

# FUNDFACTS

OASIS



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

## OASIS CRESCENT GLOBAL INCOME FUND

▲ QUARTER 4 2018

<b>Fund Manager</b>	Adam Ebrahim	<b>Min. Initial Investment</b>	GBP 5,000
<b>Launch Date</b>	9 April 2010	<b>Min. Additional Investment</b>	GBP 1,000
<b>Risk Profile</b>	Low to Medium	<b>Fund Size</b>	GBP 33.2 million
		<b>Total Expense Ratio</b>	0.49%

The Oasis Crescent Global Income Fund is a Shari'ah compliant specialist income fund. The primary objective is to provide income from the underlying investments. To achieve this objective, the portfolio consists of a combination of foreign short-term, medium-term and long-term income generating securities. The Sub-Fund conforms to moral and cultural beliefs.

### Cumulative Returns

Cumulative Returns	(Apr-Dec) 2010	2011	2012	2013	2014	2015	2016	2017	2018	Return Since Inception	
										Cum	Ann
Oasis Crescent Global Income Fund	1.8	2.6	3.6	(0.4)	11.3	5.2	20.9	(4.8)	5.8	53.4	5.0

Performance (% returns) in GBP, net of fees, gross of non permissible income of the Oasis Crescent Global Income Fund since inception to 31 December 2018  
(Source: Oasis Research)

### Annualised Returns

Annualised Returns	% Growth 1 year	% Growth 3 year	% Growth 5 year	% Growth 7 year	Return Since Inception
					Annualised
Oasis Crescent Global Income Fund	5.8	6.8	7.3	5.6	5.0

Performance (% returns) in GBP, net of fees, gross of non permissible income of the Oasis Crescent Global Income Fund since inception to 31 December 2018  
(Source: Oasis Research)

### Diversification

% exposure to issuers within	OCGINF	Peer group average
Non-diversified commodity exporting countries	30	63
Diversified countries	70	37

Diversification of the Oasis Crescent Global Income Fund (31 December 2018).

(Source: Oasis Research; Morningstar Direct)

### Risk Profile & Yield

	OCGINF	Peer group average
Average Credit Rating	A-	BBB-
Modified Duration	3.2	3.7
YTM (%)	4.1	5.3

Risk Profile and Yield of the Oasis Crescent Global Income Fund (31 December 2018).

(Source: Oasis Research; Morningstar Direct)

Income instruments which carry a subordinated status are subject to significantly higher default risk than equivalent senior grade instruments and non-investment grade instruments are viewed as carrying significant speculative risk by ratings agencies such as S&P, Moody's and Fitch. (Reference S&P, Moody's and Fitch and Oasis Research).

Performance is indicative only and for the period from inception to December 2016, is based on the Class A (USD) Shares (Dist). It has been converted to GBP on a monthly basis using the closing GBP/USD exchange rate as published by Bloomberg. A pound sterling class was launched on 15 May 2012, and from January 2017 performance is based on the Class E (GBP) Shares (Dist). Past performance is not indicative of future returns.

GIPS compliant & verified

## Fund Manager Comments

As the global economy enters its tenth year of expansion, 2019 is likely to be the ebb tide of the economic cycle rather than its demise with slowing global growth, tighter financial conditions, benign inflation and low bond yields. The year will host a number of unpredictable but critical political and geopolitical events, creating choppy waters for investors and policymakers to navigate. With volatility returning to global financial markets in 2018, the narrative around synchronized global growth became more pessimistic. It is therefore important to recognise that the state of the world that investors have become accustomed to for the last decade is not going to continue indefinitely.

While the global economy holds the potential to maintain solid momentum in 2019, underpinned by the strength in US fundamentals and demand, economic divergences and policy differences among countries is prevalent. Growth is divergent, with many developed markets (DMs) still experiencing above trend growth while emerging markets (EMs) have slowed sharply amid currency weakness and tighter financial conditions. Global growth is expected to slow further but conditions should remain relatively benign through the first half 2019. The US economy is robust and the US consumer, which accounts for a hefty 70%\* of GDP, is still on a strong footing. The near-term outlook is also favourable for Europe and Japan as financial conditions are still very accommodative and temporary factors that have weighed on activity should wane. China is injecting stimulus with hopes to stir growth as they enter 2019, stabilising conditions in EMs more broadly.

The year ahead looks to be one of restrained global equity market performance. US companies have had a strong run in earnings and revenue growth in 2018 and a similar run in 2019 is unlikely. The hurdles come both from a slowing economy and steeper input costs. The US economy's growth rate is set to slow as the benefits of substantial fiscal stimulus from US tax cuts and greater public spending wane. Companies with low debt and high strong cash generation are expected to outperform as economic and earnings growth moderates. Additionally, with interest rates rising, the quality of earnings along with valuations will be an increasingly important investment consideration.

With key central banks still missing inflation targets, monetary policies are yet to normalise, and growth slowing, the economic environment is more vulnerable to the issues that lie ahead. From the unfathomable Brexit playbook and the continued prominence of populist ideology in Europe, to unconventional US foreign policy, uncertainty prevails. There are, however, key issues that will likely define the year ahead, starting with the US-China relationship that goes beyond tariffs. The US monetary policy is another defining issue where despite the booming economy, the Fed is still shrinking their balance sheet by \$50bn\*\*\* per month and the two expected hikes in 2019 are starting to bite. Despite the challenges, growth is expected to hover around its long-term average and while capacity constraints are becoming more noticeable in DMs, inflation is not expected to rise meaningfully. All in all, the International Monetary Fund (IMF) sees US growth slowing to 2.5% in 2019, from a projected 2.9% in 2018, while it forecasts European growth to come in at about 2% over 2018 and 2019\*\*. Overall, global economic growth is expected to hold steady at 3.7%\*\* in both 2018 and 2019 according to IMF forecasts.

Various developments including the US Fed rate hikes and balance sheet runoff, US-China trade war, EM economic and currency volatility, Brexit progress and rising softness in the housing and autos markets have cascaded down into the fixed income market resulting in negative total returns and volatility in credit spreads. In addition, playing in the background has been the inversion of the US yield curve which has led to the narrative of a possible economic slow-down in the near term.

After having been range bound for most of the year, the US 10 Year Treasury yield reached a seven-year high of 3.26%\* in October, but has since fallen back to levels below 3%. Relatively higher yields in 2018 have reflected the strong economic environment with higher inflation, accelerating wage growth and a relatively hawkish Fed providing further support. With fears of a rapid rise in inflation not materialising fully, coupled with limited upside to growth in 2019, the latest signals from the Fed have become more dovish. Consequently, the possibility that the Fed will soon be willing to pause the hiking cycle until the impact of past hikes become more visible has become more plausible. While the Fed hiked in December, taking the target range to 2.25% - 2.50%\*\*\*, it lowered its projections for future hikes to only 2 in 2019. Its outlook for the long-run funds rate was also reduced from 3% in the September forecast to 2.8% last December\*\*\*. The 2019 estimate declined to 2.9% from 3.1% and both 2020 and 2021 dropped to 3.1% from 3.4%\*\*\*.

In the Euro Area, Bund yields remain detached from economic fundamentals, with the ECB's rate guidance, concerns around Italy, and slower Eurozone growth weighing on yields. Italian government bond spreads are likely to remain in a wide trading range as long as the disputes with the EU continues. In other periphery markets, spreads should be less volatile and remain around current levels as fundamentals are more supportive and government policy less confrontational.

GIPS compliant & verified

### Contact us :

Oasis Global Management Company (Ireland) Ltd.

Authorised by the Central Bank of Ireland

Registration Number: 362471

4th Floor, One Grand Parade,

Dublin 6, Ireland

Tel: +353 1 495 9800 Fax: +353 1 495 9888

UK Free Phone: 0808 238 7543

Email : info@oasiscrest.com

www.oasiscrest.com

Custodian : BNP Paribas Securities Dublin Branch

### Disclaimer :

Undertakings for Collective Investments in Transferable Securities (UCITS) are generally medium to long term investments. Performance is indicative only and for the period from inception to December 2018, is based on the Class A (USD) Shares (Dist). It has been converted to GBP on a monthly basis using the closing GBP/USD exchange rate as published by Bloomberg. A pound sterling class was launched on 15 May 2012, and from January 2017 performance is based on the Class E (GBP) Shares (Dist). Past performance is not indicative of future returns.

**Warning: The value of your investment may go down as well as up and past performance is not a reliable guide to future performance.**

Commission and incentives may be paid and if so, would be included in the overall costs. Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period.

**Warning: Withdrawal from the product in the early period might affect the amount of money that the investor receives due to the practice of front-end loading, and the amount received might be less than the amount invested.**

A schedule of fees and charges and maximum commissions is available from Oasis Global Management Company (Ireland) Ltd. ("the Management Company") on request. UCITS are traded at ruling prices and forward pricing is used. Portfolios are valued at 08h00 daily using the previous day's prices as at 22h00 GMT. All necessary documentation must be received before 14h00. Investments are made globally across a number of countries and currencies.

**Warning: This product may be affected by changes in currency exchange rates.**

Prices are calculated on a net asset value basis which is the total value of all assets in the Oasis Crescent Global Income Fund, a "Sub-Fund" of Oasis Crescent Global Investment Fund (Ireland) plc (the "Fund"), 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.

**Warning: The income that an investor may get from an investment may go down as well as up.**

The Management Company and the Fund are regulated by the Central Bank of Ireland and the UCITS funds are managed in accordance with the UCITS regulations (Ireland). Performance figures quoted are from Oasis Research for the period ending 31 December 2018 for lump sum investment, using NAV-NAV prices with income distributions reinvested. Returns may vary depending on the actual date of investment and the actual date of reinvestment of income. The Key Investor Information Documents or a full Prospectus are available on request from the Management Company and Oasis Crescent Management Company Ltd. The Fund is regulated by the Central Bank of Ireland and the Sub-Fund is registered with the Financial Services Board for distribution in South Africa and with the Financial Conduct Authority for distribution in the United Kingdom. The Sub-Fund has a Total Expense Ratio (TER) of 0.49%, which is the average Net Asset Value of the portfolio incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The ratio does not include transaction costs. The current TER cannot be regarded as an indication of future TERs. Full details and basis of accolades received are available from the Management Company and Oasis Crescent Management Company Ltd. All information and opinions provided are of a general nature and the document contains no express or implied recommendation, warranty, guidance, advice or proposal that the products are appropriate to the investment objectives, financial situation or needs of any individual or entity. All data and information (unless otherwise stated) is as at 31 December 2018.