

OASIS YOUR OASIS

SA APRIL EDITION - 2022

VIEWS FROM OUR CEO



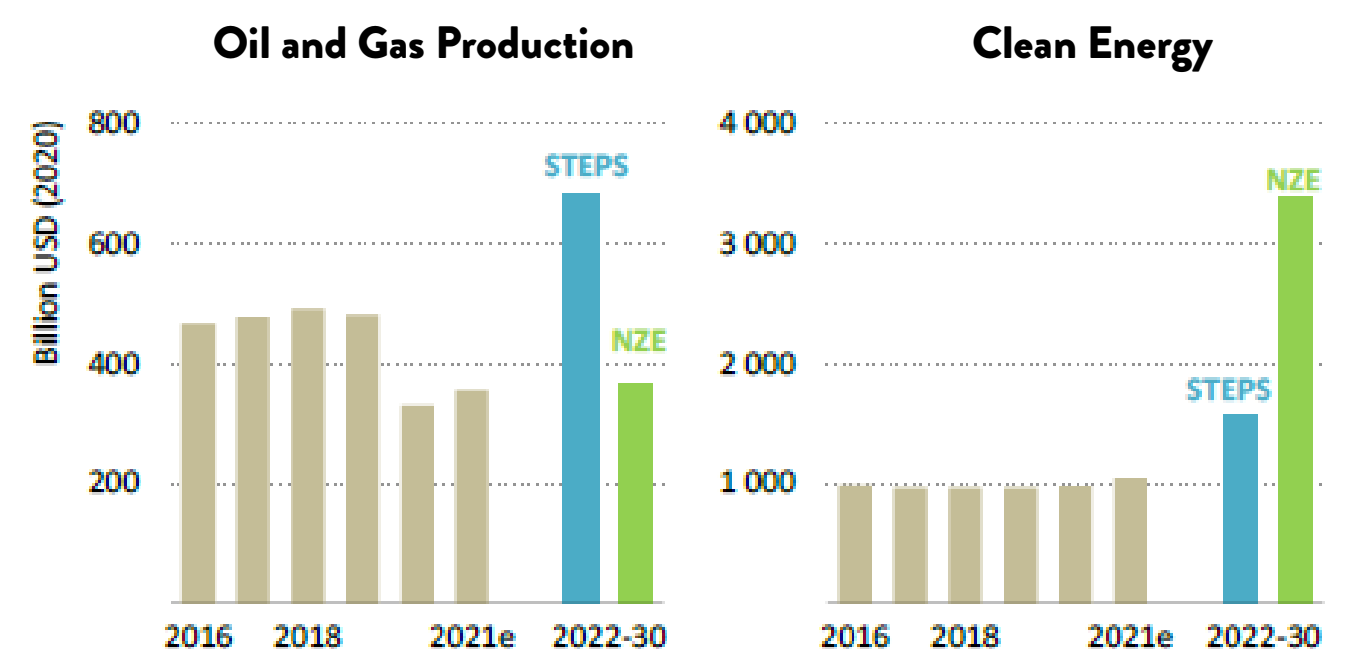
The race is on to significantly reduce carbon emissions and prevent the damaging effect of the further warming of the earth's surface temperatures. Achieving a world with net zero carbon emissions in coming decades, thereby avoiding catastrophic climate change later this century, will require a massive increase in 'clean energy' investment. This investment transition offers unprecedented market opportunities along the entire 'clean energy' supply chain for equipment manufacturers, service providers, developers & engineers, procurement and construction companies. The International Energy Agency (IEA) estimates that in order to achieve the net zero emissions (NZE) goal, would require annual 'clean energy' investment of \$4.0tn by 2030¹. This would be around four times larger than that of the average 2016 -2020 annual energy spend of \$1.0tn. In terms of GDP, total energy capital spending in the NZE scenario would increase from around 2.5% of global GDP per year, as has been evident in recent years, to around 4.5% of GDP in 2030, before easing to 2.5% in 2050.

Notwithstanding unprecedented market opportunities, there are also unprecedented risks from the transition process. The quicker the transition to a low-carbon or net zero emissions economy, the more disruptive that transition will be for companies, economies and markets. The fossil fuel economy has evolved organically over the past 100 years and links together energy production, economic activity, transport, trade and even the 'petrodollar' based financial system, with the US dollar at its centre as the globally accepted reserve currency.

A rapid transition away from fossil-fuel-based energy production without the corresponding rise in 'clean energy' supply could lead to a major energy supply shock and upward squeeze on energy prices across the board, with adverse macroeconomic consequences. This is already apparent following two consecutive global shocks, namely the COVID-19 pandemic and the Ukraine-Russia war. The IEA highlights that over the past 5 years, required maintenance spending for the oil & gas sector has flatlined around \$500bn per annum (see chart 1). According to the IEA's modelling, current fossil fuel investment spending in the oil & gas sector already reflects a net zero emissions long-term scenario (green column). However, in order to power the global economy over the coming years there still needs to be a massive ramp up in 'clean energy' investment to fill the energy gap (see chart 1). In fact, spending on 'clean energy' needs to rise almost four-fold, to an annual pace of \$3.5tn from the current annual pace of \$1.0tn (green column). This has yet to happen. Only this offset will circumvent a persistent and significant energy price squeeze over the coming decade.

¹ Source: International Energy Agency (IEA); 2021 World Energy Outlook - 2021

Chart 1: Investment in Oil & Gas Production vs Clean Energy: IEA Scenarios

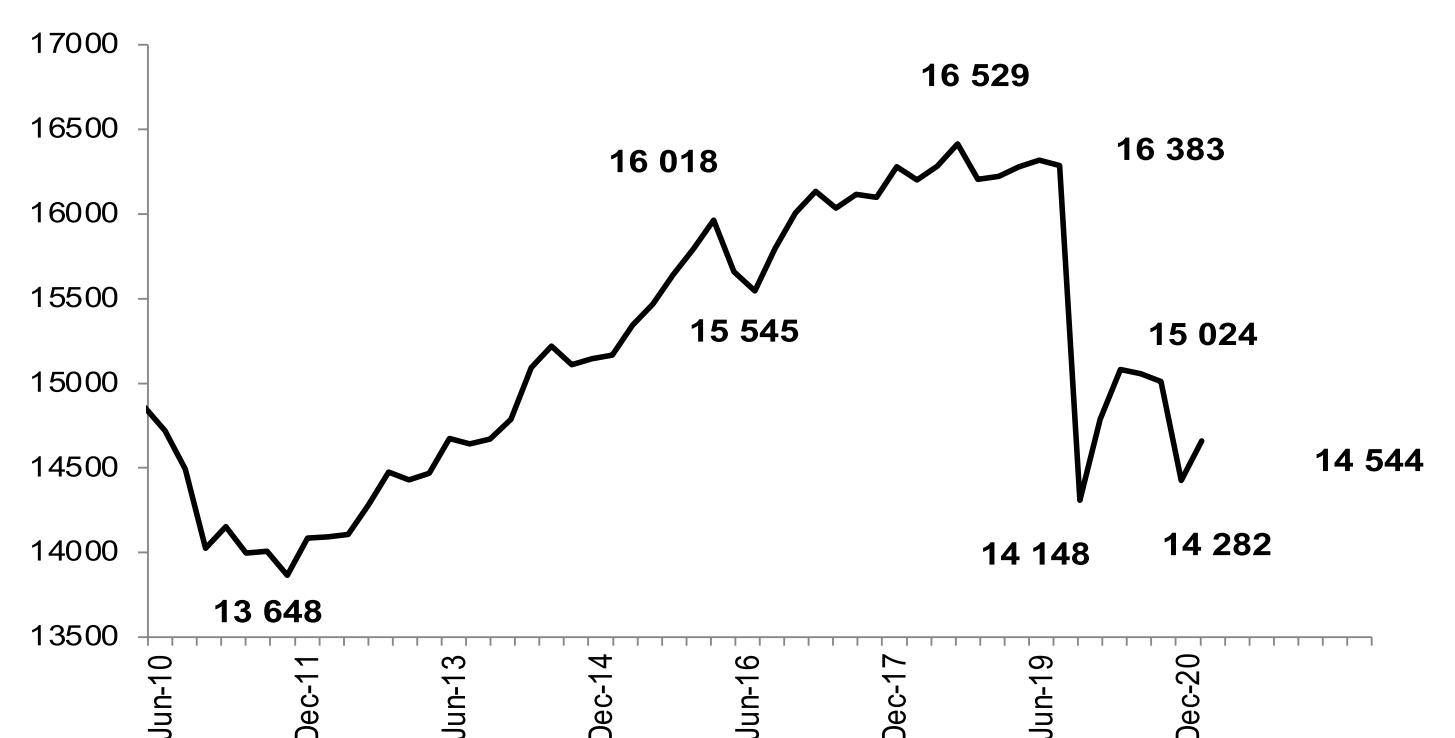


STEPS = Stated Policies Scenario: reflects current policy settings across all countries in the world
 NZE = Net Zero Emissions: sets out the pathway to achieve net zero CO2 emissions by 2050
 Source: International Energy Agency (IEA); 2021 World Energy Outlook - 2021

SA ECONOMY

Statistics South Africa reported that the unemployment rate increased to a fresh survey high of 35.3% in 4Q 2021, after 34.9% in 3Q. In general, elevated unemployment reflects the major challenges amidst the disruption over the past two years caused from the COVID pandemic and the associated national lockdowns. The July 2021 looting and unrest has been an additional factor responsible for the deteriorating trend in the labour market. For instance, despite employment falling 660,000 in 3Q 2021, there was only a partial recovery of 262,000 in 4Q 2021. This left the level of employment in the economy at 14.6 million, still some 1.8 million lower than the pre-COVID-19 level of 16.4 million reached in 1Q 2020.

Chart 2: South Africa Employment Levels (000s)



Source: Oasis Research; As at 31 March 2022

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FINANCIAL ADVICE

April saw us welcome the auspicious month of Ramadan, a month of reflection, sacrifice and sharing. Muslims are reminded of the importance of giving and are attuned to the notion of human suffering and the importance of attaining selflessness and discipline. Beyond our physical needs and desires, it is equally important to reflect on the management of our finances in an ethical manner. Zakaat, Sadaqah and Lillah are all channels through which Muslims make their contributions to those less financially fortunate members of society. Investing your wealth in a Shari'ah compliant manner not only allows you to be an important contributor to the Zakaat pool through the increasing value of your assets over time, but also through the incidental contribution of the Non-Permissible Income to charitable endeavours.

Assuming you had R100,000 of savings in 1998 and you had the option to either invest in the Oasis Crescent Equity Fund (OCEF) at inception or by stark contrast you did not invest the money, your initial contribution to the Zakaat pool would have been R2,500. Had you invested in our OCEF, your Zakaat contribution today would be a considerably higher R91,195.

	Contribution to Zakaat Pool in 1998	Contribution to Zakaat Pool in 2022	% Increase
Invest in OCEF	R2,500	R91,195	3548
Uninvested	R2,500	R2,500	0

Source: Oasis Research; As at 31 March 2022

By virtue of being Shari'ah Compliant, the Oasis Crescent range offers the added benefit of contributing the Non-Permissible Income to registered charities throughout South Africa and abroad. Through these charities, Oasis focuses on supporting sustainable, community development projects, that impacts the material life of the less fortunate to enhance the fabric of society. To make a positive difference, it is necessary to invest wisely, in inflation-beating instruments that are able to improve your living standards and the lives of those around you. Protecting and growing your own wealth can have important benefits for your community as you become better able to contribute to both economic and social prosperity through investment.



OASIS UPDATE

Oasis Crescent Fund Trust continues to play an instrumental role in assisting communities during periods of disaster or when there is a need for social support. In particular, the Trust has set in place a feeding scheme since the onset of Covid-19 due to its severe impact on unemployment rates, so that communities and individuals in need can access nourishment in order to sustain themselves. This assistance deepened during the aftermath of riots that affected Kwa-Zulu Natal in July 2021, predominantly because many businesses had to eventually retrench staff which resulted in a severe decline in household income. The further impact of the floods throughout Kwa-Zulu Natal in April 2022, exacerbated an already fragile region and created a steep rise in the number of households being forced to live below the poverty line. With rising inflation and food costs, as well as a challenges within the government-led social relief infrastructure, the contributions made by the Oasis Crescent Fund Trust is vital to ensure the ongoing sustenance and support of those most vulnerable amongst us. Collectively, we are living in a time of rapid, life-changing events that have affected us at a fundamental level. Without the intervention of well managed social change agents who are committed to ensure funding is realised at grass-roots level, where it is most required, our society would be more vulnerable and disadvantaged. It is through your contributions as investors that the Oasis Crescent Fund Trust is able to continue its work and we at Oasis, who are entrusted to ensure all our investors' non-permissible income reaches those in need, do so with an unwavering commitment to this purpose.

