OASIS

YOUR **OASIS**

UK APRIL EDITION - **2022**

VIEWS FROM OUR CEO

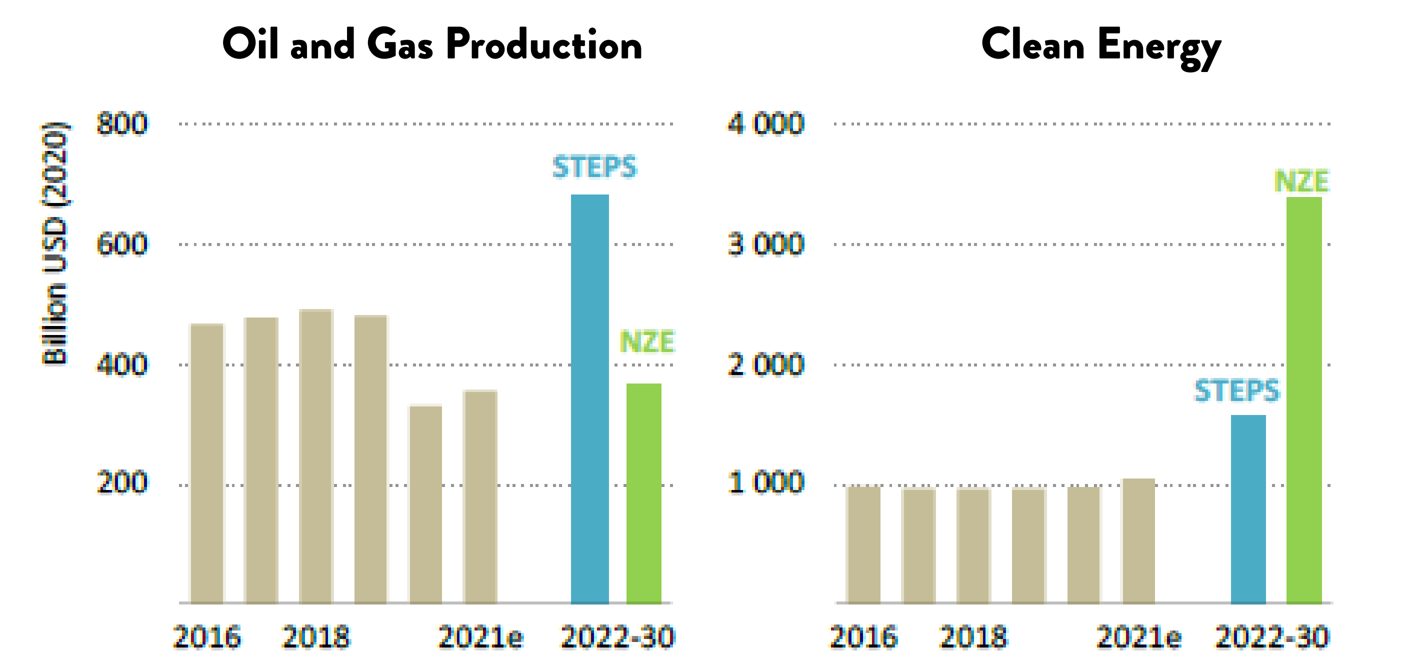
The race is on to significantly reduce carbon emissions and prevent the damaging effect of the further warming of the earth's surface temperatures. Achieving a world with net zero carbon emissions in coming decades, thereby avoiding catastrophic climate change later this century, will require a massive 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 2030[1]. This would be around four times larger than that of the average 2016 -2020 annual energy spend of $2.3tn. 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

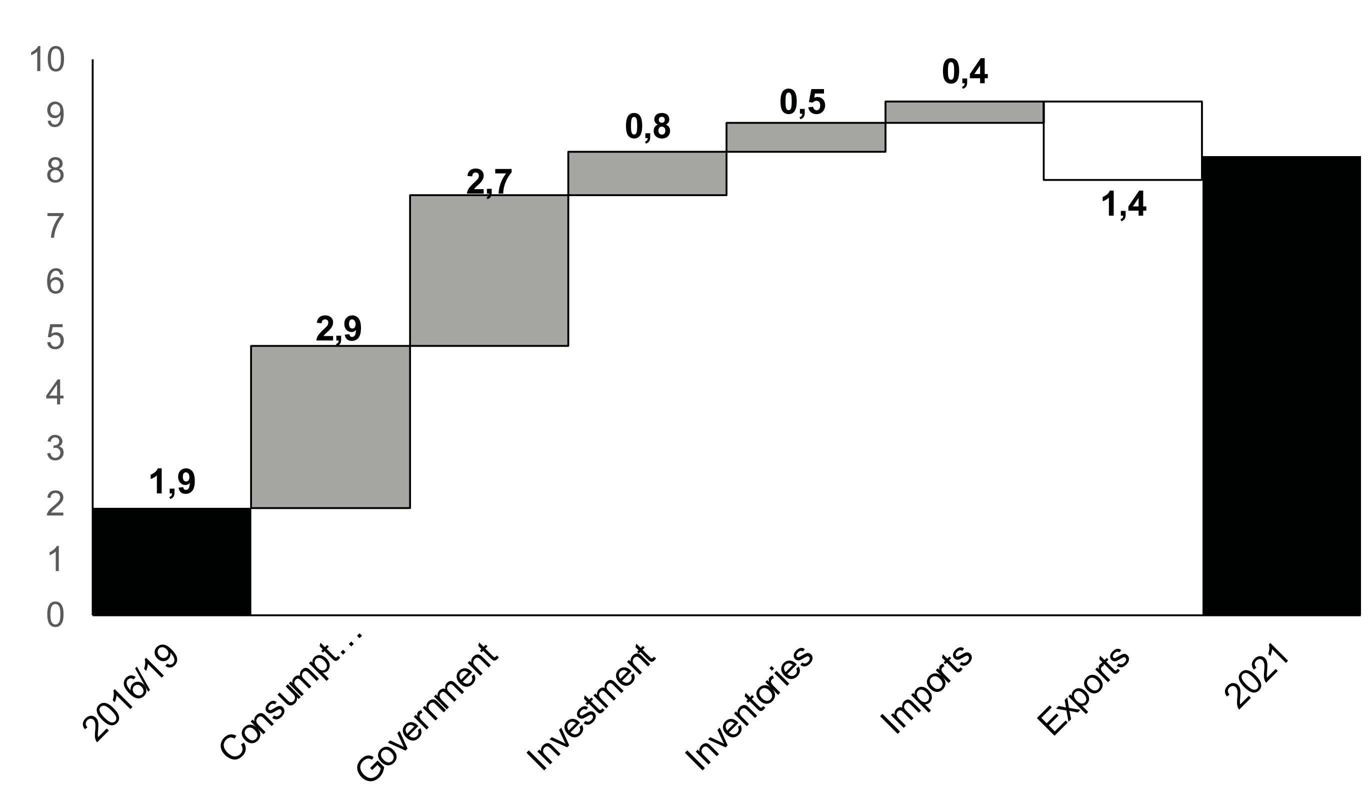


STEPS = Stated Policies Scenario: reflects current policy settings across all countries in the world
NZE = Net Zero Emissions: sets out the pathway to achieve net zero CO2 emissions by 2050
Source: International Energy Agency (IEA); 2021 World Energy Outlook - 2021

UK ECONOMY

The UK economy expanded 6.6% on a year earlier in the 4th quarter of 2021, slowing only modestly from the 6.9% recorded in the 3rd quarter. For the year as a whole, it was a standout result, with the UK economy posting a blistering growth pace of 8.3%, easily one of the fastest advanced economy growth rates. Notably, much of the economic growth generated since the Brexit vote in 2016 has been driven by personal consumption and government spending, as the 'waterfall' chart below illustrates. By contrast, exports subtracted -1.4ppt from overall GDP growth between 2016-19 and 2021.

Chart 2: UK Expenditure GDP: Impact Reconciliation



Source: ONS & Oasis Research

Looking at the relative export performance between the UK and its main European peers like Germany, France and Italy highlights that UK exports have tended to underperform in the period following the official withdrawal of the UK from the European Union on the 31st January 2021. This highlights that the UK may have become less competitive following its exit from the EU Single Market which has no trade barriers and the free movement of labour, capital and services.

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 £100 000 of savings in 2000 and you had the option to either invest in the Oasis Crescent Global Equity Fund (OCGEF) at inception or by stark contrast you did not invest the money, your initial contribution to the Zakaat pool would have been £2 500. Had you invested in our OCGEF, your Zakaat contribution today would be a considerably higher £8 785.

	Contribution to Zakaat Pool in 2000	Contribution to Zakaat Pool in 2022	% Increase
Invest in OCGEF	**£2,500**	**£8,785**	**251**
Uninvested	**£2,500**	**£2,500**	**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 in the UK, namely Cancer Research UK, Save the Children, Oxford Centre of Islamic Studies. 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

At a time of significant global challenges ranging from huge increases in the cost of living, particularly with respect to food and transport, as well as the ongoing COVID-19 pandemic and war in Ukraine we need to focus on giving back to those less fortunate than ourselves during the month of Ramadan.

Without the intervention of well managed social change agents who are committed to ensure funding is realised at grass-roots level, and where it is most required, our society would be made more vulnerable and disadvantaged. It is through your contributions as investors that we at Oasis are able to continue to ensure with an unwavering commitment that all our investors' non-permissible income reaches those in need.