

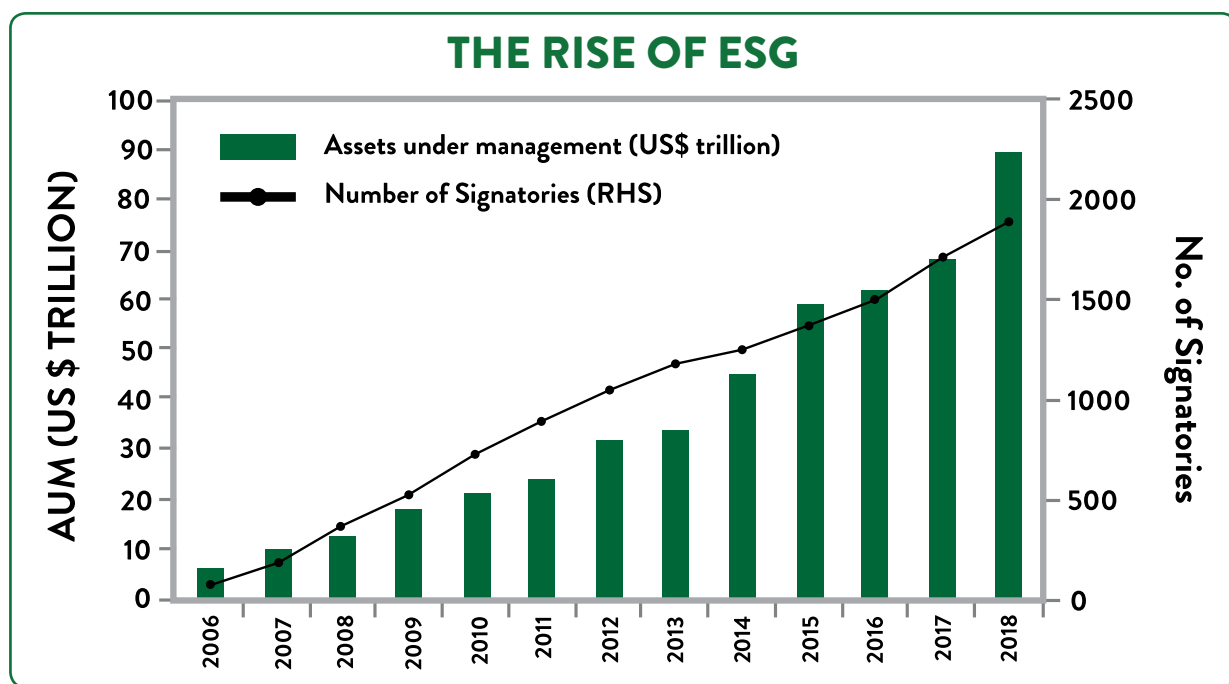
## VIEWS FROM OUR CEO



The International Monetary Fund (IMF) revised its global growth outlook for the third time in the last six months to 3.3% amid a bleaker outlook in most advanced economies.<sup>1</sup> While a series of encouraging developments have boosted optimism in recent weeks, a resolution between US & China on trade discussions is yet to be reached. With renewed risks threatening the global prospects, as highlighted during the World Economic Forum in Davos earlier this year, world leaders are being encouraged to step up and become real drivers of change by embracing sustainable investing as it is a key enabler for sustained growth.

Sustainable investing is the combination of traditional investment approaches with Environmental, Social and Governance (ESG) insights. The steady growth of ESG investing started in 2013/14 when research showed that good corporate sustainability performance is associated with good financial results. Companies that manage sustainability risks and opportunities well tend to have stronger cash flows, lower borrowing costs and higher valuations. ESG provides a different angle to assess and benchmark corporate risks, strategies and operational performance. For a growing number of investors, especially millennials, ESG data is viewed as an equal to financials and valuations as it distinguishes companies that are well positioned for the future against those which are likely to underperform or fail.

Using the signatories to the Principles for Responsible Investment (PRI) as a proxy of importance, one can observe the remarkable rise of ESG. As of 2018, indicated in the graph below, there was over 1900 signatories to the PRI, with assets of nearly \$90 trillion. In addition, 73% of global investors surveyed in 2017 by the CFA institute indicated that they considered ESG issues when analysing a company.



Source: PRI

At Oasis, responsible and sustainable investing is an important consideration embedded in our core analysis and investment activities across all asset classes. We integrate responsible investment principles through our proxy voting process and ongoing engagement with company management teams. While regulation is a key driver of ESG adoption, since inception, our investment-decision making process has been designed to adhere to global best practice and for a number of years we have been signatories of to the PRI and Code for Responsible Investing in South Africa (CRISA). In addition, we are also affiliated as members of the CFA institute, since our inception in 1997 and our investment approach incorporates the belief that sustainability issues have an impact on corporate financial performance and thus long-term returns.

## SA ECONOMY

South Africa presents a mixed picture with regards to Socially Responsible Investing (SRI) and ESG. Based on ESG country metrics, South Africa outperformed its emerging market peers and is regularly promoted as a leader in the field. In 2011, South Africa's Pensions Funds Act was amended requiring pension funds to cater for ESG factors that could materially affect the sustainable long-term performance of the asset prior to investing. In the same year, CRISA was formed and more recently, in late 2018, the Financial Sector Conduct Authority (FSCA) proposed to make it compulsory for the pension funds to report on how they implement ESG in their investment approach.

While regulation appears to be the underlying reason behind South Africa's early move in ESG, some measures of institutional robustness, such as the World Bank 'Governance Indicator' and 'Doing Business Indicator' have been in steady decline over the past decade. Simultaneously, there is mounting pressure to create a more equal, fairer society, where everyone enjoys the benefit of economic growth. For instance, the remuneration of listed company executives is among the highest in the world and yet wealth creation is not succeeding in reducing poverty; in fact, it is exacerbating the gap. For growth to be inclusive and sustainable, a major change of mindset is required in the business sector and amongst the people. Responsible investing has a key role to play, and ESG provisions will be crucial in catalysing additional capital flows.

## FINANCIAL ADVISORY

May sees us welcome the auspicious month of Ramadaan, 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 the option to either invest in the Oasis Crescent Equity Fund or by stark contrast, you did not invest the money. Your contribution in 1998 to the Zakaat pool would have been R2 500. However, had you invested this, your contribution today would be R70 918.

	Contribution to Zakaat Pool in 1998	Contribution to Zakaat Pool in 2019	% Increase
Invest in OCEF	R 2 500	R 70 918	2736.7%
Uninvested	R 2 500	R 2 500	0%

Source: Oasis Research

By virtue of being Shari'ah Compliant, the Oasis Crescent range offers the added benefit of contributing the Non-Permissible Income to the Oasis Crescent Global Fund Trust. Through this Trust, 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.

During the month of May, our Financial Advisors will be in the following areas should you require a consultation:

DATE	AREA
13 <sup>th</sup> - 17 <sup>th</sup>	<b>Gauteng</b> JHB Central, Lenasia, Centurion, Pretoria Mpumalanga Nelspruit
20 <sup>th</sup> - 24 <sup>th</sup>	<b>Western Cape</b> Strand, Gordons Bay, Paarl, Wellington, Malmesbury, Worcester
27 <sup>th</sup> - 31 <sup>st</sup>	<b>KwaZulu-Natal</b> Durban Central, Berea, Phoenix, Verulam, Chatsworth, Overport, Musgrave <b>Gauteng</b> JHB Central, Sandton, Rosebank, Azaadville, Florida, Fordsburg, Lenasia, Laudium and Erasmia <b>North West</b> Rustenburg, Klerksdorp and Potchefstroom

## IN THE NEWS

RAMADAAN GREETINGS - Message from Oasis CEO, Adam Ebrahim

O YOU WHO HAVE BELIEVED,  
DECREED UPON YOU IS FASTING  
AS IT WAS DECREED UPON THOSE  
BEFORE YOU THAT YOU MAY  
BECOME RIGHTEOUS.  
AL-QUR'AN 2:183

*Ramadaan*  
K A R E E M

MAY THIS BLESSED MONTH BE  
A TIME OF ENLIGHTENMENT,  
PEACE AND UNITY

YouTube WATCH VIDEO

<sup>1</sup>The IMF, World Economic Outlook, April 2019

