

VIEWS FROM OUR CEO



The local elections on 1st November took place against a challenging backdrop. An economy still struggling to recover from COVID related lockdowns over the past year, electricity loadshedding by Eskom, concerns over the delivery of municipal services, particularly to low income areas, as well as an outbreak of unrest and looting in Gauteng and KwaZulu-Natal in July. Nevertheless, once again the South African electorate was able to express their democratic right to vote in a free and fair political contest for which all political parties should be applauded.

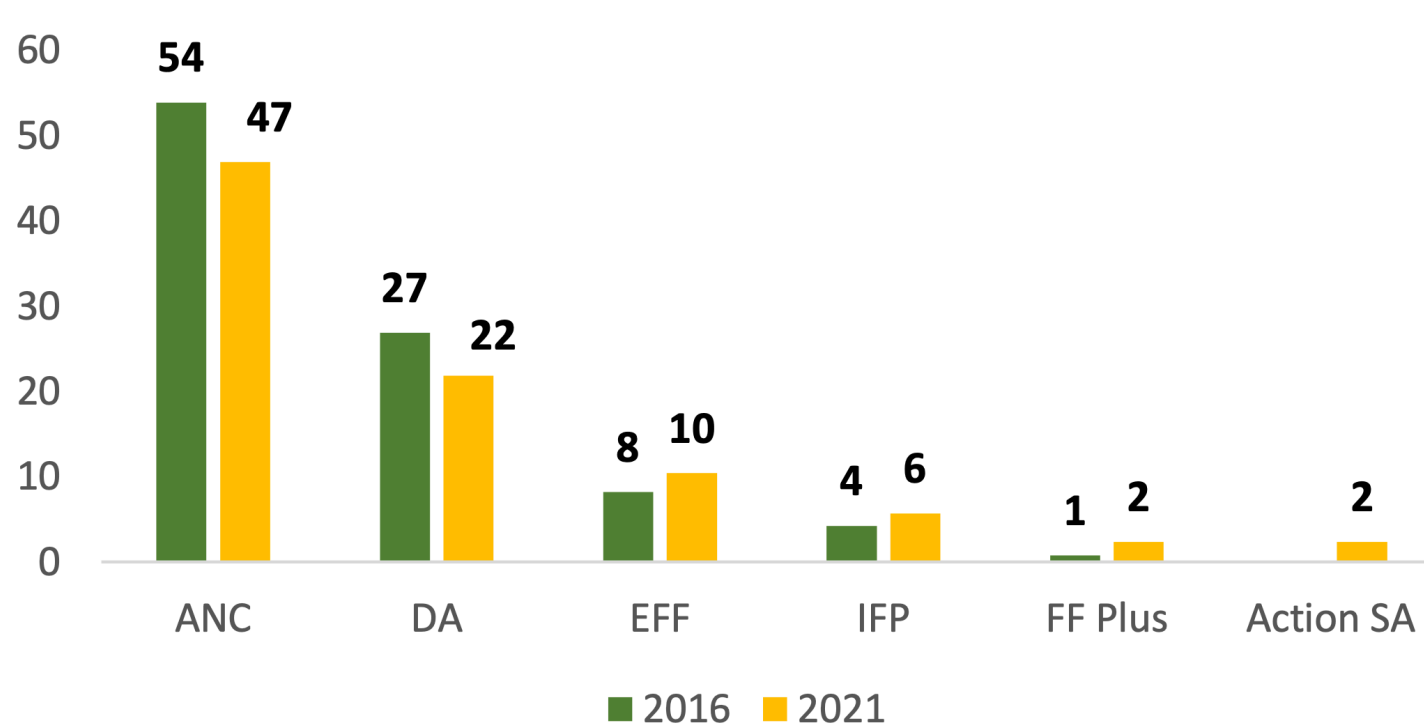
At a national level, the ANC polled below 50% for the first time in South Africa's democratic history, receiving 47% of the national vote compared to 54% in the 2016 Local Elections. The main opposition party, the DA, saw its share of the vote fall to 22%, a decline of 5 percentage points since 2016. The EFF by contrast saw a 2 percentage point rise to 10%.

A lack of economic reform and electricity supply constraints continue to hamper economic growth. The July looting and unrest in Gauteng and KwaZulu-Natal had a significant negative impact on retail spending, transport and output. The South African Special Risks Insurance Association (SASRIA) estimates that damage during July's looting and unrest cost more than R50 billion in damages. In the wake of the November local elections, it remains imperative for both local and central government to tackle corruption and dramatically improve service delivery in order to uplift working class communities.

FINANCIAL ADVICE

In an environment of low interest rates, sharp rises in inflation massively erode purchasing power or real wealth. If a 12-month fixed deposit returns 0.4% annual interest when inflation is at 5%, your real annual return adjusted for inflation is a staggering -1.0%. As a result, it is imperative to invest in inflation-beating instruments, like property, commodities and equity, which are able to both maintain and improve your standard of living and real wealth. It is also imperative to own the best quality inflation assets to reduce exposure to market volatility. At Oasis, our guiding philosophy is to focus on companies which have market leadership, strong management teams, good capital allocation, strong cash flows, sustainable profitability and which are priced below their intrinsic or fundamentals values. Speak to an Oasis accredited financial advisor to assist you in identifying your most suitable options, while providing you with an overview of our product offering. Be proactive and do not leave these decisions to the last minute.

NATIONAL 2021 LOCAL ELECTION VOTE



Source: Independent Electoral Commission (IEC)

It was striking that the smaller political parties outside the 'Top 3' got a bigger share of the local vote, doubling their national performance from 10% in 2016 to 20% in 2021. With the combined vote share from the ANC, DA and EFF falling 11 percentage points to 78%, this has given the smaller parties a much greater say in local municipalities, particularly hung councils where no party received an outright majority. Although the ANC's vote share is still more than double the next largest party, the DA, these changing political dynamics could be good for South Africa, leading to greater focus on services delivery, better governance and economic reform.

OASIS UPDATE

Our global partner companies journey began with the registration of the Oasis Global Investment Scheme as a Collective Investment Scheme with the Guernsey Financial Services Commission in November 2000. The Scheme included two funds, namely the Oasis Global Equity Fund and the Crescent Global Equity Fund.

In January 2003, Oasis Global Management Company (Ireland) Limited opened its new global offices in the Dublin financial district, and assumed full control over the administration of its Irish-registered funds. In December 2010, Oasis' Funds were registered in the United Kingdom with Oasis Crescent Wealth (UK) Limited opening its London office in Knightsbridge and launched its UK Advisory Services in June 2012.

On the 11th December 2020, Oasis Crescent Global Investment Fund (Ireland) Plc merged with the Oasis Crescent Global Investment Funds (UK) ICVC ("the UK Fund"), culminating in the re-domiciliation of the funds from Ireland to the United Kingdom.

Oasis Crescent Wealth (UK) Limited (OCW) is the authorized corporate director of the UK Fund. OCW was initially established with the purpose of advising on units of Undertakings for Collective Investment in Transferable Securities (UCITS). In April 2020, OCW was further authorized to advise on Personal Pension Products and on 21 July 2021, it was licensed as a UK UCITS Management Company.

Oasis Products in UK are being marketed through 'Business to Consumer' (B2C) platforms via Investment Financial Advisors (IFAs). The next step is to provide a 'Direct to Consumer' (D2C) channel by 31st March 2022. The 'Business to Business' (B2B) channel will launch in the middle of 2022. On the global side, Oasis investment products are available on 'Business to Business' (B2B) global/regional banks and investment platforms. A 'Direct to Consumer' (D2C) channel will be announced in 2022.

SA ECONOMY

The South African economy has endured a sluggish 10 years with growth averaging 0.6% relative to population growth of 1.3% and global GDP growth of 2.8%. The South Africa economy was one of the worst impacted by Covid-19 shrinking by 6.4% in 2020. The structural reasons for South Africa's sluggish economy are well documented. In the short- to medium-term these constraints will continue. The SA economy is expected to have grown by 5.0% in 2021, lagging the global recovery (IMF). A surge in commodity prices and the terms-of-trade over the past year has provided welcome near-term economic support, particularly on the fiscal front. However, the slow vaccine rollout has left the country vulnerable to successive COVID infection waves as well as the emergence of new variants of the virus which has delayed the full reopening of the economy and especially international tourism.

