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An Investment Portfolio Strategy for Waqf Assets in Malaysia: A Study At Selected State Islamic Religious Councils

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Abstract
The sustainability of waqf assets is established based on the progressive and innovative waqf asset development strategy. This research aims to analyze the investment strategy for waqf assets at selected State Islamic Religious Council (SIRCs) in Malaysia. This research utilizes qualitative design in which the data are collected via content analysis and semi-structured interviews to acquire opinions and ideas for viable investment options. It is found that the development of waqf assets is restrained by the fund liquidity due to a lack of innovation and creativity in the investment portfolio of waqf assets. The synergy between comprehensive guidelines with Shariah and economic elements would facilitate the effectiveness of the investment strategy by the SIRC. Therefore, this research would like to propose some strategic guidelines whilst bringing forward viable investment designs to suit the current context.
Keywords: Islamic Finance, The Sustainability of Waqf Asset, Development of Waqf Asset, *Mutawallī,* Cash Waqf.

Introduction
The need to develop waqf assets is in accordance with Prophet Muhammad (PBUH)'s suggestion to Umar RA regarding Umar's property in Khaybar (Safiah et al., 2006). The suggestion covered some indicators for asset preservation, which are *tahbis al-asal* (sustaining the main waqf asset by controlling and maintaining the donated asset from

damaged or lost) and *tasbil al-thamarah* (distributing the asset's benefit to the beneficiary). Based on the hadith, asset preservation entails waqf asset to generate continuous benefits (Kahf, 1999).

Asset development aims to transform unproductive situations into something more productive to achieve expected benefits (Mohammed et al., 2009). Aside from that, the development of waqf asset is in line with the function of economic development, that is, bringing down effects (trickle-down effect). The function of economic development can be further intensified with the endeavours from the management to achieve asset sustainability.

However, the overall development of waqf assets under the State Islamic Religious Councils (SIRCs) in Malaysia has been progressively slow (Zakaria et al., 2014) due to capital restriction (Saifuddin et al. 2014; Ahmad and Muhamed 2011; Sulaiman 2012; Sulaiman et al. 2016) and low liquidity of waqf assets (Mohsin, 2011). It was reported that only 11 per cent of the donated lands (*waqf* lands) were developed (Johari and Alias, 2013). There are several factors identified that have contributed to funding restriction such as internal administrational issues (Khamis and Mohd Salleh, 2018) like the continuous execution of collecting waqf, operationalisation of cash waqf funds, and cash waqf awareness (Adeyemi et al., 2016; Pitchay et al., 2018; Fatah et al., 2017; Khairi et al., 2016; Khairunisa et al., 2018; Mokhtar, 2015; Noordin et al., 2017; Pitchay et al., 2014).

Due to the fact that most of the waqf assets are not developed, the Federal Government of Malaysia has tried to preserve these unproductive assets through tax allocation (Sulaiman and Hasan, 2016). Although it did manage to assist people's welfare for a short period of time, the waqf management still has to secure the position of waqf for a long period of time (Noor, 2011). Moreover, reliance on such emergency funds would not help the creativity of the waqf management to flourish (Bahari, 2014). Also, the fact that during the International Waqf Seminar on 10th December 2014, the Minister of Religious Affairs had urged the waqf management to generate their own funds to ensure waqf sustainability, made the situation a serious matter that must not be discarded (Jawhar, 2014). In reality, the waqf entity is naturally sustainable because of its underlying fundamental principles of perpetuity, non-transferable and non-withdrawable (Obaidullah, 2014).

Laldin et al (2006) stressed on the need for waqf asset development as it aligns with the objective of *maqasid shari^{c}ah*. The *maqasid* of Waqf emphasises on the importance of *ummah* where all the waqf assets needs to be sustained to ensure returns are generated for the needy beneficiaries. Furthermore, Islam rejects the act of positioning waqf assets in a state of idleness, static and stagnant without any development. Thus, there is a need to invest the waqf property according to the Shariah guidelines and rulings set by Allah SWT. Hasan, (1999) stressed the development of waqf assets as a massive potential with the strong and aggressive support from all the Muslims. The returns from the investments can later be used to contribute to other waqf projects for the benefit of the *ummah.*

Cash waqf portfolio has been identified as the best source of funding and has become the focus of several Islamic countries. It is also able to develop unproductive waqf assets. This is because of its preferable position compared to non-transferable assets that can attract more participation from people and safe from the risks of intrusion and natural hazards (Chowdhury et al., 2011).

Generally, cash waqf activities involves collection and distribution or development for predetermined projects. There are six waqf schemes initiated to diversify portfolios such as waqf-shares, cash deposit waqf, mandatory cash waqf, corporate waqf, deposit product waqf and cooperation waqf (Magda, 2013). However, most of the waqf collection focuses on fundraising towards institutional developments such as schools, hospitals, and orphanages (Sadeq, 2002). There are few waqf developers who carry out development towards cash waqf on a more productive context such as investments. The need to develop waqf property is a main concern among waqf developers. The reason is because, statistics have reported that the collection of waqf funds by the SIRCs are still relatively small (Yang, 2014). Hence, the reliance on public funds alone is insufficient to achieve the main objective of waqf. Apart from that, poor waqf management from a more contemporary development is still very much critical due to the lack of carefully-planned strategies and innovative ideas. In most SIRCs, waqf administrators are hesitant to invest waqf cash funds in segments that are capable of generating encouraging results. Issues such as lack of experts and knowledge related to investments affect the waqf management.

As a result, conventional development approaches are implemented, such as fixed deposits in banking institutions, with low returns and are thus exposed to the risk of inflation (Sulaiman and Hasan, 2016). The constraint and lack of expertise to formulate guidelines and strategies for the development of waqf asset portfolios has resulted in waqf administrators not investing in cash waqf funds as they fear the risk of loss.

To identify solutions for these constraints, this article will examine the appropriate investments guidelines and strategies based on interviews with selected SIRCs to get an overview of the development whilst suggesting some guidelines and strategies relevant to the current context supported by the content analysis provided in past studies.

Developments and Investments in Islam

Development can be defined as an approach or way to avoid any form of asset freezing. In English, the term 'development' refers to material development activities such as buildings, mining and industries that involve changes to the resources involved (Buang, 2007). While in Islam, the term emphasises on aspects that cover the dimensions of *tawhid, rububiyyah, khalifah* and *tazkiyyah* (Kurshid, 1980). Siddiqi, (2009) has added other dimensions such as *tarbiyyah, tanmiyyah, tatawwur,* and *taqaddum.* Bakar, (1999) expounded these all-encompassing dimensions as an effort to prevent environmental damage, encouragement towards efficiency, environment survival, and just wealth distribution. Among the elements that strengthen sustainable development is *tazkiyyah,* which means the purification of behaviour. The element has been translated in the context of property through the instruments of zakat and waqf and further aims to reach holistic success, that which is known as *al-falah. Al-falah* is a concept that demands material and spiritual balances in spirituality, culture, politics as well as social and economic justice, along with attaining Allah's pleasure in the hereafter (Khan, 1994).

The development activity from the economic perspective refers to investment, which is a process of investing capital to generate expected profit with future risk assessment (Noor et al. 2014). The mobilisation towards productive and generative property is in line with a hadīth narrated by Imam Tirmizi about orphan property management. In the hadith, the property custodian had to trade the assets as mitigation from zakat. This hadīth serves as an underpinning towards the permissibility of expanding property through investment (al-Shafi'I, 1990).

In waqf context, development refers to the process of income generation generated from waqf assets. The process involves wealth accumulation through productive investments to achieve sustainability. Dafterdar (2011) opined that the capability of profit generation could realise sustainability. The efforts to achieve profits will broaden or at least maintain adequate social service networks.

Furthermore, the concept of waqf that builds on the elements of savings and investments through the accumulation and growth of capital in the economy to increase the production of services and income is in line with the goal of preserving waqf assets (Kahf, 2009). The waqf system is able to provide better distribution returns due to its unique character of sustainability. The assets collected can be used as capital to generate returns where financing activities for equipment and community needs can be carried out.

Al-Qurahdaghi (2004) has emphasised on the development of waqf assets through investment as it is a mechanism formed to generate returns from the capital invested and later used as a source of income. As it is, the preparations of waqf administrators to ensure capital investments are maintained and returns are produced for the needy society need to be refined.

Marzuki et al (2012) stressed that cash waqf funds need to be invested through Islamic financial portfolios through various ways and must be based on a high return approach with minimum risk. The reason is because, according to Puad et al (2014), the Selangor Islamic Religious Council lacks funds because the waqf asset is not fully utilised and well-developed to generate income for future development purposes, especially cash waqf funds.

From a practical aspect, the investment approach is recognised in Islamic law through contracts such as *mudārabah, muzāraah, murābahah* and others (ISRA Compendium for Islamic Finance Terms, 2010). Çizakca, (2004) has suggested to apply waqf investment using the *mudārabah* contract, while the returns will be used for waqf purposes. However, because it has cause long-term risks, the *mudārabah* contract cannot be used. As an alternative, Adam, (2013) has suggested waqf cash funds to be invested in the form of debt financing through small and medium-scaled industries in Malaysia and the contracts that could be applied are *murābahah, ijārah*, *istisna[c],* and BBA (*Bai' Bithaman Ajil*). Omar, (2016) also propounded the idea of investment financing through corporate instruments.

Even so, these proposed methods are barely applied by the SIRCs in Malaysia as they focus mainly on the traditional approach of fixed-deposit instrument or Islamic Term Deposit which only generates 3% of revenue (Rosli, personal communication, 2019; Razali, personal communication, 2019). This approach is detrimental as it causes diminishing returns and exposure to inflationary risk in the long run (Wildermuth, 2012). Sulaiman and Hasan (2016) stated that there are various high-yield instruments such as Shariah Compliant Real Estate Investment Trust (I-REIT) and Bumiputera Real Estate Trust (AHB) that can yield up to 6 percent of return.

Creativity, wisdom, fortitude, and a systematic plan are basic fundamentals to the investment of waqf assets, particularly cash waqf. Kuran, (2001) presented two scenarios that must take place in waqf management: the coordination of all waqf property and the elevation of waqf status to corporate status. Hence, the fear of incurred loss as mentioned by Sulaiman and Hasan, (2016) can be overcome through strategic planning that includes appropriate investment guidelines and approaches in the current context. The waqf management needs to find an alternative on how to generate income as done by Khalifah al- Ma'mun who invested funds and generated profits for the Yazaad Bazaar. In the modern context, the investment strategy of KAPF, a waqf organization in Kuwait that consists of the criteria for economic needs, shariah compliance, geographical diversities, various investments instruments, and multiple sectors of investment and supervision (Busharah, 2012), is an appropriate example to be discussed.

Methodology

This research adopted a qualitative approach whereby secondary data is obtained from content analysis and primary data through in-depth semi-structured interviews. Four waqf managers in selected SIRCs of their respective designated zones were interviewed. The selected SIRCs possess huge waqf lands in their respective district and are actively involved in developing waqf lands. The semi-structured interview questions were emailed to the informants before the interview session was conducted. The data collected were then analysed using a descriptive analysis approach with reference to the problems raised and answered the need of this study.

Problem Statement

A problem that occurred under the development of waqf assets is the constraint of liquid funds. This matter has caused waqf development activities to slow down to the point that there are waqf assets which ended up being abandoned and intruded. Cash waqf is the main source and has become the main choice of most of the waqf managers/administrators under SIRCs. However, past studies show that the collected cash waqf has not been used for any contemporary development activities that could have sustained the waqf assets. Past studies also reported that the nonexistence of well-developed strategies for the development of cash waqf assets has become a hurdle for the waqf managers/administrators. This situation arose for several reasons. Among them is due to the lack of competitiveness in the administrative bureaucracy as well as the administration structure for waqf under SIRC compared to corporate companies. This was acknowledged by waqf managers/administrators of SIRC A and B, who said:

> "The main restriction here is cost. We have insufficient cash waqf fund except for one, or we may not have it anymore. Because we are no longer a corporate entity. Unlike MAIDAM, like for other places, half of them have already become cooperations. So, the way they operate is not really the same. Once you're a corporate company, the organisation is different, they've become more coorporated, and they most likely have more funds."
>
> "That's why, some of the states they've transformed it into corporate companies, so that they become more efficient. How cooperations work, they function differently. Civil servants, on the other hand, also function differently. They are bound by so many rules, so if they want to make a move, it takes longer time. As for companies, they're only bound to the company act."

These constraints have limited the creativity of the development strategies and simply hoping for specific allocations from the government. The acquisition of allocations from the federal government seemed to cause delays in the waqf assets development activities due to long and limited waiting periods considering there are thirteen SIRCs who also demand the same allocation.

"We waited for the allocation from the government. However, if the government gives us land to build a mosque or a religious school, did they come with the fund? No. That is the risk. We receive the project without any funds to develop the project."

The waqf manager from SIRC B also explained that the waqf fund resources which they receive from the administration and the allocations are not enough (insufficient), thus limiting the development of waqf property.

"Our resources are from the administration but we can only execute one or two projects in a year, so if we want to maximise the whole land, it'll take a long time because we can only undertake two or three projects."

Renting waqf assets also contributes to the waqf fund resources. Unfortunately, the low rental value has caused constraints to cover the maintenance costs. As a result, these assets may end up below the current benchmark price. Waqf managers/administrators from SIRCs C and D explained the situation as follow:

"The building needs to be repaired, people still rent it but say the rental rate is 200 per month, then just how much can we get per year? We also have to distribute the trust, so we ended up having a problem."

"We make agreements, that's part of the issue, sure we want to give awareness to the founder, that this is a waqf land, it's fine if you want to rent the place for RM50 in the past, but when we raise the rent, there would be fights. They come here to quarrel."

Because most of the waqf administration and management under SIRCs still function traditionally, the situation has influenced the actions of waqf managers/administrators in managing and developing waqf assets. The waqf manager from SIRC A explained about the waqf cash development method through fixed deposit instrument in which the method has been discussed by past researchers.

"We only have the fixed deposit instrument. We do not perform large- scale developments for cash waqf, because as I've mentioned, what about the risks."

Based on the issues that have been highlighted from the interviews with the waqf managers/administrators of SIRCs, there is a need to propose a suitable investment guideline and strategy in the current context for the waqf management teams in SIRCs to consider to adapt.

Results and Discussion

Based on the interviews conducted, the issues of cash waqf asset developments stem from four main issues, which are:

1. Organisational governance structure
2. Reliance on federal funds
3. Conventional investment methods
4. Low rental rates

Thus, based on the issues highlighted, the study will focus on providing three suggestions for the main discussion: A proposed guidelines for investment, investment strategies, and cash waqf investment model suitable with the present context.

Perpetuity is the pillar of the waqf institution and it is referred to as the need to generate benefits from waqf assets continuously (Khaf, 1999). Benefits can be obtained from assets and are valuable if compared to asset maintenance without using the assets to generate revenue or profit (Candra and Ab Rahman, 2010).

The governance aspect is pivotal to the transformation of waqf management. In the waqf context, the waqf management needs to adopt a top-to-down approach for governance and coordination efficacy. This approach facilitates the impactful waqf development of the previous Turkish waqf institution (Cizakca, 2016). Besides, the orientation of economic thinking within the waqf fund manager is crucial to promote waqf assets' productivity. Management and administration aspects are of significant concern in western endowment management. Dimitruk, (2014) highlighted three aspects a manager is required to have;

1. Attentive towards credibility
2. Expanding the organisational scope of the manager
3. Emphasis on calibre asset managers

And with that, the development objectives can be determined and be in line with the main objectives of waqf. The investment objectives include investment of waqf assets, has security features, to preserve waqf capital, minimize risks and comply with the Shariah principles (Al-Fadhli, 1998). While the objective of Western endowments is very particular in pursuing asset development with clear objectives set based on two foundational questions: the expectation from the invested funds and the pertinent definition of risk (Nuffield, 2007).

When discussing cash waqf investments, the opinions of Imam Malik becomes relevant. This situation is further corroborated by the opinions of Muslim scholars towards compliance with the Shariah provisions of waqf assets, including cash waqf such as the following (Al-Sarakhsi, 1906; Al-Zuhaily, 2004);

1. The waqf asset is unchangeable. When the founder (*wāqif*) waqf his cash, he is not allowed to revoke the waqf. However, the founder is entitled to take benefit from the generated profit.
2. The waqf asset must be perpetual. The perpetuity of waqf asset is to ensure the sustainability of waqf and continuous generation of benefits for Muslim welfare.
3. The waqf asset is non-transferable, must be free from ownership and frozen. It may not be used as a gift, inheritance, or any transfer of ownership.

Looking at the fact that cash waqf investment is the preferred strategy among waqf managers, having a benchmark would be able to differentiate the investment strategies (Nuffield, 2007). Based on the views of Muslim jurists, by taking into account the various aspects of requirements and position of waqf, the proposed guidelines are as follow (Al-Duwali 2004; Al-Fadhli 1998);

1. The waqf objective is as per the founder's intention and benefits are received by the beneficiaries without separating the yield from the development activity.
2. The waqf status is guaranteed by ensuring the ownership of waqf assets remains with the *mutawallī* (trustee) to ensure the capital perpetuity and continuous benefit generation.

3. The waqf capital does not decrease this capital protection should be a priority to prevent capital depletion. Avoid dubious and risky investment instruments. Every investment strategy must undergo a feasibility test.
4. Hire an efficient investment manager with a minimal managerial approach for return maximisation.
5. Conduct comprehensive researches to determine the appropriate risk level that the waqf capital should bear based on the principle of '*al-ghunmu bi al-ghurmi*', Waqf investments are sealed according to the law.
6. Diversify investment segments based on geographical locations and be astute of all the waqf and endowment rules and regulations in other countries to maintain waqf assets, mitigate risks, provide guarantees and conduct feasibility studies. Also, matters such as analysis towards revenue guarantee, contract documentation and conducting feasibility tests for selected investment projects must be prioritised.
7. Investment mechanisms and instruments must comply with Shariah guidelines. If the waqf asset is movable, the investment cannot terminate the right of the owner. In the case with cash waqf, it can be invested in any Shariah-compliance instruments such as *mudārabah, murābahah* and *istisna'*.
8. The investment must be able to generate consistent and stable income so that it can be distributed to the beneficiaries for continuous and unceasing rewards from Allah.
9. Supervise every investment activity consistently and periodically. The transparencybetween the investment manager and *mutawallī* (trustee) is crucial to gain public trust, mainly in financial and accounting reports, operation, revenue and benefit distribution. Annual reporting of investment activities must exist and known by the parties involved.
10. Implement *istibdal* (substitution of waqf properties) as a way of of waqf asset investment for non-productive assets whilst for more productive assets, apply *badal* to preserve waqf capital.

The proposed and compiled guidelines provided above, by taking into account the compliance with the principles of waqf, present ideas for waqf managers in planning investment activity for cash waqf fund. The suggested investment strategies for waqf institutions are as follow:

1) Development of Active Portfolios and Dynamic Management

The practical approach of waqf fund development is through the fixed deposit instrument yet is exposed to the inflationary risks that could detriment the fund values in the long term (Wildermuth, 2012). An excellent investment strategy not only sustains the capital but also considers the depletion of purchasing power. The nexus of profit generation and maintaining the original capital are the cornerstones of risk management. This situation demands a plan for portfolio balance strategy and active portfolio management to ensure waqf capital sustainability.

The purpose of an active portfolio is to increase achievements and sales of ownerships as well as individual assets. Both qualitative or quantitative approaches can be applied in the development of an active portfolio. The main contributor to this portfolio is the active and engaging attitude of the investors in managing the funds based on combinations of in-depth research, market researches and experiences as well as the expertise of portfolio managers.

The portfolio policies are classified using tactical asset classification, asset class strategies and how they meet the security features (Brown and Iverson, 2004).

To ensure that the active approach is a success, a dynamic approach that espouses flexibility supervision needs to be integrated alongside active portfolio management to manage the targeted portfolios based on market tenure and short-term or long-term markets. The formation of active portfolio development is based on role-based investments. The role-based framework evaluates how the investment can critically contribute to the overall investment strategy.

Table 1.0 Example of a "Basket" Role-based Framework

Growth	**Returns Increment**	**Risk minimization/Diversification**
Equity-based assets , provide high growth for the portfolio	High returns and type of high-risk asset	Strategy diversification to increase returns and growth
Global equities listed Hedging	Long term and fixed equity Closed-market	Core and sustainable bonds Actual return Volatility management Core real estate and private commodity
Targeted hedging Actual assets listed: Listed infrastructure and REITS		

Source: Nuffield, (2007)

This strategy can be done by placing more than one role in a basket and asset classes in multiple baskets. For instance, permanent assets can be located under the growth basket and other baskets such as risk reduction baskets.

2) Portfolio Rebalancing

Portfolio rebalancing refers to the process of realigning the weightings for every portfolio asset. The process involves periodic buying and selling to maintain the provision of assets or risks (Investopedia, 2020).

In addition, this strategy will act to protect investments from excessive and unnecessary risk exposures. Rebalancing also ensures that the managers are in their domain of expertise. This strategy will provide assurance for the risk-taking activity to fulfill the investment needs. The rebalancing activity is based on the concept of re-evaluating the link between returns and risks for the income stream (Grasse et al. 2015). To have a good-balanced portfolio, Perry and Warson, (2014) have emphasized on some crucial principles, namely:

a. Structuring the distribution of various assets

b. Rationalising the number of managers in the portfolio
c. Considering the implementation of active and passive management
d. Taking opportunities from the payment of illiquid assets
e. Maximising the adoption of comprehensive enterprise management.
f. Maintaining long-term display and consistent approach

A modern portfolio theory by Kingma, (1997) has played a role in the analysis of investment portfolios, investor expectations to minimise risk as well as maximising investment returns. Ismail, (2016) has propounded a cash waqf model by which 70 per cent of investment returns accounted for the beneficiaries, 20% for management purposes and 10% for reserves or re-investment purpose.

3) Diversity in Development

Portfolio diversification will cushion the impact of economic instability as well as building resilience when facing uncertain contributions from donors (Kolm, Tutuncu and Fabozzi, 2014). Diversity will provide benefits and assistance (Froelich, 1999) and also as a driving force for the organizational mission (Young, 2009). Diversification strategy has received attention from management and scholarly bodies such as Fiqh Academy of OIC (2004) and Mohsin and Mohammad, (2015) by underscoring the needs of investment diversification and risk management instrument, to avoid high-risk investment. Meanwhile, Busharah, (2008), put forward geographical diversification, investment instruments and investment sectors (finance, real estate, and services). Above all, the compliance with Shariah principle is still the keystone in the diversification strategy. The predominant investment parameter is the prohibition of investment in haram (forbidden) sector to avoid haram returns (Kamali, 2007).

4) Asset Classification

Asset classification strategy is one of the strategies used in for investments (Mladina and Coyle, 2010). It refers to the asset conservation activities in various portfolios such as stocks, bonds, cash, and alternative investments such as commodities and derivatives. However, the current practice in waqf institutions focuses more on real estate assets rather than movable asset class such as equity (Othman, 2013). Endowment institutions such as Harvard and Yale are actively diversifying their asset class. On the other hand, Kuwait Awqaf has allocated half of the assets in equity form (Kong, 2006). These strategies can be strengthened by forming a role-based framework in active management because identifying asset classes is done with more than one role. The lack of experience within the waqf institutions regarding investment can be overcome by considering the proposed investment model that has been performed by endowment institutions such as Harvard and Yale.

5) Guarantee

Capital loss in waqf asset development must be replaced (Mahamood et al. 2007). The replacement can be in a movable asset or immovable real estate (Abu Ghudah, n.d.). Therefore, the waqf asset protection and capital guarantee from the third party must be implemented to overcome this issue. According to Jim Garland, capital protection is vital to optimise returns to the beneficiaries rather than focus solely on capital increment (Dimson, 2007). As a further matter, Shariah Advisory Council of Security Commission Malaysia in 2001, has decided that capital guarantee is permissible based on the legal opinion of Maliki jurists and reinforced with the argument of *maqasid Shari^{c}ah* (The objective of Shari^{c}ah).

A systematically developed development strategy governed by comprehensive guidelines guides the waqf managers to propose investment models for cash waqf assets. The asset perpetuity factor, particularly cash assets, relies on management efficiency (Cizakca, 2016). The basic structure is that the waqf fund manager is not allowed to distribute capital other than the investment return. This mechanism does not exist in micro conventional financial institutions because the deposited capital and loan need to be balanced for liquidity management. To complete the stages of waqf investment, the stipulation of waqf investment allocation acts as a yardstick for the following:

1. Islamic provisions
2. Provisions for professional investments
3. Provisions for investment opportunities
4. Provisions for investment management policies
5. Provisions for waqf investment audits

Based on the guidelines and strategies proposed above, it is found that there are several viable cash waqf investment models that should have been highlighted and brought forward. For risk management, the ability to augment income, and as well as sustaining and preserving the waqf capital, the suitable investment models that can be considered are unit trust model, equity and venture capital. The characteristics of these models suit the waqf stipulateions of wakaf investment guidelines aside from being able to restore the position of waqf to its former glory as it once was in the past.

Conclusion

There is indeed an increase in the collection funds of cash waqf. However, lesser attention has been given to the focus and development of the cash waqf itself. Even though there have been numerous discussions by researchers pertaining to cash waqf development, these researches focus on project-based waqf collections and this is viewed as a conventional approach. Hence, this study has focused specifically on the development of cash waqf that is believed to be the main pillar or other waqf asset development processes. The main issues that need to be addressed in this matter are the poor administration and governance, as well as the competency of waqf managers. This study thus implores the need to ensure a holistic management system from top to bottom in the way that Turkey has done a long time ago for its waqf management system.

In dealing with the issue of the reluctance of waqf managers to develop waqf assets aggressively, a set of guidelines based on the opinions and views of jurists and investment experts has been structured and provided. The guidelines comprise of the strategies of waqf asset development in the present context. Taking into account the rapid development progress happening among Western endowment institutions, it is important to ensure that waqf is also able to thrive and flourish in its development, by exploring new instruments and approaches to ensure waqf asset sustainability, and ensuring that the main objectives of waqf are achieved. Therefore, based on the strategies and guidelines highlighted, there is a relevancy for cash waqf to be invested in the form of unit trust, equity, and venture capital due to a balanced risk and the ability to generate more competitive returns. Hence, it is hoped that more future studies can give minute focus towards investment development in the highlighted models by adopting the strategy and guidelines presented, as these studies would be able to restore the glory of waqf whilst ensuring the preservation and sustainability of waqf for the global community.

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