

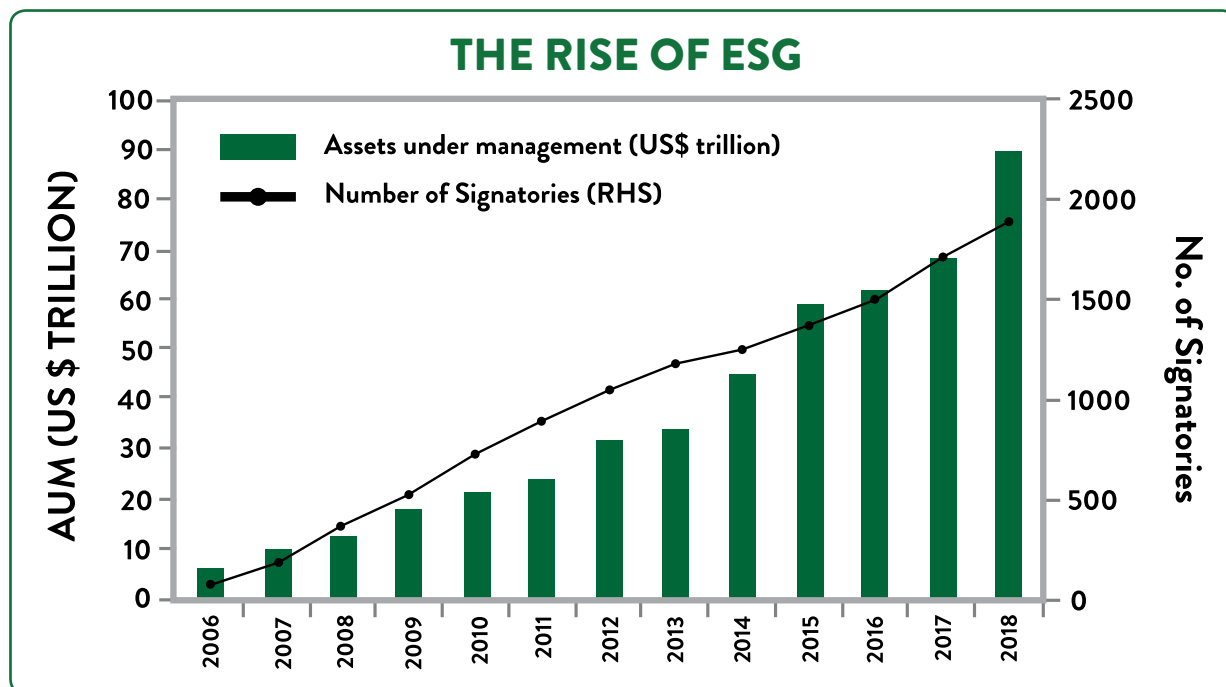
VIEWS FROM OUR CEO



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.¹ 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, our investment-decision making process has been designed to adhere to global best practice and we have been affiliated as members of the global CFA institute, since our inception in 1997. In addition, we have incorporated the Cadbury Code of Conduct and are signatories of the PRI, which also promotes our investment approach which imposes the belief that sustainability issues have an impact on corporate financial performance and thus long-term returns.

UK ECONOMY

Based on a PRI report released in March 2019, the UK was voted as one of the most advanced markets for integrating ESG in the investment process. The increased focus on sustainability within the UK's investment community is expected to increase the size of the national Socially Responsible Investing (SRI) market by 173% to reach £48bn by 2027.² In addition, the trend towards sustainable investment proved to be particularly pronounced among the millennial and Gen-Z respondents, with more than half expressing their intent to invest in an SRI fund.³

On the regulatory front, there has been renewed pressure on British pension funds to consider ESG impact of their holdings as both investors and policymakers demand bigger focus on sustainability. Trustees who decide to disregard the long-term financial risks or opportunities from ESG will have to provide justification as the law is due to come into place in October 2019. ESG expanded to the capital markets with the London Stock Exchange supporting green financing whilst financial institutions tightened funding to fossil fuel intensive companies. The non-financial corporate makes up 56%⁴ of the UK's overall green bond market and the proceeds are mainly directed towards water and energy. ESG investing in the UK has matured to the point where it can greatly accelerate market transformation for the better and with the right political framework, it can act as a force for good on a massive scale.



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 excess 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 the option to either invest in the Oasis Crescent Global Equity Fund or by stark contrast, you did not invest the money. Your contribution in 2000 to the Zakaat pool would have been £2 500. However, had you invested this, your contribution today would be £10 668.

	Contribution to Zakaat Pool in 2000	Contribution to Zakaat Pool in 2019	% Increase
Invest in OCGEF	£ 2 500	£ 10 668	326.7%
Uninvested	£ 2 500	£ 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 Fund, 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.



IN THE NEWS

RAMADAAN GREETINGS - Message from Oasis CEO, Adam Ebrahim



¹The IMF, World Economic Outlook, April 2019, ² <https://www.edie.net/news/7/UK-s-ethical-investment-market--set-to-more-than-double/> ³ <https://www.edie.net/news/7/UK-s-ethical-investment-market--set-to-more-than-double/>, ⁴ Bloomberg

