FUNDFACTS

OASIS

GLOBAL MANAGEMENT COMPANY (IRELAND) LIMITED

AUTHORISED BY THE CENTRAL BANK OF IRELAND

OASIS CRESCENT GLOBAL MEDIUM EQUITY BALANCED FUND — QUARTER 2 2018

Fund Manager	Adam Ebrahim	**Min. Initial Investment**	GBP 5,000
Launch Date	29 February 2012	**Min. Additional Investment**	GBP 1,000
Risk Profile	Low to Medium	**Fund Size**	GBP 13.8 million
Benchmark	OECD Inflation	**Total Expense Ratio**	1.23%

The benchmark is made up of the Consumer Price Index (CPI) rate of the OECD countries.

The Oasis Crescent Global Medium Equity Balanced Fund (OCGMEBF) is a specialist, worldwide asset allocation portfolio. The objective of the fund is to achieve medium to long-term growth of capital and income by investing on a global basis in securities that are ethically, morally and Shari'ah compliant. This objective is to be achieved by investing the Sub-Fund's Net Assets in a broadly diversified and balanced mixture of global securities. The range of investments will be allocated in the asset classes of equity, property and income.

Cumulative Returns

Cumulative Returns	(Mar-Dec) 2012	2013	2014	2015	2016	2017	YTD Jun 2018	Return Since Inception	
								Cum	Ann
Oasis Crescent Global Medium Equity Balanced Fund	1.8	11.1	14.3	2.5	23.3	(1.5)	(0.2)	60.7	7.8
OECD Inflation	1.5	1.4	1.6	0.7	1.4	0.1	1.6	11.1	1.7

Performance (% returns) in GBP, net of fees, gross of non permissible income of the Oasis Crescent Global Medium Equity Balanced Fund since inception to 30 June 2018
(Source: Oasis Research using www.oecd.org)

Note: OECD Inflation benchmark lags by 1 month.

Annualised Returns

Annualised Returns	% Growth 1 year	% Growth 3 year	% Growth 5 year	Return Since Inception
				Annualised
Oasis Crescent Global Medium Equity Balanced Fund	0.8	7.4	7.2	7.8
OECD Inflation	2.5	1.8	1.6	1.7

Performance (% returns) in GBP, net of fees, gross of non permissible income of the Oasis Crescent Global Medium Equity Balanced Fund since inception to 30 June 2018
(Source: Oasis Research using www.oecd.org)

Note: OECD Inflation benchmark lags by 1 month.

Asset Allocation

Asset Allocation	June 2018
	OCGMEBF %
Equity	48
Income	42
Property	10
Total	**100**

Asset Allocation of the Oasis Crescent Global Medium Equity Balanced Fund (30 June 2018)
(Source : Oasis Research)

Performance is indicative only and for the period from inception to October 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 November 2016 performance is based on the Class E (GBP) Shares (Dist). Past performance is not indicative of future returns.

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Fund Manager Comments

On the back of improving manufacturing output, trade volumes and commodity prices, the global economy entered 2018 with a broad and synchronised upswing firmly underway. The IMF forecasts that global economic growth will firm to 3.9% in both 2018 and 2019, after 3.6% in 2017. From a high base, both survey and actual data signaled that growth momentum eased somewhat over the early part of 2018. Unseasonably cold winter weather in March depressed activity in both the US and Europe, while there was also some moderation in Japan and China. The sharp 50% rise in oil prices since mid-2017 may be contributing to global growth headwinds particularly amongst the large oil importers like Europe, China and Japan. Given greater self-sufficiency from shale oil, the US economy has been partly shielded from rising oil prices.

Against the backdrop of a solid US economic upswing, the Federal Reserve has raised the Funds Rate seven times since December 2015, each by +25 basis points, to reach 2.00% in June 2018. With the labour market close to its full-employment equilibrium and the Treasury embarking on a late-cycle fiscal stimulus programme of tax cuts, the Federal Reserve continues to signal that further increases in the benchmark policy rate are likely over-coming quarters. The combination of a reflating economy as well as unfunded tax cuts have been putting upward pressure on the USD as well as the benchmark US 10-year Treasury yield, which has recently risen toward the 3.0% mark. Against the backdrop of an increase in the global risk-free rate, foreign capital flows toward relatively more risky Emerging Markets investments have come under pressure this year creating a challenging environment for the region.

The global economy faces a number of key risks. Most importantly, the normalisation of monetary policy in developed markets, in particular the US, may cause a faster-than-expected tightening of global financial conditions, which could impact market valuations and increase market volatility. The Trump administration recently announced tariffs on steel and aluminium imports and this was followed by the signature of a memorandum that paves way for the levying of tariffs on about US$50 billion worth of Chinese imports. These have led to corresponding retaliating actions by authorities from China, Canada and European Union, leading to fears of an escalating 'tit-for-tat' trade war. Finally, a rising USD could place additional pressure on those EM economies which have the highest corporate and government debt exposures.

The uncertainty in the global economic environment has extended to equity markets where the MSCI World Index which has retreated by 7% from its peak level reached in February. While earnings momentum remains strong, we are seeing a moderation of expected growth rates as corporates are increasingly concerned over the impact of the trade war and the economic pressure on Emerging Markets as interest rate normalise. Valuations for the key indices have come off recently and are now closer to long term averages. With heightened levels of volatility and geo-political risk factors impacting on financial markets, we believe investors need to be prudent and stock picking will be even more critical to generate long term value. During uncertain times, the market is likely to draw greater distinction between low and high quality companies which should play out favourably for our portfolio positioning.

The current REIT DY to 10yr bond yield spreads remain attractive relative to their long term averages and REITS with a high exposure to the major global cities, positive secular demand drivers, enhancing refurbishments and superior balance sheets are well positioned to outperform in a normalising interest rate environment. The level of supply in developed property markets has remained disciplined and net absorption remains positive in most of the markets. The Fund displays very attractive valuation characteristics with an average cash flow yield of 6.5% and dividend yield of 4.9% which offers value relative to the average bond yield of 2.4% and inflation of 2.5%.

Global benchmark yields remained close to 3.0% over the 2nd quarter. Continued evidence of economic recovery in the United States, ongoing balance sheet normalization from the Federal Reserve, and concerns over the impact of unfunded tax cuts on the fiscal deficit have all contributing to a secular rise in benchmark US yields. With the Fed projecting that the benchmark policy rate is likely to rise above 3.0% over the coming 2 years, further increases in the US 10-year yield are likely. Fixed income markets remain vulnerable to a disruptive tightening of monetary conditions, although restrained core inflation dynamics in the US and Europe suggests that central banks will likely withdraw monetary accommodation at a measured pace. Emerging Markets and High Yield corporate issuers, which have benefitted from unprecedented monetary easing in Developed Markets, may experience bouts of sudden outflows as benchmark yields continue to rise. Already, measures of volatility have risen although these remain low on a historical basis. There are some signs of credit tightening in money markets. Across our portfolios, Oasis' global income exposure thus continues to favour high quality issuers with sustainable cash flows, which is likely to benefit in an environment of volatility, as global monetary conditions normalize over the longer-term.

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