YOUR OASIS

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VIEWS FROM OUR CEO

The outlook for the global economy has continued to deteriorate in recent months, as major headwinds have remained unresolved, and in some cases intensified. Key among these are the US-China trade war, BREXIT and geopolitical tensions in the Middle East. It is thus no surprise that the IMF continued to revise its global growth forecasts lower, with its most recent downward revisions concentrated on Emerging Economies given their increased vulnerability to deteriorating global trade flows.[1] But a combination of monetary and in some cases fiscal stimuli and the eventual resolution of these restraints should allow the expansion to continue.

The trade war escalated in May and June, with the US and China imposing additional tariffs on each other's goods, and the US imposing trade sanctions on Huawei and five other Chinese technology companies. The two countries agreed on a truce on the 29th of June, with the US also softening restrictions on Huawei.[2] But failure to make progress in subsequent talks resulted in the US announcing tariffs of 10% on $300bn of additional Chinese goods, with some of the increases delayed to December. China responded by letting its currency drop to its weakest level against the dollar since 2008, and to instruct its State-Owned Enterprises to stop purchasing US agricultural produce.

With the UK scheduled to exit the European Union on the 31st of October and its new Prime Minister Boris Johnson sticking to his rejection of the deal negotiated between his predecessor and the EU, chances of a disruptive exit has increased.

A series of events, starting with the US's April decision not to reissue waivers for significant importers of Iranian oil, led to further escalation of Middle East geopolitical tensions.[3] Though it looks like both sides want to avoid outright confrontation, the risk of a major escalation remains high, especially given the involvement of proxies on both sides. With 21% of the world's oil flowing through the Strait of Hormuz[4], a war in the region would be devastating to the global economy.

Central Banks were in tightening mode through to the end of 2018, but increasing confirmation of confirmation of weaker activity and signs of inflation undershooting central bank targets more persistently have caused central banks to reverse course, with most authorities expected to continue easing benchmark rates over the next year, and some expected to reinitiate quantitative easing. The end of July saw the US Fed FOMC cut its Fed funds target rate for the first time since the Global Financial Crises, with expectations of further easing to follow. Some governments like China are also using fiscal stimuli in addition to monetary policy measures.

WORLD ECONOMIC OUTLOOK UPDATE, JULY 2019

(Yoy % change, unless noted otherwise)	2017	July Projections			April Projections		
		2018	2019	2020	2018	2019	2020
GDP Growth (PPP-weighted)							
World Output	**3.8**	**3.6**	**3.2**	**3.5**	**3.6**	**3.3**	**3.6**
Advanced Economies	**2.4**	**2.2**	**1.9**	**1.7**	**2.2**	**1.8**	**1.7**
United States	2.2	2.9	2.6	1.9	2.9	2.3	1.9
Euro Area	2.4	1.9	1.3	1.6	1.8	1.3	1.5
United Kingdom	1.8	1.4	1.3	1.4	1.4	1.2	1.4
Emerging Economies	**4.8**	**4.5**	**4.1**	**4.7**	**4.5**	**4.4**	**4.8**
Brazil	1.1	1.1	0.8	2.4	1.1	2.1	2.5
Russia	1.6	2.3	1.2	1.9	2.3	1.6	1.7
India	7.2	6.8	7.0	7.2	7.1	7.3	7.5
China	6.8	6.6	6.2	6.0	6.6	6.3	6.1
South Africa	1.4	0.8	0.7	1.1	0.8	1.2	1.5
MENA, Afghanistan & Pakistan	**2.1**	**1.6**	**1.0**	**3.0**	**1.8**	**1.5**	**3.2**
Saudi Arabia	-0.7	2.2	1.9	3.0	2.2	1.8	2.1
World Trade							
Trade Volume (goods & services)	5.5	3.7	2.5	3.7	3.8	3.4	3.9
Commodity prices							
Oil prices ($ per barrel)	52.8	68.3	65.5	63.9	68.3	59.2	59.0
Consumer inflation							
Advanced Economies	1.7	2.0	1.6	2.0	2.0	1.6	2.1
Emerging Economies	4.3	4.8	4.8	4.7	4.8	4.9	4.7

* Average of UK Brent, Dubai Fateh, and West Texas Intermediate
Downward revisions relative to previous period shaded

SA ECONOMY

After a subdued 2018, expectations for an improved economic performance this year were forecasted given the policy certainty expected after the general electionsSubsequent eventshave buffered these forecasts with a due to both internal and external factors which resulted in the economy contractingf in the first quarter. A rebound is expected in the second quarter, given the absence of some of the earlier stumbling blocks, however a revised outlook indicated that growth in 2019 will remain restrained while measures implemented to address the challenges facing the economy gain traction. . The Monetary Policy Committee of the Reserve Bank trimmed the benchmark interest rate by 25 basis points to 11%, citing lower growth and inflation. Global easing and low domestic inflation have also paved the way for lower interest rates, with scope for further easing after the July cut.Government finances , are under pressure from weak growth, low inflation and increased support for State-Owned Enterprises like ESKOM. A likely revenue shortfall of R33bn and additional ESKOM funding of R26bn in the current fiscal year will boost the fiscal deficit by R59bn to .R314bn (6% of GDP) versus R255bn (4.7% of GDP) projected in the budget. The additional funding could result in South African being put on a negative ratings watch by Moody's for a period of up to 12 months in order to resolve these fiscal deficits. Moody's is the only ratings agency that has maintained an investment grade rating on the country. A better rating allows for access to cheaper funding.

Beyond the headline of fiscal slippage and a fightback campaign by those resisting efforts against corruption, fundamentals are more favourable than they were when President Ramaphosa gave his first State Of The Nation Address in 2018. The mandates of the of the commissions that were established to expose corruption and improve state efficiency are ongoing, which have resulted in permanent appointments at key state institutions in order to provide stability and improve governance., Furthermore,fforts to reduce the public wage bill are continuing and investment pledges are in various phases of implementation. Household balance sheets are also healthier, with lower debt levels and debt servicing costs low

FINANCIAL ADVISORY

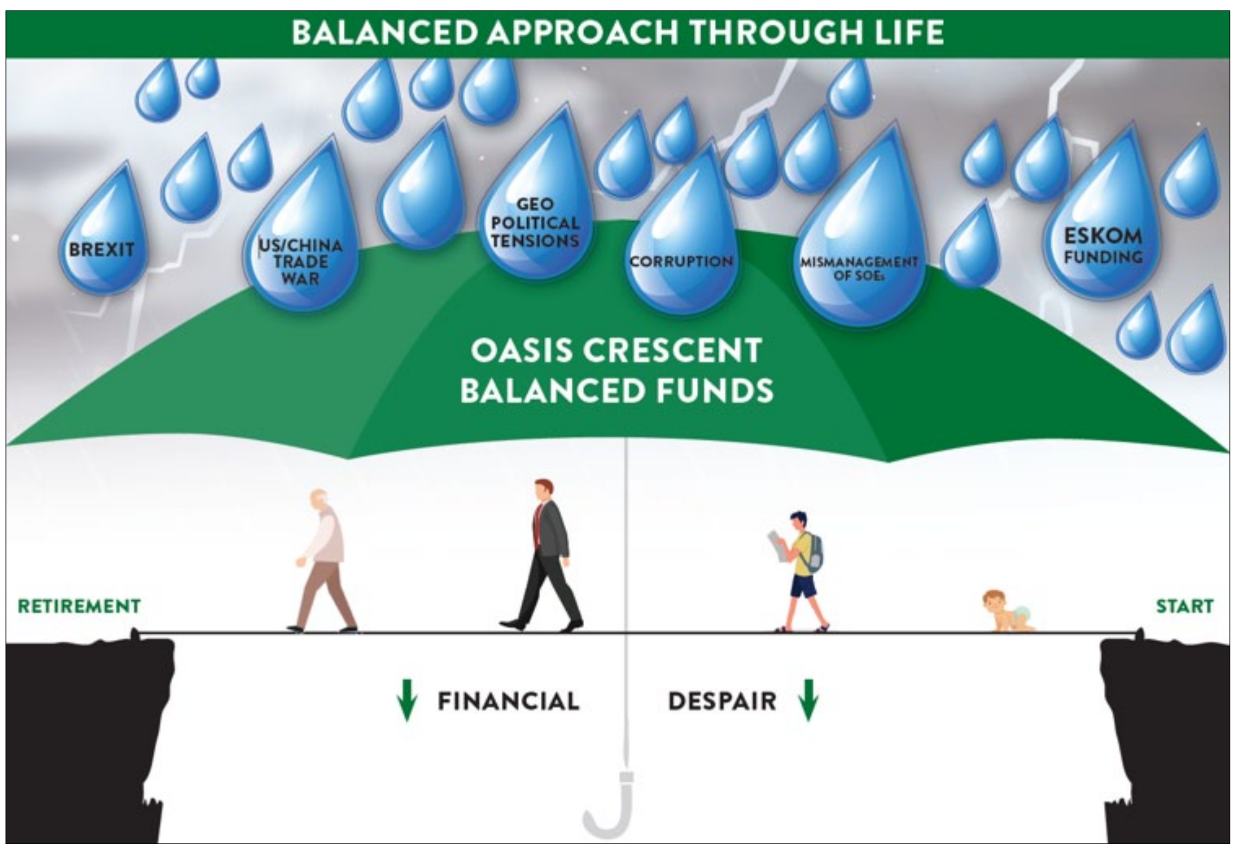
During these uncertain times, a prudent investor would look to invest in a range of asset classes that would yield their desired outcomes, while reducing the overall risk within their portfolio. Having this balanced approach to investing would ensure that long term objectives are met. While staying invested for your original time horizon is ultimately your responsibility, managing your portfolio's asset allocation doesn't have to be, as a Balanced Fund would comprise of an optimum mix of asset classes for a given investment period.

Key advantages of investing in a Balanced Fund over a single asset class is the ability to protect against downside risk by spreading your assets across a variety of asset classes (equity, property & income), and the asset managers reallocation of assets between these asset classes, importantly from the perspective of the investor, does not trigger capital gains taxes and therefore is a tax efficient way of switching between asset classes.

At Oasis we have a range of Balanced Funds that suits every risk profile of the investor. The Oasis Crescent Balanced range of funds (as see in the table below), are prudential asset allocation portfolios that comply with moral and ethical considerations, with the objective of seeking medium to long-term capital appreciation and moderate income growth based on a selection of underlying investments. The Oasis Crescent Balanced range of funds are available across our collective investment schemes, our retail retirement fund products, global mutual funds, post retirement living annuity and more recently available within our Tax Free Savings Investment Accounts.. At Oasis we pride ourselves in excellence in performance, service, administration and our commitment to our investor's remains unwavering.

Fund	Risk Profile	Time Horizon
Oasis Crescent Balanced High Equity Fund of Funds	High	20 years +
Oasis Crescent Balanced Progressive Fund of Funds	Medium	10 - 20 years
Oasis Crescent Balanced Stable Fund of Funds	Low	Less than 10 years

BALANCED APPROACH THROUGH LIFE



No matter where you find yourself, a balanced approach to investing ensures sustainable returns over the long term. As a younger investor with a long investment horizon, one's appetite towards to risk is naturally geared to a High Equity Balanced Fund. Similarly an investor with a short term to maturity would want to be exposed to a Low Equity Balanced Fund in order to reduce the exposure to market risk and volatility.

While the key to success is time spent in the market, a Balanced Fund would smooth out one's return while still providing exposure to high quality stocks across the various asset classes.

Walking a tight rope will be as easy as 1, 2 and 3 when one adopts a Balanced approach to investing.

IN THE NEWS

Muharram marks the beginning of the new Hijri calendar and is one of the four sacred months concerning which, Allah says: "Verily, the number of months with Allah is twelve months (in a year), so it was ordained by the Almighty on the Day when He created the heavens and the earth; of them, four are sacred. That is the right religion, so wrong not yourselves therein …"[Al-Qur'an 9:36]

As this month approaches we wish all our valued Muslim clients and the entire Ummah a spiritually uplifting, peaceful and prosperous New Year. May the Almighty continue to shower His choicest blessings upon us all, Insha Allah Ameen.

1 https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019 - 2 https://www.china-briefing.com/news/the-us-china-trade-war-a-timeline/ - 3 https://www.foreignbrief.com/middle-east/oil-to-the-flames-will-the-iran-us-spat-escalate-to-war/
4 https://www.eia.gov/todayinenergy/detail.php?id=39932#