FUNDFACTS

OASIS
GLOBAL MANAGEMENT COMPANY (IRELAND) LIMITED
AUTHORISED BY THE CENTRAL BANK OF IRELAND

OASIS CRESCENT GLOBAL SHORT-TERM INCOME FUND

QUARTER 1 2019

Fund Manager	Adam Ebrahim	**Min. Initial Investment**	USD 5,000
Launch Date	13 November 2003	**Min. Additional Investment**	USD 1,000
Conversion Date	3 February 2015	**Fund Size**	USD 19.9 million
Risk Profile	Low	**Total Expense Ratio**	0.43%

The Oasis Crescent Global Short-Term Income Fund 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	YTD Mar 2019	Return Since Inception	
						Cum	Ann
Oasis Crescent Global Short-Term Income Fund	(1.1)	1.1	1.7	1.3	0.8	3.9	1.0

Performance (% returns) in US Dollars, net of fees, gross of non permissible income of the Oasis Crescent Global Short-Term Income Fund since inception to 31 March 2019
(Source: Oasis Research: March 2019)

Annualised Returns

Annualised Returns	% Growth 1 year	% Growth 3 year	Return Since Inception
			Annualised
Oasis Crescent Global Short-Term Income Fund	1.8	1.5	1.0

Performance (% returns) in US Dollars, net of fees, gross of non permissible income of the Oasis Crescent Global Short-Term Income Fund since inception to 31 March 2019
(Source: Oasis Research: March 2019)

Portfolio Characteristics

Weighted Average Duration	Average Credit Rating	YTM (%)
1.2	A+	3.2

Portfolio Characteristics of the Oasis Crescent Global Short-Term Income Fund (31 March 2019)
(Source: Oasis Research, Bloomberg: March 2019)

GIPS compliant

Portfolio Regional Exposures

Country/Region	% of NAV
Emerging Markets	41
Supranational	26
Europe	27
Cash	6
Total	**100**

Portfolio Regional Exposures of the Oasis Crescent Global Short-Term Income Fund (31 March 2019)

(Source: Oasis Research, Bloomberg: March 2019)

Fund Manager Comments

The global economy continues to be buffeted by trade tensions even when the financial markets have rallied in early 2019. With a performance of 13.07% in the first three months of 2019, the S&P 500 has almost fully recover the 13.97% loss suffered in quarter four of 2018.[1] A slowing, but growing global economy and patient policymakers were and will be the key themes supportive of risk assets. A reduction in perceived geopolitical risk, primarily around US-China has also buoyed market sentiment. Although labour markets in most economies continue to support demand, economic data continue to be mixed and the capacity of domestic strength to outweigh the latter is waning.

Trade is not the only factor affecting global prospects, so is policy uncertainty. Policy traction in China is key for stabilising growth in the area and for the global economy as well through the value chain and the confidence channel. China has been a drag on global growth since early 2018. Europe and Emerging Markets (EMs) took a hit from China's growth slowdown. But the tide looks to be turning with Beijing easing fiscal and monetary policies. China economic data were firmer, after a weak start of the year. The March manufacturing Purchasing Managers' Index (PMI) edged up to a higher-than-expected 50.5 in March, from 49.2 in Feb.[2] The PMI returned to the expansionary territory after contracting for 3 consecutive month. Based on IMF data, China has accounted for approximately one-third of global growth since 2011 and a turnover in China is likely to lift growth globally.

In addition, deploying fiscal policy, particularly in Europe is crucial to offset domestic idiosyncratic downdrafts accentuated by external headwinds. Following the change in monetary policy guidance in major global economies, financial conditions have loosened again. Together with the US Federal Reserve (Fed), the European Central Bank (ECB) has signalled a pause in hikes, and has announced that it would launch a series of targeted long-term refinancing operations (TLTROs) in September to ward off a credit squeeze. The Bank of England in the midst of Brexit also signalled a pause to its rate tightening. While Brexit uncertainties continue to cast a shadow over the growth outlook of the UK, the Parliament took control of the process. More recently, on the 11th April the EU agreed to extend the Brexit deadline until October 31st, 2019, postponing the UK's departure about six months from the scheduled April 12th departure date.

Recent central bank actions supported the view of a global slowdown but it has created a positive momentum across global financial markets and provided a boost to economic activity going forward. In the short term, the strength in equities and credit may persist for some due to momentum and some technical levels having been breached in equities. With measures to prevent further flattening of the yield curve and tightening of lending standards, weakening economic data presents a foreboding risk. Nevertheless, with increased liquidity through monetary policy normalisation and reduced geopolitical risks, confidence should be restored after key events, providing an impetus for sustained growth.

As the global economy struggled to gain momentum in the first quarter of 2019, global central banks stepped into the breach, launching multiple waves of asset purchase program and implementing low or even negative interest rates to enhance liquidity and stimulate growth. In its March monetary policy meeting, the Fed decided to keep interest rates steady and updated its "dot plot" projections. The projections are for no rate hike in 2019, and just one in 2020, whereas three months ago, the same "dot plot" reflected two rates hikes for 2019. However, it is important to realise that the latter does not represent the collective, consensus view of the Fed. The Fed's chairman de-emphasise the importance of the dots and indicated that the institution is data dependent and reacts to economic conditions.

Indeed, the recent dovish pivot is important. The central bank's pause in policy tightening has eased the pressure from rising short-term rates and a stronger dollar on fixed income assets. With the Fed indicating that it may allow for modest overshoots above its inflation target, it exhibits confidence that once inflation starts to rise it will be able to pull it back under control. These factors point to potential for a moderate steepening of the U.S. yield curve. However, the latter recently flatten and inverted. The spread between yields on the 10-year Treasury yield and 3-month Treasury bill recently inverted for the first time since 2007. Historically, yield curve inversion has preceded recessions but in the current environment, comparisons with previous inversions are flawed due to the low level of short-term rates relative to prior cycles and lower term premiums following QE.

In the Euro Area, the European Central Bank (ECB) also kept its key interest rates unchanged as it remains highly exposed to the global slowdown in trade caused by weakness in emerging markets and the US-China trade dispute. On those premise, investors started moving into haven assets. The demand for the 10 Year German Bond was so high that yields dropped below zero for the first time since 2016. Nevertheless, with a more dovish stance towards monetary-policy normalisation, a slowing, but still growing, global economy will be supportive to the fixed income markets.

(Source: 1. Bloomberg, 2019, 2. China Government Stats, http://data.stats.gov.cn/english/swf.htm?m=turnto&id=1

GIPS compliant & verified

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