

# FUNDFACTS

OASIS CRESCENT



GLOBAL INVESTMENT FUNDS (UK) ICVC

MANAGED BY OASIS CRESCENT WEALTH (UK) LTD.

## OASIS CRESCENT GLOBAL SHORT-TERM INCOME FUND

▲ MAY - 2023

<b>Fund Manager</b>	Adam Ebrahim	<b>Min. Initial Investment</b>	GBP 5,000
<b>Launch Date</b>	11 December 2020	<b>Min. Additional Investment</b>	GBP 1,000
<b>Risk Profile</b>	Low	<b>Fund Size</b>	GBP 16.9 million
		<b>Total Expense Ratio</b>	0.45%

The Oasis Crescent Global Short Term Income Fund (OCGSTIF) seeks to provide regular income, as is consistent with capital preservation and liquidity, over a short term time horizon. The fund will be suitable for investors seeking low capital appreciation and moderate income yield over a recommended minimum period of not less than one year and who are prepared to accept a low level of volatility.

### Cumulative Returns

Cumulative Returns	Feb-Dec 2015	2016	2017	2018	2019	2020	2021	2022	YTD MAY 2023	Return Since Inception	
										Cum	Ann
Oasis Crescent Global Short-Term Income Fund	(0.3)	20.7	(7.1)	7.5	(0.4)	(0.8)	1.4	9.1	(3.6)	26.6	2.9

The Fund was launched following Oasis Crescent Global Short Term Income Fund's ("OCGSTIF") merger with the Fund on 11 December 2020.

Returns in GBP, Net-of-Fees, Gross of Non Permissible Income of the OCGSTIF since inception to 31 May 2023. NPI for the 12 months to May 2023 was 0.47%.

(Source: Oasis Research: May 2023)

### Annualised Returns

Annualised Returns	% Growth 1 year	% Growth 3 year	% Growth 5 year	% Growth 7 year	Return Since Inception
					Annualised
Oasis Crescent Global Short-Term Income Fund	(0.5)	(0.7)	2.2	3.2	2.9

Performance (% returns) in GBP Net-of-Fees Gross of Non Permissible Income of the OCGSTIF since inception to 31 May 2023.

(Source: Oasis Research: May 2023)

### Portfolio Characteristics

Weighted Duration (Yrs)	Average Credit Rating	YTM (%)
1.1	A+	4.2

Portfolio Characteristics of OCGSTIF (31 May 2023)

(Source: Oasis Research: May 2023)

GIPS compliant

Portfolio Regional Exposures	
Country/Region	% of NAV
Europe	62
Supranational	15
Cash	13
Emerging Markets	10
<b>Total</b>	<b>100</b>

**Portfolio Regional Exposures of OCGSTIF (31 May 2023)**  
(Source: Oasis Research: May 2023)

### Fund Manager Comments

Despite numerous headwinds to global growth, resilient consumer spending supported by savings drawdowns and tight labour markets in advanced economies combined with the reopening of China in late 2022 helped to stabilise the global economic outlook. In its January 2023 World Economic Outlook (WEO) release, the International Monetary Fund forecast that global GDP growth would slow to 2.9% in 2023 after an estimated 3.2% gain in 2022, before rising to 3.1% in 2024. Both the IMF's 2023 and 2024 GDP forecasts were raised by 0.2 percentage points, which reflects the positive surprises on incoming activity data over the second half of the last year relative to more downbeat expectations. Signs that global energy and food prices peaked in Q3 2022 are translating into lower inflation readings. Oil prices have fallen back roughly 30% since the \$120bbl average levels recorded in mid-2022. CBOT wheat future price have declined some 35% since March 2022 high of \$1,425 as partial grain exports from Ukraine resumed. Notably, disruptions to global supply chains have dissipated, with measures of shipping container costs plunging back to pre-COVID levels in recent months. In the US, for instance, headline inflation fell to a 17 month low of 6.0% in February this year, having peaked at a 40 year high of 9.1% in June 2022. The surprise 1.0mn barrel per day oil production cut by OPEC in late March has provided a timely reminder that inflation could remain 'sticky', above levels central banks are comfortable with.

Confirmation of a peak in the interest rate cycle could act as a major boost to economic and financial sentiment. The most rapid interest hike cycle since the 1980s has seen the Federal Reserve increase the Funds Rate from 0.0% to 5.0% in the space of just 13 months. The impact on economic growth and credit extension is only just becoming apparent given the long impact lags from monetary policy. Sign of acute bank sector distress in US and Europe were evident in March. The collapse of Silicon Valley Bank was the largest US bank to fold since Washington Mutual in 2008. In Europe, the Swiss giant Credit Suisse was taken over by UBS after it too faced a major liquidity squeeze. Central banks remain between a rock and a hard place. In order to ensure that inflation returns to target over the medium term whilst also preventing inflation expectations from becoming unanchored and feeding into elevated wage settlements requires keeping policy rates at levels which most economies in the world have become unaccustomed to over the past decade. However, tight monetary policy comes at a cost, slowing economic activity, weakening job creation, increasing the cost of borrowing and contributing to financial market volatility. Factors that could boost global growth are: 1) peak in the global interest rate cycle and renewed monetary & fiscal policy support, including re-industrialisation in the West; 2) cessation of war in Ukraine; 3) significant increase in OPEC oil production lowering oil prices; Factors that could constrain global growth are: 1) worsening financial sector volatility and tightening of credit availability; 2) significant unwinding of advanced economy housing markets; 3) increased geopolitical tensions, especially in Asia Pacific; 4) continued monetary policy tightening given resurgence of global inflation; 5) new pandemic, such as an outbreak of human-human avian flu or simply a more transmissible variant of Covid-19.

Signs that global energy and food prices peaked in mid-2022 have led to a pullback in inflation from 40 year highs, allowing central banks to signal that a more moderate pace of interest rate hikes going forward is appropriate. The Fed Funds rate has now risen 5.0 percentage points from practically 0% in just 13 months, marking the fastest tightening cycle since the early 1980s which has led to significant financial market volatility, particularly with respect to fixed income. There was a sharp decline in 10 year treasury yields during March against the backdrop of acute financial sector stress in US and Europe, evident in the collapse of Silicon Valley Bank in the US, the largest bank collapse since Washington Mutual in 2008 as well as the takeover of the ailing Credit Suisse by UBS. The banking sector crisis has been principally driven by growing unrealised losses on banks' bond portfolios, which the Federal Deposit Insurance Corporation in the US estimated at the end of 2022 to be at \$620bn or roughly 30% of Tier 1 Capital. The unrealised losses had emerged following the rapid increases in interest rates during last year which reduced the mark-to-market valuation of banks' long-term bond holdings. While not necessarily a problem for a specific bank at a given point in time, when combined with a dramatic withdrawal of deposits, as was the case with SVB, an institution could quickly become insolvent without emergency liquidity provision from the Federal Reserve. The additional liquidity support made to the US banking system during March saw the Federal Reserve's balance sheet expand by \$325bn to \$8.8tn, reversing its pre-standing policy of quantitative tightening in place since mid-2022 as the Federal Reserve looked to reduce monetary accommodation to combat the surge in consumer inflation. There has also been net liquidity injections from the PBOC as Chinese authorities increased stimulus measures to support the economy, boosting its balance sheet to close to 1 year highs of \$6.1tn. As a result, the combined global central bank balance sheet has risen to 1 year highs of \$29.6tn. Improving liquidity may help to stabilise financial markets even while underlying volatility remains elevated for now. There has been a wholesale recalibration of short-term interest rates, as markets anticipated that banking sector stress could lead to interest rate cuts in coming months. Central banks will remain between a rock and a hard place for the foreseeable future, looking to maintain a tight monetary policy stance in order to ensure consumer inflation returns back to target in coming months which at the same time increases headwinds to economic activity and employment. Any renewed bout of banking sector instability is likely to be contained with potentially unlimited liquidity provision.

Sources: Oasis Research, Bloomberg statistics, IMF World Economic Outlook

**GIPS compliant & verified**

### Contact us :

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Prices are calculated on a net asset value basis which is the total value of all assets in the Oasis Crescent Global Short-Term Income Fund, a "Sub-Fund" of Oasis Crescent Global Investment Funds (UK) ICVC (the "Fund"), Registration Number: IC030383, including any income accruals and less any permissible deductions from the Sub-Fund which may include but not be limited to auditors fees, bank charges, custodian fees, management fees and investment advisory fees. UCITS can engage in borrowing and scrip lending and may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.

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