

## VIEW FROM OUR CEO

The jobs landscape that employees have to traverse has become very challenging. Not only do workers have to cope with the vagaries of whatever economic cycle their respective economies are going through, the very nature of work and jobs are evolving with some of yesteryear's sought after jobs at risk of disappearing.

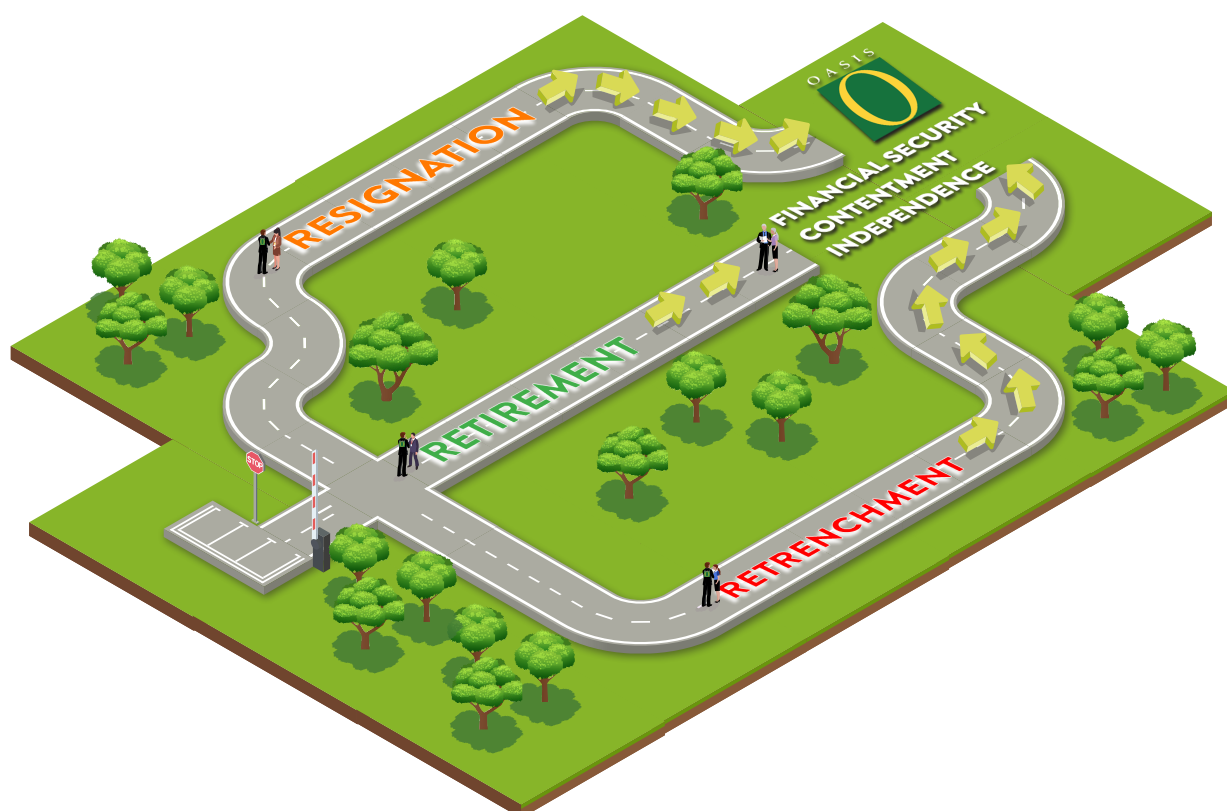


The economic cycle is considerably weaker than had been anticipated at the beginning of the year. The IMF now forecasts growth of 3.0% in 2019, the weakest since 2009, and 3.4% next year. This compares to its October 2018 forecasts of 3.7% for both years.<sup>1</sup> The slowdown is synchronised, with manufacturing sectors hammered by collapsing trade flows. Countries that are thus more open and dependent on trade are bearing the brunt of the slowdown. Though labour markets in more insulated developed countries have held up reasonably well, given bigger services sectors that are more exposed to domestic demand, there are increasing confirmation that the resilience of these sectors are fading and that jobs are becoming more scarce.

Even where headline job numbers have been strong, it masks considerable churn in underlying economies as workers are forced to migrate to sectors where jobs are more plentiful but of a poorer quality. These jobs offer lower wages, more stress and less job security.

And as machine learning becomes more advanced, these jobs are also at risk, driven by a technological revolution that is changing the very nature of production and work. Disruptions caused by the so-called Fourth Industrial Revolution is far-reaching and indiscriminate, with jobs that involve any kind of repetition at risk of disappearing due to automation. Whether it be a drill rig operator in a mining shaft, a bank teller at a local branch, or even the doctor's assistant, the jobs environment is more uncertain.

## ROADS TO FINANCIAL SECURITY



## SA ECONOMY

The employment situation in South Africa has continued to deteriorate through 2019, with the unemployment rate increasing to 29.1% in the third quarter, from 29.0% in the preceding quarter and 27.5% in the same quarter in 2018.<sup>2</sup> By our calculations, this is the highest rate since the second quarter of 2003. The labour force increased by 519,000 since the third quarter of 2018, with the number of employed decreasing by 5,000 and the number of unemployed increasing by 524,000. These figures exclude 60,000 people of working age who have given up on finding a job. If they are added to the figures, then the unemployment rate increased to 36.8%, from 36.6% in the second quarter and 35.3% in the third quarter of 2018. The bulk of the job losses since the third quarter of 2018 have been in utilities, followed by construction, transportation and finance.

A weak economy is a big part of the problem. After growth of 0.8% last year, growth is expected to average even lower between 0.6% and 0.7% in 2019, before increasing to 1.1% - 1.5% in 2020.<sup>3</sup> With foreign trade equal to 59.5% in 2018,<sup>4</sup> South Africa is very exposed to the global cycle. But the cumulative effect of a decade of fiscal mismanagement is also taking its toll.

Add to this the same secular challenges presented by the Fourth Industrial Revolution, the result is job losses that the economy can ill-afford. A number of companies in sectors ranging from mining, retail and banking have announced substantial job cuts in 2019. These included 1,200 jobs at Standard Bank, 5,000 jobs at Tongaat, 3,450 jobs at Sibanye-Stilwater and 2,000 jobs at Multichoice.<sup>5</sup> We certainly believe that many of the fiscal changes currently being implemented will result in a stronger economic performance in coming years. But the secular threat to jobs will remain.

## FINANCIAL ADVISORY

The world as we know it is on the brink of a revolution driven by technology that is set to fundamentally change our lives in an unprecedented way, with the introduction of the Fourth Industrial Revolution. With businesses following a more digitized approach to operating, machines have taken over many mundane tasks which were previously performed by humans. In this process many positions have become redundant resulting in large corporates retrenching staff.

When faced with the news that one is being retrenched, it is imperative to seek sound financial advice from a registered financial advisor in order to make an informed decision. As a member of a retirement fund scheme with 10, 20 or even 30 years of accumulated savings the final decision made must be to ensure that you protect your retirement savings and not alter your retirement goals. When affected by a retrenchment, the prudent option would be to transfer the full benefit into a Preservation Fund, without incurring any tax.

Preservation is the answer to ensuring a comfortable retirement in a tax efficient manner. The negative implications of cashing in one's retirement savings before retirement age will result in having to reduce your standard of living at retirement, or relying on your family or the State for financial support. The impact on your retirement savings can be substantial, as shown in the below example:

	Cashing in your pension	Preserving your pension
Investment value	R1,000,000	R1,000,000
Tax implications	R207,000	R0
Nett investable amount	R793,000	R1,000,000
Assumed return	6%	6%
Estimated future value - 15yrs	R1,900,470	R2,396,558
Estimated future value - 20yrs	R2,543,258	R3,207,135
Estimated future value - 25yrs	R3,403,453	R4,291,871

As illustrated above, by preserving the full amount, your investment benefits from substantial compounding growth and will assist you in realising a comfortable retirement. The preservation of the retirement savings is very important and one should avoid as far as possible from tapping into this "savings pot" before retirement.

So whether it is resignation, retirement, or facing the daunting news of being retrenched, speak to an Oasis financial advisor to ensure that decisions you make will result in financial security and independence.

## OCAS Travel

Our Financial Advisors travel throughout the country on a monthly basis. During the month of November, will be travelling to the following areas:

DATE	AREA
18 <sup>th</sup> - 22 <sup>th</sup>	<b>Gauteng</b> Johannesburg, Midrand, Fordsburg, Lenasia, Vereeniging & Pretoria  <b>KwaZulu-Natal</b> Dannhauser, Pietermaritzburg, Shallcross, Durban Central

## IN THE NEWS

The Oasis Crescent Global Equity Fund reaches its 19th Anniversary milestone on 1 December 2019. This ethical and socially responsible fund has delivered an annualized return of 6.6% (when measured in US Dollars) and a cumulative return of 231.3% from inception to the 30th of September 2019. Local investors benefit from the currency exchange and international stock market exposure offered through the Oasis Crescent International Feeder Fund, which invests directly to the Oasis Crescent Global Equity Fund. The local rand-based feeder fund has delivered an annualized return of 9.6% and a cumulative return of 416.9% since inception to 30 September 2019. Moreover, over this past year until 30 September 2019, the fund returned 15% to its investors' portfolios.

Oasis Crescent Global Equity Fund is a top-performing global mutual fund that forms part of the range of funds available through Oasis Global Management Company (Ireland) Ltd, which was recently a recipient of the Best Fund Manager Award at the 2019 Global Islamic Finance Awards.



## Oasis Crescent Fund Trust Update

The children of Vision Youth Care Centre were taken for a visit to Simon's Town, home to Cape Town's Naval base and mineral stone museum. The experience exposed the children to some of South Africa's natural resources and gave them insight into some of the extensive uses of minerals in everyday products. They also spent an afternoon exploring the ships at the Naval base museum, learning about how the coastlines of country's are protected by the Navy and the different skills needed should they want to consider a future as a member of the Navy. The visits form part of the Oasis Crescent Fund Trust's educational program with the youth and ensures that they are truly given every opportunity to explore and interact with the world so that they can make informed decisions about their future and its success.

1 IMF World Economic Outlook, October 2019. 2 [http://www.statssa.gov.za/?page\\_id=1854&PPN=P0211&SCH=7621](http://www.statssa.gov.za/?page_id=1854&PPN=P0211&SCH=7621). 3 Reserve Bank Monetary Policy Statement, 19 September 2019, IMF World Economic Outlook, October 2019. 4 OASIS. 5 <https://www.businessinsider.co.za/total-number-of-job-losses-south-africa-retrenchment-corporate-job-losses-2019-6>.

