

## CEO Update

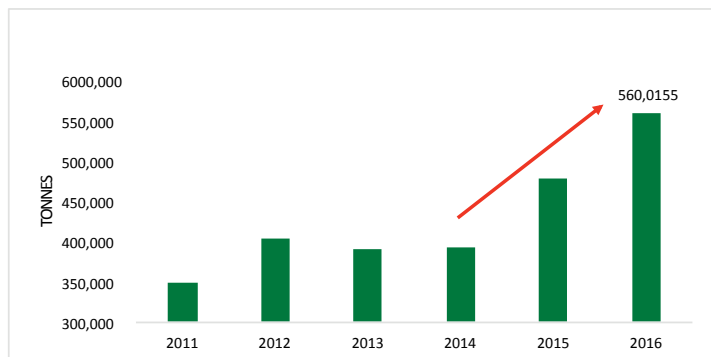


Adam Ebrahim - Oasis CEO

Access to food is a fundamental human right, and yet according to the United Nations, one in nine people around the world go hungry every day. In South Africa, many of our children are as a result vulnerable to nutritional problems, growth stunting and illness, while recently the problem of long term food insecurity has been perpetuated by poor weather conditions. For example, the South African Weather Service has noted that 2015 was our country's driest year on record, while 2016 was reported to have one of the lowest rainfalls in the last 30 years. This has meant that many of our domestic food production sectors have been placed under severe pressure.

One of the ways to ensure that food prices are kept under control despite temperamental global conditions is to ensure that we as a country maintain sufficient local production capacity. Many advanced economies have established agencies which seek to aggressively promote agriculture activities and ensure that the local supply of food products is not adversely affected by economic or weather conditions. A few of these have implemented protective schemes under the Common Agricultural Policy in Europe, while the US Department of Agriculture has also pursued similar measures.

### TOTAL POULTRY IMPORTS INTO SA



Source: Oasis research, SAPA, April 2017

In South Africa, many of our local food producers are subject to stringent regulations that seek to control each phase of the production process. For example, the local agricultural sector is prevented from using certain insecticides and meat processing plants are subject to stringent health related programmes, while in 2015 the Department of Agriculture imposed a cap of 15% for brine injection within locally produced chicken. Unfortunately, it is not always the case that equivalent standards are maintained in other countries, which has resulted in significant differences in the quality of the final products that are provided to consumers.

While it is not always easy to identify or enforce conditions that relate to the dumping of foreign products on the local economy, a 2017 United Nations Global Food Policy Report noted that South Africa does not have a clear mandate over food security. In this regard, it is vitally important that we develop a coherent and supportive framework for our domestic food supply chain, boosted by both public and private investment. Once this is achieved, South Africa's population will be far better protected from the risks of food shortages, import reliance, and currency driven food price inflation.

### A word on financial matters

During April, the Kingdom of Saudi Arabia (KSA) raised \$9 billion in its first international sale of Islamic bonds (Sukuk), which received a total of \$33 billion in bids from both conventional and Islamic bond investors. The 5 and 10-year issue is the largest in the history of the international Sukuk market, and is set to further develop the industry by providing additional depth and diversification opportunities to Sukuk investors the world over. It will in addition contribute meaningfully to the Kingdom's ambitious economic reform programme, as it seeks to diversify and modernise its economy in order to remain at the forefront of growth and development in the Middle Eastern region and beyond.

As a regular Sukuk investor and participant in the KSA Sukuk auction, Oasis is well positioned to benefit from this issue, which is an important milestone in deepening and broadening the Islamic finance industry and entrenching KSA as a dominant player in this market. A number of Oasis funds provide investors with exposure to Shari'ah income instruments, including the local Oasis Crescent Income Fund, the Oasis Crescent Global Income Fund, the Oasis Crescent Global Short Term Income Fund, as well as a range of Oasis Crescent Balanced funds. The establishment of new Islamic income markets can help to ensure the availability, stability and sustainability of funding through not only good times, but tough times as well. The rise of Sukuk and other short term income instruments has given Islamic investors the opportunity to benefit from a more fully diversified portfolio of assets, including not only equity and property, but Shari'ah compliant income instruments too. This gives wealth managers like Oasis the platform to provide a complete wealth management solution to its clients, allowing for more suitably diversified products that cater to all life stages and risk appetites.

### In the News

The Management & Staff of Oasis  
wish all our  
muslim clients and friends  
**Ramadaan Mubarak**



May we gain the true benefits of this Glorious month of Ramadaan through increased Piety, Humility and Understanding. May the Almighty allow us to seek out and find the Blessed "Night of Power", Laylatul Qadr, Insha Allah. To those performing Umrah during this auspicious month, may you have a spiritually fulfilling journey and may the Almighty grant you a safe return to your loved ones, Insha Allah.

Ramadaan 1438