



The Halal Investment Checklist

A step-by-step guide to 8 places to put your money to build a diversified portfolio

EXCELLENT 

based on 240 reviews on  Trustpilot

Forbes

FINANCIAL
TIMES

TC TechCrunch

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Important Notes

This guide is made by the IFG journalist team for educational purposes only. It should not be taken as financial advice.

Remember, your capital is at risk when it comes to investing. Always be an adult about this stuff.



This checklist covers:



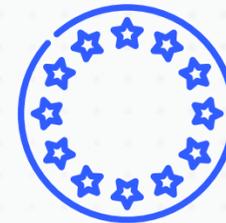
3 golden rules

These rules underpin your entire investment journey



A practical worksheet

This enables you to work out your risk appetite and investment goals



8 halal options

These the investment options you can choose from

Part 1

3 Golden Rules

3 Golden Rules

Rule 1

Know why you're investing in the first place



Goals

Is it to retire [so you'll be happy to lock away money for decades]?
Is to pay for your son's university fees?



Different goals

Or is it to take a bit of a risk to try and make some money quickly [nothing wrong with that if done for the right reasons and with the right risk controls!)?

But without a direction you're not going anywhere

3 Golden Rules

Rule 2

Make sure you stick within your risk limits

[different bits of your portfolio can have different risk profiles though]



Low Risk

You can't really afford to lose this money, you need it quite soon for something quite important (e.g. a house deposit/tuition fees) and you are happy with relatively low returns (1-3%).



Medium Risk

You can afford to see a little volatility in your investments [volatility = ups and downs in price], in exchange for a higher return (3-10%). But again, you certainly don't want to lose your money in the long-run.



High Risk

You are focused on seeing the best returns possible and are willing to lose a lot of your money if things go wrong, so that you have a chance of making a lot of money [returns of >10%] if things go right. You are able to stomach seeing plenty of volatility.

3 Golden Rules

Rule 3 Diversify Your Portfolio

Why Diversify?

- Well, as our grandmothers used to say, “don’t put all your eggs in one basket”.
- Regardless of what kind of portfolio you are creating, it is always good to have a little variety to smooth over the big ups and downs. The stock market getting hit? No problem as your buy-to-let is performing solidly. Or is your pension flat-lining? No worries, your high risk stocks will help give your overall portfolio a kick.
- Within each asset class you should look to diversify further if you can. So, if you’re buying shares – buy a good handful (say, 10-20). If you’re buying buy-to-lets, look to diversify by geography and tenant-type.



Part 2

Practical Time

Personal Planner – start your investment journey

How much do I have as a lump-sum?

How much do I expect to save monthly?

Are there any restrictions on where I can invest?

Practical Time



Use this calculator

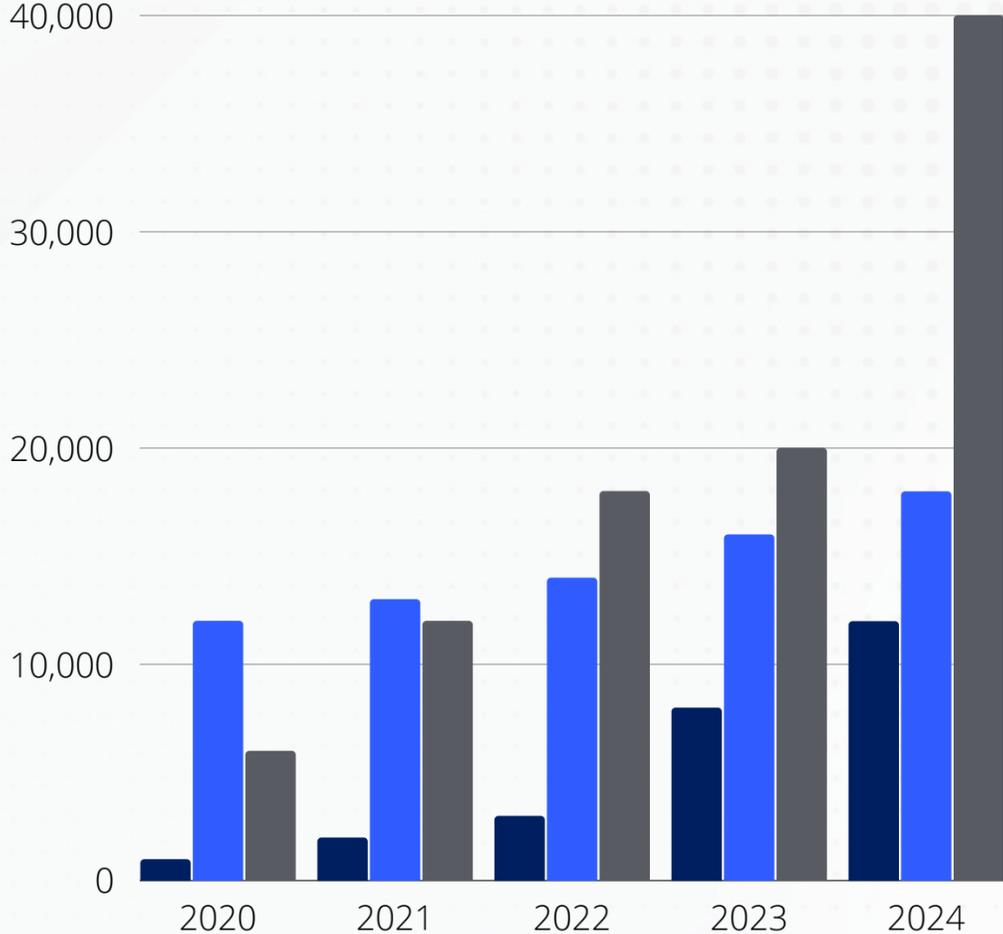
It'll help you figure stuff like:

- What could my investments be worth?
- How much might I need to invest each month to reach my goal?
- How long could it take me to reach my goal?



Done?

Now you will have an idea of whether you need to be investing primarily in low/medium/high risk investments.



Risk Matrix
How to understand what risk levels actually mean

Low Risk

Usually means
lower
fluctuations,
unlikely to lose all
your money and
returns between
0.5 - 5%

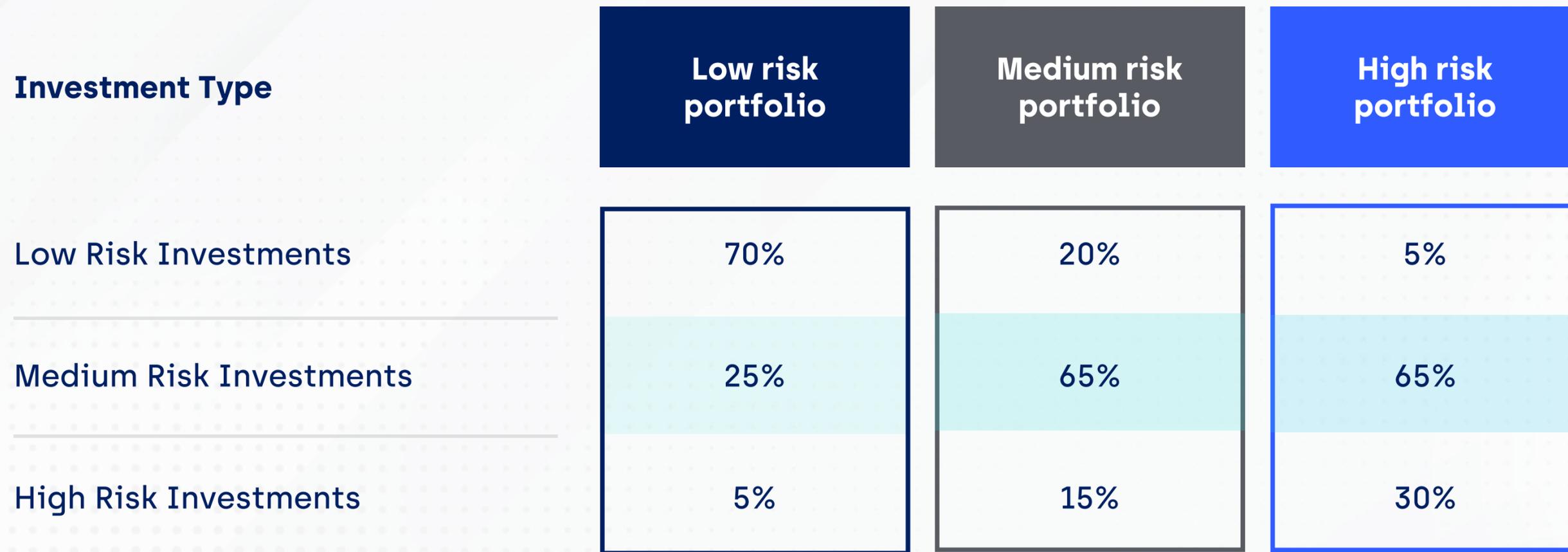
Medium Risk

Usually means
moderate
fluctuations, and
returns between 3
- 10%

High Risk

Usually means
high fluctuations,
the possibility of
losing all your
money and returns
10% +

Some examples of how different portfolios can look



Part 3

8 Halal options to
consider

8 Halal Options

1 - Pensions



- In a lot of countries, certainly in the UK, the employer is forced to contribute a certain percentage to your pension.
- This is free money being given away, tax-free.
- It is a no-brainer to enrol in your pension and contribute a decent chunk to it.
- Check out our detailed pension guide [here](#).



- The big downside to pension is that it is locked away until you're nearing retirement.
- So it isn't sensible to just put everything here.

8 Halal Options

2 - Share Investing

Fund and roboadvisor investing

- Share investing is kind of what your pension will be doing as well, but the benefit is you can quickly get your hands on this cash by selling shares.
- If you put your money into a fund that invests for you, or an ETF (we will cover this stuff on IFG later too – so don't worry!) then this is going to be less risky usually than just investing yourself – even if you know what you're doing. This is because (very) generally speaking, funds are very well diversified and tend to go for the less volatile and larger companies. They don't suddenly shoot up to 10x but they also don't suddenly collapse and burn.
- Wahed Invest is a prominent Islamic roboadvisor operating globally today. For more details on Wahed and how to use it effectively, see our full review [here](#).
- You can also do a DIY portfolio via a stockbroker like [AJ BELL](#), that has good Islamic fund coverage.

3 - Share Investing DIY Investing & AIM Portfolio



This is where you decide to invest in individual stocks rather than investing in a fund or roboadvisor that chooses them for you.



You will need to set up a with broker
We have reviewed several UK brokers [here](#) and [here](#).



AIM Portfolio
You can invest in a AIM Portfolio via [Logic Investments](#). This is a sharia-compliant portfolio that allows you to save on significant inheritance tax.

4 - Property Investing

Two kinds of investments

- Property investing is primarily of two kinds: (1) Buy-to-lets and (2) refurbishments.
- The big challenge with property though is that you need a fair bit of cash saved up already to be able to afford to buy a house outright or even pay a deposit. Also, as someone who has had rental properties in the past, it is a real headache managing the day-to-day issues with the house and tenants.
- There are now easier and more affordable ways to invest in property. Through our investment platform - [Cur8 Capital](#) - we enable investors to access to institutional grade property funds from £5000 (including direct debit options from £417 per month).

Solution

5 - Fixed Income

The lower volatility stuff



First you have Islamic bank savings accounts. They pay between 0.5-4% or so usually, which is top of the market. They are also backed by the FSCS £85k guarantee per account.



Through brokers like AJ Bell and HL you can now get access to sukuk funds. These are the Islamic equivalent of bond funds. The main one available is the Franklin Templeton Sukuk fund.



Through Cur8 Capital we allow investors access to higher yielding sukuk funds (5%+) previously only accessible if you were investing £1m+. Now you can do it from £5k.

6 - Fixed Income

SME Finance & Property Development Projects



SME Finance: By investing in this asset class, you'd be funding the sharia-compliant loans to the businesses, and getting a return from that. There is currently only one platform in the UK offering this but several globally.



Property Development: If you are a sophisticated investor, you can access property development investment products that also offer a fixed return. We are bringing an experienced real estate development fund to Cur8 Capital soon.

7 - Startup Investing (also known as venture capital)

- Startups are young companies looking to make it big. You might invest in the next Uber and making a 100x and retire. Or you might invest in a company that gets nowhere. Welcome to the world of startup investing.
- We know that the elite do a lot of this type of investing (we used to represent them as corporate lawyers). To educate yourself about this asset class check out this detailed [free course](#) we did. We interview some of the world's top investors in this course.
- For UK investors, there are a bunch of tax benefits for investing in should invest in these kind of companies – you can get up to 50% of your investment back as a tax break. You can find out more [here](#).
- At [Cur8.Capital](#) we have our own venture capital fund that allows you to invest in early stage startups.

8 - Crypto



What is it?

Crypto is a whole new industry using decentralised technology to reimagine how various aspects of our lives work.

Cryptocurrencies, for example, are crypto's version of currency.

Of course, it is a lot more complicated than that. You can read more on our [guide here](#).



Is it halal?

Not all crypto projects are permissible. Some are not halal for obvious reasons e.g. they involve gambling, however others are not permissible due to more technical reasons.

There is also a school of thought that says crypto is generally not permissible. You can read more on the debate [here](#).



Where can you find halal crypto projects?

We have analysed the top 50 crypto projects (by market cap) and presented our thoughts on their sharia-compliance [here](#).

Final Thoughts

- This is meant to be super quick information (a review for some of you and new stuff for others) and a reference point.
- If anything doesn't make sense or is confusing in any way...don't fret!
- Our website has hundreds of articles and [101 guides](#) that you can continue reading.
- We'll also keep you up-to-date on key news through our weekly emails - so watch out for those and make sure you mark us as "safe" in your inbox filters!

Here's a little intro to IFG



Mission

Help Muslims all over the world get wealthier and bridge the 5x inequality gap.



Vision

We want to create a world where Muslim investors have access to great halal investments that are also highly impactful and contributing to the world with more than just money.



Summary

IFG helps Muslims by [1] educating them on their options and [2] by providing hard-to-access institutional-grade investments on our investment platform Cur8 Capital.

The IFG Leadership



Ibrahim Khan

CEO

Ex-corporate lawyer
Qualified Islamic Scholar
MA Islamic Banking
Forbes 30u30 - Finance



Mohsin Patel

COO

Ex-corporate lawyer
Islamic Finance Qualification -
CISI
Forbes 30u30 - Finance





cur8 capital

Cur8 is a fully regulated investment platform. It helps you invest in private funds from world class investors in Venture capital, Real Estate and Fixed Income. Minimums from £1500 and annual returns starting at 6%. [Join](#) 2500+ investors today.

What Products does IFG Offer?



Islamic Will

Get your Islamic will sorted out online in a completely legally-binding way within 20 minutes. We are trusted by Islamic Relief, Muslim Hands, Muslim Aid, NZF and many other charities to provide their wills. Start [here](#).



Courses

From our 101 investment and personal finance course - [Halal Money Formula](#), to our halal stock screening course, we've got you covered. You can see our full list of courses [here](#).

What people say about IFG

EXCELLENT



Rated 4.8/5 based on 240 reviews on  Trustpilot



30 January

Highly recommend

Islamic Finance Guru is an excellent resource for Muslims trying to learn more about...

Zeshan Gondal



22 February

Very knowledgeable and helpful team

Very knowledgeable and helpful team, providing beneficial information. One stop s...

M Amin



31 January

Experience with IFG

Such an amazing service to the Muslim' community. I believe many years from now...

Abdulbaqi



01 February

Really useful info advice and advocates

Really useful info and advocates advice of Halal ethical investments. Rare essential...

Abdul Qadir Qureshi



31 January

The Transparency and professionalism

The transparency and professionalism of how IFG carry out their due diligence on in...

Sher Khan



30 January

Invest wise without compromise

IFG have a mission. To Help Muslims invest without compromising on their faith...

Iqbal Muzir





Thank you.