it really what I would say and suggest is think about what you need from a platform. Is it a really great user experience? Is it being as cost effective as possible? And I would say at this point, just because something is the cheapest doesn't mean you're getting the most bang for your buck, and just because something's super something's super expensive doesn't mean that that's necessarily the best for you as well. You need to think about how often you're making or executing on investments and how much as well, because all platforms will take a certain proportion of fees. Do this is just another few as well. So AJ Bell offers a whole host of different eye shares and free trade offers these as well. Once again, AJ bell will execute investments on your behalf. And what that means is, once you actually buy and invest and they commit to the action on your behalf, they will charge you for that as well, whereas free trade will not on a freemium however, these are the only ones that will be available to you as a result. So I've taken up on myself to just screenshot a few of those that are performing and how they've performed cumulatively as well. So if you were to invest in a accordingly, this is what it would look like over sets specific time in terms of your aggregate growth. So as you can see here, for example, on the iShares, after three years of worth of investment, cumulatively speaking, you're performing particularly well. But generally speaking, the average ETF will perform, on average, about eight to 9% on average, you can perform far better than this if you choose to build your own portfolio, for example, if you're feeling particularly confident, but otherwise, it's just sort of like a nice intro to and In terms of building understanding of wealth as well.

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Now investing versus trading, I'm not entirely sure how aware everybody is of the differences, or not the differences, but I do know that trading is something that's been bandied around and has been sort of gained, proliferated. Publicity through the pandemic and such. So this is something I really wanted to target. So we spoke about specifically what investing meant and what investing entailed in the first session. So just as a quick reminder, investing is essentially you putting your money into a particular type of financial scheme or financial instruments that could be shares, property, a commercial venture, angel investing, with the idea and the expectation that you will make a profit trading. And in this specific example, we're going to be looking at forex trading is making money by buying and selling currencies, right? So, for example, if you had 5000 pounds, and it was equivalent to a trade of $5,000 US dollars, and then suddenly you see that the Sterling has appreciated, which means that you are now getting more bang for your buck in terms of how many dollars you're able to get. So let's say, in this crazy example, it's out 6000 what you would do is you would trade at that 5000 with the idea and sort of speculatively, with the understanding that this is going to increase, because, let's say we've got an election, we've got this really solid government that's coming in, you'd pocket that 1000 as a profit, right? So there's a nature to it that has a sort of like gambling, speculative understanding to it. So if you remember from our first session, we talked about gharar, we talked about me, said, both of which are haram. I would say that is a, honestly, a really crazy example to give, largely because the within Forex, incremental moves are made in trading. Trading, trading, ie, you're never going to see something that's going to just spike up crazy, because everybody would rush to said market buy, and then it crashed. They're usually naught point 1% up and down, up and down, up. Now. So for in this example, for every one pound, let's say you. Gain one cent, right? We're still using GDP to USD, so it would mean you'd have to invest 1000 pounds in order to gain $10 of profit in return. So as you can tell, you need to be making serious, major trades in order to be making any type of a financial gain. So how do you get loads of money and invest it if you don't know how much to begin with, leverage. Now, leverage in itself, isn't bad, necessarily. Leverage is just so we're aware the ratio between what the company or the individual owes so debts compared to what it owns. So it's assets. So it's a case of, for example, if I went to my mom and I said to her, I need a loan of 1000 pounds so I can start my business right now. I only have 500 pounds, so I only technically need another 500 but can you provide me the 1000 and your mom says, yeah, oh. My mom says, yeah, absolutely that's absolutely fine. When can I expect it back? Okay, I'm going to give it back to you next on the 15th of March, perfect, fine, great. 15th of March, 2024, at 3pm that's very I'm saying those specific things for a reason. Mom says, Absolutely, that's fine. 15th of March at 3pm comes. I give my mom the 1000 pounds back, essentially, that leverage, right? So that debt I owed versus what I owned was absolutely fine in that particular instance, for my for my mom, for this instance, largely because I specified the date and the time I would be returning and how much as well. Now, why it's an issue here in this instance, is the broker isn't giving you the loan without any condition attached, right? So I'm not so the broker isn't telling you I need the money by this date, at this time, at this specific amount, they expect a brokerage fee, which is a set return on every loan, and that in itself, is considered interest. So remember, in the example I gave with my mom, I gave her back 1000 pounds. I didn't give her anything additional. I just said, I need this loan for this particular period of time. I will give it back to you on the 15th of March, 2024 at 3pm so it is viewed as a fixed return on the basis of a loan, and it is therefore not permissible, right? And this particular example, however, not with my mom. In this particular example where we're looking at the broker that added on brokerage fee as as a set return on every loan made any money, provided that is what is considered interest. And as we know, Raba is haram, is mentioned eight times in the Quran, and therefore it's a no go zone for some people. However, they do believe that Forex is an financial instrument, and it's absolutely fine. And there aren't any loans, necessarily, in the traditional sense of how we view a loan or a two in one transaction of any kind. And even if that were the case, and we would say, okay, entertain that and say, let's say that's true, forex would then be considered a derivative. It doesn't actually have any intrinsic value itself. Rather, it derives its value from something else. It's taking its value from something else. In this case, it's currencies, but you're not actually buying the currencies. Therefore, it is clean cut impermissible, because derivatives are haram. So in this particular case, this particular trade is taking its value from that, that currency from the USD, etc, in order to back that financial contract. But it's not the actual currency itself that's being traded, right? It's all being done behind the screens. Therefore it's still impermissible and therefore haram. Now this brings me on to talking about different types of investments. So we talked about some of these, and we will actually speak about Sukuk more specifically next week. I think we need to dedicate a specific amount of time to that. But as mentioned, a healthy diversified portfolio includes so many various different things, so whether and there's just a few of them, so. Stocks and shares, as mentioned, can be in the form of ETFs as well. If you're if you don't want to sort of DIY your own portfolio, you've got precious metals that also cut our ETF factor as well. So you can also invest, not just in physical gold, but also on the stock market as well. And they tend to be really heavily affected by global economic and political changes. Both investments of gold and silver are considered safe haven investments, as they tend to receive increased attention from investors in times of turmoil. So what you'll see is around the time of the Russia, Ukraine war, gold skyrocketed, as did silver as well, and once again, it's skyrocketing as the war continues in Palestine. Cryptocurrency is something very specific. It's a particular type of digital asset. It's a type of currency which uses digital files as money, essentially in it in its sort of like most lay way of explaining it, the files are created using coding many cryptos currencies are decentralized networks based on blockchain technology, which is essentially a distributed ledger. Imagine a whole spreadsheet of data enforced by a disparate network of computers, essentially. So it is a for some, a truer sense of democratizing finance at its core, firm at its core, sort of focal point as its essence. And for others, it's seen as incredibly volatile and something not to be looked at when it comes to as a serious investment. Sukuk investments which are similar to bonds. So a Sukuk is is seen as an Islamic bond, and it is and isn't in some ways, it has sort of overlapping commonalities, but they aren't necessarily the same, largely because they are not debt based, and therefore that makes them halal.

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Islamic principles discourage debt in general, and interest payments on debt owed are viewed as usury. So riba explosive of the debtor and are thus prohibited and therefore haram. Islamic principles therefore prohibit investment in conventional bonds and other debt securities that generate interest income. Sukuk investments are halal because they seek to generate profit from the investment income of their underlying assets instead of interest and principal payments, and we will talk more about that next week. Inshallah, halal industries to invest in. Now, I want you to think about your own consumption habits on a day to day, and what is halal and wai Qura. So I say that because, for example, you might be listening to this particular session on your Apple Mac, listening to your Airpods, right? So you're a consumer of Apple, right on one some level of a regular basis, because I assume you use your head, your air pods and your your mat quite a bit. Now, from a very technical, and I'm talking strictly Islamic technical perspective, Apple is halal based on its leverage. It's not particularly highly leveraged in terms of what it owes versus what it owns. It owns quite a bit in terms of the products it offers, in terms of it not being associated with things that are explicitly haram, so alcohol, gambling, that sort of thing. However, if I was to flip this the other way, we can look out where Apple executes it a lot of its product creation. So in China, perhaps in unfavorable conditions, and maybe using, you know, forced labor in the process. Potentially, it may be also a case where they've teamed up with a bank to produce interest bearing credit to retail and not investors, but people, everyday people. It may also be a case where they have Apple TV, and they may be showing TV shows that are aren't particularly Islamically friendly, so you need to decide and think about where you sit on the spectrum of things. So once again, this is about understanding your own consumption habits and letting the. Inform and dictate what you invest in, something that's really interesting, that a lot of people tend to do, or not a lot, but some people tend to do is, every time they feel like they want to go out and go to go and shop like I'm talking about clothes and shoes and bags and all sorts, they instead invest in that said company, and that's largely because they're allowing their consumption habits to feed into the popularity of said investment. So for example, let's say I wanted to go out and buy a new, new Microsoft tablet. Let's say instead of doing that, maybe I buy the amount I'd pay to buy said tablet, assuming that this is just a fun purchase for me, it's not a necessity. Instead of doing that, I invest in Microsoft, and then I watch that share grow essentially over a set period of time, perhaps because I'm letting that inform me. Now, that's not to say that all of your purchases are going to be wise investments, just like not all of the things you go out and buy at the shops are going to be wise investments, right? But it allows you a way to think about consumption through the as a tool of investment in itself. Now Microsoft in itself is actually probably quite a solid investment. Interestingly enough, largely because of its sort of interest in AI, more specifically, how about Muslim owned companies? Surely they're all halal. That's not necessarily true as well. You've got to remember, as a business, you don't know exactly what goes on behind closed doors, 100% of the time, they may be heavily in debt. They may be indulging in things that are not halal, etc. People are just people at the end of the day. The assumption, and to be fair, I understand it's a fair assumption that if somebody's Muslim, they're abiding by things Islamically 100% of the time. But that may not be the case. So that's you need to think about those sorts of things when investing in Muslim owned companies. Remember, no investment can be 100% truly Sharia compliant. You need to purify your wealth. That's sort of like doesn't says what says and does what it says. Essentially, you'll have to purify your wealth regardless, because you don't know what's happening behind the closed doors. Nothing can be 100% truly Sharia compliant, because we don't need sort of live and work within those sort of economic climates. So the need to purify your wealth is something that needs to and must be done as well, ultimately, speaking, things that are definitely haram, alcohol, tobacco, pornography, giving and receiving interest. So Forex, for example, as well. So those are things to definitely stay away from. Now, something I get asked a lot, how much do I need to start investing now, I don't believe you need 1000s or hundreds of 1000s to start this investment journey, you need to find a number that you particularly feel confident or comfortable with parting with on a monthly basis, that isn't going to necessarily break the bank, isn't going to have you sweating, but at the same time, is going to create some level of change for you in the market. So for example, if you were to invest 10 pounds a month in the market. That's not going to necessarily move things around a lot, but let's say by the end of the year, you've invested 120 pounds into an ETF that's still you're still learning that pattern of parting with your money in an Islamic way making sensei niya and really moving towards or cultivating the Islamic lifestyle you want. So I wouldn't personally knock it. That's just more a case of trying to think about what would strategically benefit you more on a from a financial standpoint, in terms of parting with more. What do we mean by financially secure. So being financially secure isn't doesn't necessarily mean the same thing as being financially independent. Financially secure is you are comfortable. You have enough money to make the decisions you want to. You can decide, for example, to take a week off and go on holiday. You are you have financial security, you have an emergency fund. You have the ability to leave your job, if needs be, for whatever reason, and take time out figure out your next steps. Those are the things that enable you. Financial security, and one way of assuring such is by investing and creating that sort of nest for yourself, for your future self. Ultimately, speaking, you need to build a financial plan. This is where the money management map helps. So once again, it's a case of paying off your high interest debt, so credit cards, loans, that sort of thing, budgeting and making sure you know how much money is coming in, how much is going out, what you're spending on, what cutbacks may need to be made, where you may need to be spending more, where you need to invest in your own life. Investing isn't just necessarily about finances per se, but invest it or it being about investing in the investment markets, but also investing in yourself too, and investing in things that add joy and value to your life and make things easier as well. I think a really good learning I had a few years ago, in fact, was investing in things that I don't need to consistently invest in. So I can invest in something that's maybe a couple of 100 pounds more expensive, but it's going to have more payoff because I don't need to keep buying it again. Those sorts of things really add value and ultimately save time. In the end, investing is a way of not only gaining passive income and such, but it's about saving time so you can spend that time on other things that you actually really want to do, assess your finances and establish how much you can comfortably part with each month and put away into investment. Now this is exceptionally crucial, and it really depends on where you're investing to not just the platform, which we will definitely go into later detail in the coming weeks, but also looking at things like how much we're putting away into particular accounts, whether it's a general investment account which will be exposed to capital gains tax. If you go, if you invest more than 6300

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I believe it's actually come down quite a while from quite a quite a bit, from the 20, 12,000 threshold in which case I would say, if you're intending to invest more than that on a yearly basis, you want to move that into a tax efficient wrapper and Isa, and there are many Sharia compliant is stocks and shares isas that are available on the market that we spoke about earlier. But we will certainly go into detail in the coming weeks, but ultimately, it's also about thinking about how much you can comfortably part with and that's why thinking about your budget are incredibly important before you kick off any of this type of investment, and you think about paying off those debts, all of those things need to come way before you start investing. What does Islam say about getting rich? Purifying your wealth is a great way to connect with Allah and to continue doing so as an act of sadha. By giving Sadaqah, you, in turn, are renewing your relationship with wealth, but you're also renewing your relationship with the ALLAH, so parting with your money is incredibly important, largely because it's detaching you from your wealth, and you're building quite a toxic relationship with money. Money is just a means. It's a tool for exchange. It's a means for exchange. It enables you to create the life you want. Perhaps, it enables you to buy back your time, perhaps, but ultimately, speaking, it is not you. You are not your wealth. Your wealth is not you. And it's very easy, particularly in the day and age, to make money or Allah to particularly within the economic systems we've worked within, particularly in capitalism, or what I like to think as Neo capitalism. Now making money your the center of your world is you are not going to derive happiness that way. Money is merely a tool, and you can, if you're strategic enough and you have the MIA behind it to build the relationship you want with Allah Subhanallah, by detaching yourself from that wealth, giving Reddit regularly in sadaqah, and thinking about how you're using your money effectively to build a relationship with Allah. So by investing, for example, by building your own wealth, you're going to enable yourself to be more financially independent, to perhaps use that time in sujood, to be able to go to the masjid Ma, to be able to help your local community, to be able to help your family, your friends, to be able to you. Use that time in further acts of worship, whilst also, as much as you're passively making Halal income, halal needs to be underlined, it's still halal. It's still an act of worship. You're still in the In essence, building towards an Islamic life and Islamic lifestyle by submitting to something that is financially halal as well and is going to be a means for you to enter into jannah inshallah, but also is able to help you in this life too. The example of those who spend their wealth in the way of God is like a seed of grain, which grows seven spikes in each spike is 100 grains. And God multiplies his reward for whom He will. And God is all encompassing and knowing so. That's from Surah Al Baqarah, verse 261, it's really important to think about that they you can do only so much as well. Ultimately, Allah is the the provider. He is the one we turn to. And it's also incredibly important that as you're doing this act of ibada, you're also making the art. You're making the art to live a Heller lifestyle to make to purify your finances, for it to be a means to bring you closer and to benefit those in your life, and perhaps not even those in your life, if you were to take conscious actions when acting financially, this in itself, is an act of ibadah, as mentioned frequently. Attaching your feelings to wealth can be detrimental financially and spiritually, as I mentioned earlier, ultimately, speaking, loving money so much the point where it's affecting your relationships, spiritually or otherwise, it's affecting your relationship with the deen, your family, yourself with Allah subhanho wa taala. It's it comes at a point where it becomes corrosive. You need to find ways to nurture your relationship with finances in a halal way that enables you to be free, ultimately, speaking, so the key takeaways of today's session make your money work for you and not the other way around. So there are a number of ETFs as mentioned, which enable you to invest on a regular basis of your own choosing. It can sit there in a halal ETF as you build your wealth passively, and as you explore your relationship with Allah more so diversify and spread your risk. Assess your risk level first, as mentioned in the first session, do not make any financial decisions without really understanding and taking that financial audit seriously, thinking about what you want, the outcomes in your life, setting your own goals, and really thinking about how much you can part with comfortably as well. No company is 100% halal, once again, you don't know what happens behind closed doors. That's just a case of really explore and think about the investments you are making as well, whether it be Apple or whether it be Ali's cake shop down the road. Remember your goals. Make sure you set those goals, short term, medium term, long term and how they all feed into your bigger, wider, long term goals. Wealth is cyclical. It comes and it goes, and that's something that's the nature of wealth. It's the nature of so many different things in life as well. Happiness is also cyclical. Sadness is also cyclical. Thinking about how you have that relate, how you build your relationship with wealth, with your money, to in a way that really enables you to enjoy it, but also part with it. It's not something for you to hoard, but it's also it's a mechanism for you to build that's ultimately it. And you can build something that's amazing, and you can build something that's detrimental, and so it's for you to understand and acknowledge what your own spending and saving habits are like, and thinking about what is bringing you or taking you away from Allah. And I leave you with this, Oh, you who believe when the call is made for the prayer 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 in. Ultimately, this ayah is about building a relationship with Allah, putting Allah at the center of all you do, but also essentially tying your camel and going out and doing the work too. So by you joining this course, this is you doing the work. Don't forget that this is you applying and understanding Islamic finance in a way that can help to permeate other aspects of your life. Inshallah, in a positive way. Jizak Allah here for attending the second session. As ever, you can find me on Instagram, Anisa dot finance or Twitter, slash x at Anisa finance, I hope you enjoyed today's session and JazakAllah share See you next time you.