FUNDFACTS

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

OASIS CRESCENT GLOBAL SHORT-TERM INCOME FUND

JULY 2018

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 19.6 million
Risk Profile	Low	**Total Expense Ratio**	0.40%

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	YTD July 2018	Return Since Inception	
					Cum	Ann
Oasis Crescent Global Short-Term Income Fund	(1.1)	1.1	1.7	0.5	2.3	0.7

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 July 2018

(Source: Oasis Research)

Annualised Returns

Annualised Returns	% Growth 1 year	% Growth 3 year	Return Since Inception
			Annualised
Oasis Crescent Global Short-Term Income Fund	1.1	0.8	0.7

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 July 2018

(Source: Oasis Research)

Portfolio Characteristics

Weighted Duration Target (Yrs)	Average Credit Rating	YTM (%)
1.2	A+	2.8

Portfolio Characteristics of the Oasis Crescent Global Short-Term Income Fund (31 July 2018)

(Source: Oasis Research, Bloomberg)

GIPS compliant

Portfolio Geographical Exposures

Country/Region	% of NAV
Emerging Markets	34
Supranational	32
Europe	26
Cash	8
Total	**100**

Portfolio Geographical Exposures of the Oasis Crescent Global Short-Term Income Fund (31 July 2018)
(Source: Oasis Research, Bloomberg)

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.

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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