FUNDFACTS

OASIS

GLOBAL MANAGEMENT COMPANY (IRELAND) LIMITED

AUTHORISED BY THE CENTRAL BANK OF IRELAND

OASIS CRESCENT VARIABLE BALANCED FUND

4TH QUARTER 2016

Fund Manager	Adam Ebrahim	**Min. Initial Investment**	GBP 5,000
Launch Date	12 September 2014	**Min. Additional Investment**	GBP 1,000
Risk Profile	Low to Medium	**Fund Size**	GBP 4.6 million
Benchmark	UK CPI	**Total Expense Ratio**	1.03%

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

The Oasis Crescent Variable Balanced Fund seeks to provide investors with capital growth and income over the medium to long term, which amounts to a period of over five years. The Fund is invested in a broadly diversified and balanced mixture of global securities that are listed on various international exchanges.

The range of investment instruments will include equity, fixed income, debt securities issued by governments and/or companies, property and cash or cash equivalent asset classes. The portfolio may have a particular bias at any given time to either equity securities or to non-equity securities, as it allows the fund manager to make discretionary choices when making asset allocation decisions. These investment decisions will always be made within the constraints of the Fund's ís objective and investment policy. The Oasis Crescent Variable Balanced Fund may invest in markets which the Investment Manager considers as emerging markets and will not invest in financial derivative instruments.

Cumulative Returns

Cumulative Returns	(Sept-Dec) 2014	2015	2016	Return Since Inception	
				Cum	Ann
Oasis Crescent Variable Balanced Fund	3.0	0.3	7.2	10.8	4.6
UK CPI	(0.1)	0.1	1.2	1.2	0.5

Performance (% returns) in GBP, net of fees, gross of non permissible income of the Oasis Crescent Variable Balanced Fund since inception to 31 December 2016
(Source: Oasis Research using Bloomberg)
Note: UK CPI benchmark lags by 1 month

Annualised Returns

Annualised Returns	% Growth 1 Year	Since Inception
		Annualised
Oasis Crescent Variable Balanced Fund	7.2	4.6
UK CPI	1.2	0.5

Performance (% returns) in GBP, net of fees, gross of non permissible income of the Oasis Crescent Variable Balanced Fund since inception to 31 December 2016
(Source: Oasis Research using Bloomberg)
Note: UK CPI benchmark lags by 1 month

Asset Allocation

Asset Allocation	Dec 2016
	OCVBF %
Equity	44
Income	42
Property	14
Total	**100**

Asset Allocation of the Oasis Crescent Variable Balanced Fund (31 December 2016)
(Source : Oasis Research)

GIPS compliant & verified

Fund Manager Comments

The past year has been defined most prominently by a sharp increase in nationalist and populist rhetoric in a number of developed countries. The US presidential election ultimately saw an emboldened Donald Trump emerge victorious in a blow to globalisation and international trade, while reinvigorating short term nominal GDP growth expectations in the world's largest economy. In the UK, citizens voted to leave the European Union, effectively rejecting the trade and immigration benefits which come with continental integration in favour of a more isolated and protectionist policy stance. Both these developments have the potential to impact global economy significantly, depending crucially on the scale and intensity of implementation by new leaders, while 2017 elections in Germany, France and the Netherlands may give us even further evidence of the structural shift in public sentiment that we have seen so far. In emerging markets (EM) we continue to see a number of structural changes, including those taking place in China, where the government is pursuing a host of supply-side reforms. In the past year however, China has stimulated its economy somewhat through fiscal and monetary measures, which has stabilised growth expectations for 2017. Furthermore, a number of EM economies, such as Russia and Brazil are emerging from deep recessions, which is likely to prop up global growth to some extent. Overall, we expect global GDP growth to improve moderately over the next year, with risks evenly balanced.

Monthly economic data coming out of the UK has surprised many on the upside, as there is little evidence of a major slowdown in spending activity in the quarters following the Brexit vote. However, as consumer inflation is likely to pick up materially in the near term, an eventual slowdown in consumer spending is still expected to drag on GDP growth over the next year. Additionally, a decline in business confidence statistics implies further headwinds from an investment perspective, and economy-wide capex could fall during the next 12 months. While net exports are expected to be an offsetting tailwind, the impact of the expected consumption and investment decline is likely to result in an overall economic slowdown. It remains to be seen what kind of relationship the UK will have with the EU from outside the bloc over the longer term, and a wide range of economic and political outcomes are possible. As such, the political process through which the UK exits the union may have long term consequences for wealth and income in the economy.

Global equity markets have had a relatively strong year driven by valuation re-rating despite a volatile economic and political environment. Most global equity markets are now trading either in line or at a premium to their long-term valuations. Through most of the year, continuation of Quantitative Easing (QE) from the European Central Bank and the Bank of Japan along with speculation of a more moderate hiking cycle in the US had been providing support to equity valuations. However, during 4Q16 investor focus shifted towards potential fiscal stimulus in the US and the consequent reinvigoration of short term nominal GDP growth which led to equity markets continuing to rally despite the increase in the US fed fund rate and the inching up of global bond yields. While expectation of higher nominal economic growth in the US has continued to underpin equity market performance despite the reversal in bond yields, we believe investors need to be mindful that these expectations are currently speculative and there is still significant uncertainty regarding sustainability of any expansionary fiscal measures. Given a backdrop of increased economic uncertainty, rising funding costs through higher bond yields and equity market valuations at a premium to their long-term averages, we believe investors need to continue focusing on quality and value. During uncertain times, the market is likely to draw greater distinction between low and high quality companies which should play out very favourably for our portfolio positioning.

Our share selection criteria continues to focus on market leaders which have sustainable competitive advantages and the ability to deliver superior Return on Equity (ROE) through the economic cycle. The higher free cash flow yields and stronger balance sheets of the companies in our portfolio ensures that they are able to invest in their businesses through the cycle, while providing sustainable returns to shareholders through dividends and share repurchases. Over the short to medium term, given increased Brexit related volatility, our portfolios remain well positioned to benefit by acquiring high quality companies at relatively attractive valuations, which is likely to lead to greater real wealth creation over the long-term. At the same time, some of the multinational companies in the portfolio should benefit from the weakness in the British Pound as a result of significant profit generation outside of the UK.

The UK property market has been volatile due to the uncertainty with regards to Brexit and it is important for REITS to remain disciplined in their capital allocation. In the current environment, stock selection is becoming increasingly important and REITS with stronger rental growth, enhancing developments and superior balance sheets are well positioned to outperform over the medium term.

Our variable balanced portfolio is well diversified allowing for a relatively lower level of risk and is positioned to generate real returns for our clients over the long term.

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