

## VIEWS FROM OUR CEO

Investors are confronted by a very different environment. Whereas things looked rather bleak a year ago, prospects for 2020 look much more encouraging. A number of headwinds that restrained activity in 2019 have been resolved, Central Banks have responded aggressively through 2019 by slashing policy rates and re-extending Quantitative Easing, fiscal authorities are coming to the party, and confidence is rising.



A major restraint on activity in 2019 was the escalating Trade War between the US and China. This disrupted global supply chains, weakened global trade and manufacturing, and weighed down investment spending. The US and China have now signed a Trade Deal on the 15th of January<sup>1</sup>. The year also saw successive delays to BREXIT with the governing Conservative Party lacking the necessary support to push through its deal. This forced a December General Election which resulted in a decisive majority for the incumbent Tory party, giving the Prime Minister the necessary mandate to deliver BREXIT on the 31st of January.

Central banks responded aggressively to last year's slowdown in global trade by easing their policy rates and re-extending quantitative easing. In China, limited fiscal support was bolstered by regulatory shifts that freed up liquidity in order to boost lending. Subdued inflation means that monetary authorities will be in no rush to reverse course. Expect most major economies to also embark on various forms of fiscal stimuli that will further support the Global Economy.

The combination of last year's monetary easing, resolutions to major global uncertainties, fiscal support, and gains in asset prices and confidence set the stage for a solid recovery in 2020. This will be driven by a rebound in trade and manufacturing, with emerging economies and more open advanced economies leading the recovery, continued resilience in services activity and a resurgence in investment spending. Recently, countries like the US and the UK have seen strong rebounds in their respective property markets, further boosting wealth and confidence. Weak equity market performances in 2018 were vindicated by last year's weak economic outcomes. These markets are yet again emphatic in signalling a strong recovery in 2020

unlock spending. One area that has been particularly hard-hit by BREXIT uncertainty is the UK housing market. Recent indicators show a strong rebound in housing-related activity and prices since the election. The January Rightmove survey indicated the strongest growth since 2017, with London prices posting their strongest print since September 2016<sup>2</sup>. According to Rightmove, the figures reflected the impact of a boost in optimism and pent-up demand, especially amongst first-time home buyers.



## FINANCIAL ADVISORY

The finality of Brexit has improved investor confidence and will encourage growth in the region. The Oasis investment product offering was well positioned following the exit of the UK from the EU. One such product is the Oasis Crescent Variable Balanced Fund, which seeks to provide investors with capital growth and income over the medium to long term with a minimum investment period of five years.

The Fund is invested in a broadly diversified and balanced mixture of global securities that are listed on various international exchanges. The range of investment instruments includes equity, fixed income, debt securities issued by governments and/or companies, property and cash or cash equivalent asset classes. The portfolio may have a particular bias at any given time to either equity or to non-equity securities, allowing the portfolio manager to make discretionary choices that will benefit return over the long term.

## OASIS CRESCENT VARIABLE BALANCED FUND – ASSET ALLOCATION SPLIT

ASSET ALLOCATION	DECEMBER 2019
	OCVBF
EQUITY	56
INCOME	31
PROPERTY	13
TOTAL	100

Source: Oasis Research: December 2019

## A VERY DIFFERENT ENVIRONMENT

JANUARY 2019	JANUARY 2020
ESCALATING US CHINA TRADE WAR	PHASE 1 US-CHINA TRADE DEAL
BREXIT UNCERTAINTY	BREXIT CONFIRMED
INCREASING POLICY RATES	LOWER POLICY RATES
CUTBACK IN QUANTITATIVE EASING	RE-EXTENSION OF QUANTITATIVE EASING
FISCAL CONTRACTIONS	FISCAL EXPANSION
LOW CONFIDENCE	INCREASING CONFIDENCE
2018 STOCK MARKET SELLOFF	2019 STOCK MARKET SURGE

## UK ECONOMY

The December General Election can be considered a game-changer, setting the stage for an economic recovery supported by a Post-BREXIT boost in confidence, fiscal stimulus, more supportive asset prices and wealth gains. A liberalised and flexible regulatory environment and a competitive currency should provide support to domestic exposed assets.

The Tories now enjoy a parliamentary majority last seen in the 1980's, providing Prime Minister Boris Johnson with the decisive mandate to deliver on the 31st January 2020 exit deadline and negotiate a post-BREXIT deal with his European counterparts. The transition period is projected to last until the official exit date on the 31st December 2020, during which time a separation agreement is expected to be concluded.

Greater policy certainty, implementation of campaign promises to cut taxes, increased fiscal spending, and a return in confidence will allow for a recovery in private sector investment spending and boost commercial activity. Additionally the anticipated recovery in global trade and manufacturing should provide the economy with a strong tailwind. Recovery in asset prices and wealth will further boost confidence and

At Oasis, our focus since inception has been to invest in high quality companies at attractive valuations, with a long term view of growing the real wealth of our clients. We have built our track record on the back of a simple yet effective investment philosophy. Committed to the protection and growth of our client's wealth, the Oasis funds are optimally positioned to take advantage of attractive buying opportunities.

The Oasis range of investment products provide ethical investors with an opportunity to invest in high quality and flexible investment products. You can access our product offering by contacting us directly on the local sharecall number, 0808 238 7543 or via our network of Independent Financial Advisors and Wealth Management Platforms, that include the likes of Fidelity/Fundnetwork, Hargreaves Lansdown, James Breary and sons, as well as Transact.

Speak to your financial advisor for sound financial advice in order to make an informed investment decision on an appropriate product to suit your needs and risk profile.

## OCAS UK Travel

Our Financial Advisors travel throughout the country on a monthly basis. **During the month of February 2020**, our advisors will be travelling to the following areas:

DATE	AREA
10 <sup>th</sup> – 14 <sup>th</sup>	Manchester, Bolton, Liverpool and Bradford
17 <sup>th</sup> – 21 <sup>th</sup>	Portsmouth, Kent, St. Albans and Chelmsford
24 <sup>th</sup> – 28 <sup>th</sup>	Birmingham, Leicester and Sheffield

<sup>1</sup> <https://www.bloomberg.com/news/articles/2020-01-15/u-s-china-sign-phase-one-of-trade-deal-trump-calls-remarkable> | <sup>2</sup> <https://www.rightmove.co.uk/news/price-index/>

