# FUNDFACTS

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

## OASIS CRESCENT GLOBAL MEDIUM EQUITY BALANCED FUND

JULY 2013

| | | | |
|---|---|---|---|
| **Fund Manager** | Adam Ebrahim | **Min. Initial Investment** | USD 5000 |
| **Launch Date** | 29 February 2012 | **Min. Additional Investment** | USD 1000 |
| **Risk Profile** | Medium | **Fund Size** | USD 7.63 million |
| **Benchmark** | OECD Inflation + 2%* | **Total Expense Ratio** | 2.38% |

* The benchmark is made up of the Consumer Price Index (CPI) rate of the OECD countries plus 2%.

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 | YTD July 2013 | Return Since Inception | |
|---|---|---|---|---|
| | | | Cumulative | Annualised |
| Oasis Crescent Global Medium Equity Balanced Fund | 4.3 | 8.3 | 13.0 | 9.0 |
| OECD Inflation* | 1.5 | 1.2 | 2.8 | 1.9 |

**Performance (% returns) in US Dollars, gross of fees, gross of non permissible income of the Oasis Crescent Global Medium Equity Balanced Fund since inception to 31 July 2013**
(Source: Oasis Research)
*Note : The Benchmark for this fund is OECD Inflation + 2%, OECD Inflation benchmark lags by 1 month

### Annualised Returns

| Annualised Returns | % Growth 1 year | Return Since Inception |
|---|---|---|
| | | Annualised |
| Oasis Crescent Global Medium Equity Balanced Fund | 13.5 | 9.0 |
| OECD Inflation* | 1.7 | 1.9 |

**Performance (% returns) in US Dollars, gross of fees, gross of non permissible income of the Oasis Crescent Global Medium Equity Balanced Fund since inception to 31 July 2013**
(Source: Oasis Research)
*Note : The Benchmark for this fund is OECD Inflation + 2%, OECD Inflation benchmark lags by 1 month

### Asset Allocation

| Asset Allocation | July 2013 |
|---|---|
| | OCGMEBF |
| Equity | 48 |
| Income | 36 |
| Property | 16 |
| **Total** | **100** |

**Asset Allocation of the Oasis Crescent Global Medium Equity Balanced Fund (31 July 2013)**
(Source : Oasis Research)

**GIPS compliant & verified**

## Fund Manager Comments

The global economy is expected to grow by 3.3% in 2013 with the growth primarily being driven by developing economies. The developed world has started to show some signs of improvement as they gain competitiveness through lower unit labour costs with growth in the US and EU expected to accelerate going into 2014. However, the rate of growth in developed economies is likely to remain muted given the need for continued austerity and fiscal constraints on government balance sheets. Private sector spending and job creation is likely to be key in sustaining economic growth within the developed world. Developing economies face some short term challenges due to rising unit labour costs and increase in cost of living which is transpiring into social unrest as seen in Brazil and South Africa. At the same time, the Chinese government has been tightening monetary policy to reduce lending and reign in the property market. These challenges do make the short term outlook for developing economies slightly uncertain. However, we believe that these developing economies including Sub-Saharan Africa are well positioned for long-term growth given favourable demographics, the continuing trend of urbanization and relatively stable government balance sheets. Lastly, while capital markets have been jittery on talks of tapering off of Quantitative Easing (QE) in the US, we believe that monetary policy normalization would be a sign of robust underlying fundamentals and improving unemployment levels and should be viewed as a positive element of sustainable long-term growth.

Global equity markets have continued to move higher during 2013 with the MSCI World Index continuing its march upward albeit at a slower pace than before. The rise has been on the back of corporate earnings being robust and some upward momentum noted in major developed economies such as the US. With financial markets having benefitted from the various QE programmes of major global central banks over the past few years, the proposed tapering of QE by the Fed has impacted the global equity markets of late with higher volatility being realised. While the proposed reduction of QE over the next 2 years does impact financial markets, the confidence that sustainable economic growth is improving in major developed economies such as the US provides some comfort. Importantly, this should drive investors to focus on higher quality companies with an emphasis on stock picking. This bodes well for asset managers like us who have maintained our investment philosophy of investing in high quality companies which have strong competitive advantages, and the ability to leverage off those competitive advantages to deliver a higher level of sustainable Return on Equity (ROE) through the economic cycle. We believe that companies which have healthy balance sheets and strong cash flows have the ability to sustain themselves during challenging economic environments while delivering real earnings growth over the long-term. Our portfolio trades at a significant discount to the global equity market across various measures and provides sustainably higher ROE through the economic cycle. This should result in real wealth creation for our clients over the long term.

Supply of global property has been very low over the past five years and demand is recovering, especially for better quality properties. It has become more difficult for REITS to find good quality acquisitions that offer value and their focus is on refurbishing or extending existing properties that are in strong locations. The increase in global bond yields are a risk for REIT valuations and financing cost, but the REITS that have a competitive advantage and well structured balance sheets will deliver stronger income growth and outperform in this environment. In addition, global REIT cash flow yields (FFO yield) and dividend yields are still attractive relative to bond yields.

Based on the improving growth outlook for the US economy, the Federal Reserve has indicated its willingness to reduce the level of stimulatory support which resulted in yields increasing from the low levels reached during April 2013. However, the Federal Reserve is expected to be prudent in their action with the objective of ensuring that the increase in yields has a measured impact on the global economy and markets.

**GIPS compliant & verified**

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