

Save with **peace of mind**



## The alburaq Shariah Compliant Savings Plan

Call now on 0845 850 0786

the leading name in Shariah compliant financial services

# A Guide to Investing

At alburraq we understand that there are very few alternatives available to Muslims wanting to invest their money in a secure way that complies with their religious beliefs. With this knowledge, alburraq introduces the alburraq Shariah Compliant Savings Plan - **the 'alburraq Savings Plan'**.

## Save with peace of mind

The first of its kind in the UK, the goal for the alburraq Savings Plan is to return back to you a minimum of at least your initial deposit while providing the potential for unlimited growth by linking any return to a basket of Shariah compliant Shares.

The way it works is simple and easy to follow.

- Open an account for a fixed term of 5 years with a single lump sum deposit for any amount from £500.
- We will invest your funds in a Shariah compliant way so at the very least, you can expect to receive your initial deposit back... *Investing to protect your savings does not conflict with the profit and loss sharing principles of Islamic banking. Shariah scholars are fully supportive of prudent investment especially when personal savings are at stake.*
- In addition, we aim to provide you with a profit which is calculated by reference to any percentage rise during the 5 year term in the value of a basket of 20 Shares in companies selected from the Dow Jones Islamic Titans 100 Index<sup>1</sup>... *Shariah scholars permit investments in some companies providing the activities of those companies do not conflict with the principles of Shariah.*

<sup>1</sup> See 'How is my return calculated?' on page 4, for further information



The alburraq Shariah Compliant Savings Plan

- 'alburraq Savings Plan' a new way to save

### Put something aside for the future

There are many reasons for wishing to put money safely away for the future such as saving for a **wedding, school or university fees, the hajj or just to help give your children a head start in life.**

If you have funds that you do not think you will need access to for 5 years and wish to invest them in accordance with the principles of the Shariah then the alBuraq Savings Plan could be just what you are looking for.

### The Shariah principles

The alBuraq Savings Plan follows the basic Shariah principles of **Wakala**<sup>2</sup>, whereby your savings are held in an account and we invest the funds on your behalf in Shariah compliant investments. The Shariah compliant investments may include a combination of **Murabaha**<sup>2</sup> and **Arbun**<sup>2</sup> contracts. Under the alBuraq Savings Plan the use of the **Murabaha** contract helps ensure your full deposit is returned at the end of the investment term while the **Arbun** contract provides the opportunity to profit from any rise in the value of the basket of 20 Shares.

The profit, if any, is added to your account at the end of the investment period. We may earn a fee from investing the funds, which in the case of this account is paid by the third parties that we deal with when investing your funds rather than by a deduction from your initial deposit.

Our Shariah Supervisory Committee oversees all our activities to ensure the strictest ongoing Shariah compliance.

Our committee consists of the renowned scholars;

**Sh. Nizam Yaquby**   **Mufi Barkatulla**   **Muhammad Nurullah Shikder**

Their details are available on request or via our Website at

[www.alburaq.co.uk](http://www.alburaq.co.uk)

<sup>2</sup> See page 10 'Islamic terms explained' for more information

### The chance to profit from stock market performance

Any return is linked to the performance of a basket of 20 Shares in major companies selected from the Dow Jones Islamic Titans 100 index over a 5 year period. As share values are likely to rise and fall over the deposit term it is impossible to predict what the return, if any, there will be. It is also a principle of Shariah compliant investing that there should be no guarantee of a return.

The Shariah compliant investment techniques we use mean that your deposit is not invested directly in the 20 companies and any return is linked to the percentage growth in the basket as a whole. As your deposit is not directly invested in Shares you will not be eligible to receive dividends or the opportunity for re-investment of the dividends.

### How is my return calculated?

- At the end of the initial offer period, the price level of the basket of 20 Shares is taken. This is referred to as Price Level 1 in the Terms and Conditions.
- At the end of the 5 year term the second reading is taken, referred to as Price Level 2. This level is calculated as the average of 13 readings taken each month during the last 12 months of the 5 year term\*.
- If Price Level 2 is higher than Price Level 1, we calculate the percentage increase and this is the profit that you will earn.
- If Price Level 2 is lower than Price Level 1 there will be no profit earned but you will still receive your original investment amount back, the value of which may be eroded by the effects of inflation.

\* The effects of averaging: Using an average of 13 readings during the final year may provide a different Price Level 2 at the end of the Fixed Term than a reading taken on a single date and this may have an effect on profit, if any, at the maturity. The effect would be to limit your profit if the final reading at the end of the fixed period were higher than the calculated average, however if the final reading were to be lower than the calculated average then your profit would be greater, thereby protecting gains above Price Level 1 made during the final year.

Invest between £500 and £1M for 5 Years

- in a way approved by our Shariah Supervisory Board

