

# OASIS CRESCENT



MANAGEMENT COMPANY LIMITED

## OASIS COLLECTIVE INVESTMENT SCHEME

### KEY INVESTOR INFORMATION

#### OASIS CRESCENT INCOME FUND

#### 1ST QUARTER 2018

Investment Manager	Adam Ebrahim	Min. Monthly Investment	R 500
Launch Date	31 March 2010	Min. Lump - Sum Investment	R 2,000
Risk Profile	Low	Fund Size	R 2.2 billion
Distribution Period	Monthly	Total Expense Ratio	0.67%
Fund Classification	South African Multi Asset-Flexible	Class A	
		Distribution	0.2741 cents per unit

#### Investment Objective and Policy

The Oasis Crescent Income Fund is a Shari'ah compliant fund. The Oasis Crescent Income Fund is a specialist income portfolio. The primary objective is to provide income from the underlying investments. To achieve this objective, the portfolio consists of a combination of south african and global short-term, medium-term and long-term income generating securities permitted by the Collective Investment Schemes Control Act under Notice 90 of 2014.

The portfolio may also include participatory interests or other forms of participation in collective investment scheme portfolios where such collective investment scheme portfolios are generating periodic income flows. Where the aforementioned portfolios are operated in territories other than South Africa, participatory interests or other forms of participation in these portfolios will be included in the portfolio only where the regulatory environment and investor protection provided is of an international standard and is to the satisfaction of the manager and trustee. The Trustee ensures that the investment policy set out in the supplemental deed is carried out.

*This document constitutes the minimum disclosure document and quarterly general investor's report*

## Cumulative Returns

Cumulative Performance	(Mar-Dec) 2010	2011	2012	2013	2014	2015	2016	2017	YTD Mar 2018	Return Since Inception	
										Cum	Ann
Oasis Crescent Income Fund	3.5	7.0	6.6	8.3	7.0	9.8	4.5	5.8	1.1	67.9	6.8

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

Annual returns for every year since inception are reported in this table and the highest and lowest annual returns are disclosed.

## Annualised Returns

Annualised Returns	% Growth 1 year	% Growth 3 years	% Growth 5 years	% Growth 7 years	Return Since Inception
					Annualised
Oasis Crescent Income Fund	5.3	6.4	6.9	6.9	6.8

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

Annualised return represents the compound growth rate of the fund over the respective period and calculated in accordance with Global Investment Performance Standards.

## Distribution

Distribution	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Oasis Crescent Income Fund	0.1071	0.5956	0.6845	0.5829	0.5082	0.4285	0.7017	0.5711	0.5604	0.5159	0.5022	0.2741

Distribution (cents per unit), of the Oasis Crescent Income Fund over the past 12 months.

(Source: Oasis)

## Investment Manager Commentary

The global economy entered 2018 with a synchronised upswing firmly underway, driven by improving manufacturing output, trade volumes and commodity prices. In January 2018, the IMF upgraded its forecasts further and now expects global economic growth to firm to 3.9% in both 2018 and 2019, after 3.6% in 2017, a pace comfortably above the 3.2% recorded in 2016, when there were widespread concerns over secular economic stagnation. The synchronised global economic upswing has led to narrower output gaps and, together with higher oil prices, has provided the basis for reflation. However, inflation increases have remained measured suggesting some economic 'slack' is still prevalent in key economies. From 0.8% in 2016, the IMF projects inflation in Developed Markets will average 1.7% in 2018 and 2.1% in 2019, in line with most central bank's target levels.

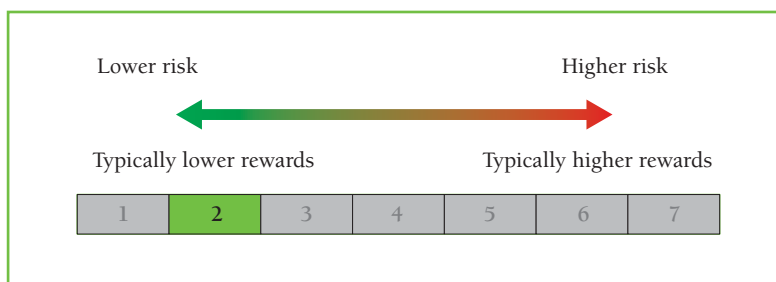
Against the backdrop of US economic upswing, the Federal Reserve has raised the Funds Rate six times since December 2015, each by +25 basis points, to reach 1.75% in March 2018. The improving job market has supported growth in disposable income and helped underpin consumer spending. A series of tax cuts have been implemented with a view of boosting investment and employment. As things stand, the plans are unfunded and will over the long-term add significantly to the fiscal deficit. 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. Steps by President Trump to add tariffs on steel and aluminium imports has led to corresponding steps by the Chinese authorities, leading to fears of an escalating 'tit-for-tat' trade war. Finally, China's high level of corporate indebtedness and lack of transparency on local government balance sheets also poses a key risk to the domestic economy and, by extension, the global economy too.

The South African economy has continued to perform well below its long-term potential given domestic headwinds from corruption, poor governance within the State Owned Enterprise (SOE) sector and uncertainties around the political landscape. The election of Cyril Ramaphosa as National President in February 2018 will be looked back on as a pivotal moment if he is successful in tackling deep-seated corruption and introducing growth-supportive economic policies. The 15% appreciation of the Rand since the ANC's National Conference in mid-December shows a vote of confidence by financial markets. If Ramaphosa is able to fulfil these expectations, the stronger Rand will improve inflation outcomes by protecting the economy from rising oil prices and provide scope for the South African Reserve Bank to maintain an accommodative monetary stance.

Fiscal tightening measures announced in the February 2018 Budget, which included an increase in the VAT rate from 14% to 15%, will provide a headwind of around 0.5 percentage points to GDP growth. While the fiscal tightening and the more market-friendly Ramaphosa administration led Moody's to retain its investment grade rating and placing South Africa on a stable outlook, risks to the rating outlook remain should economic growth disappoint over the coming year. The current account deficit may have reached its narrowest point in 3Q 2017 with higher import volume growth stemming from a recovery in economic activity. In this respect, a decline in terms-of-trade is a key risk for South Africa's external position at the current juncture.

Benchmark yields have fallen notably in the aftermath of Cyril Ramaphosa's election as ANC President in December 2017. Tough steps taken to restrain the fiscal deficit in the February 2018 Budget followed by Moody's decision to retain its investment grade rating for South Africa and switching to a stable outlook have all been supportive of bonds. The benchmark R186 yield has fallen by around 130bp to around 8.15% since November 2017. After a lengthy pause following its 25 basis point rate cut in July 2017, the South African Reserve Bank followed up with another 25 basis point rate cut in March 2018, taking the repo rate to 6.50%. Given the split 4-3 MPC vote and rising global yields, it would seem likely that South Africa is not about to enter a major rate cutting cycle, notwithstanding recent Rand strength. Amidst the volatility, our income exposure has been very well positioned to provide downside protection relative to peers. In this environment, short term increases in benchmark yields do provide us with important buying opportunities in order to maximize the risk-adjusted return of the funds over the long term.

## Risk and Reward Profile



The risk and reward indicator:

- The above risk number is based on the rate at which the value of the Fund has moved up and down in the past
- The above indicator is based on historical data and may not be a reliable indication of the risk profile of the Fund
- The risk and reward category shown is not guaranteed and may shift over time
- The lowest category does not mean 'risk free'.

**The Fund may also be exposed to risks which the risk number does not adequately capture. These may include:**

- The value of stock market investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back the original amount you invested
- Any investment in international companies means that currency exchange rate fluctuations will have an impact on the Fund
- The Fund invests in a variety of geographic regions and countries. It is therefore exposed to the market sentiment of that specific geographic region or country. This level of diversification is appropriate to deliver on our objective to generate real returns at a lower volatility for our clients over the long term.

## Fees and Charges\*

Fee Type	Financial Advisor	Administrator	Investment Manager
Initial	No charge	No charge	No charge
Ongoing	The initial financial advisor fee is limited to 0.5%.	0%	0.5%

\* Excluding VAT. No performance fees. A fixed fee of 0.5% per annum will be charged and is calculated and accrued daily based on the daily market value of the investment portfolio and paid to the investment manager on a monthly basis.

## Total Expense Ratio

Class A of the portfolio has a Total Expense Ratio (TER) of 0.67% for the period from 1 January 2015 to 31 December 2017. 0.67% of the average Net Asset Value of the portfolio was 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 current TER cannot be regarded as an indication of future TERs. The ratio does not include transaction costs. Transaction cost was 0.00%.

Total Expense Ratio	0.67%	Service Fees	0.50%	Performance Fees	-	Other Costs	0.10%	VAT	0.07%
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## Disclaimer

This document is the Minimum Disclosure Document in terms of BN92 of 2014 of the Collective Investment Schemes Control Act, 2002 and also serves as a fund fact sheet. Collective Investment Schemes in Securities (CIS) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future.

Different classes of units apply to some of the Oasis Funds, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available from the management company on request. Commission and incentives may be paid and if so, would be included in the overall costs. CIS are traded at ruling prices and forward pricing is used. CIS can engage in borrowing and scrip lending. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. No guarantee is provided with respect to capital or return.

Portfolios are valued at 15h00 daily. All necessary documentation must be received before 10h00. CIS are calculated on a net asset value basis which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio which may include brokerage, commissions, STT, auditor's fees, bank charges, trustee and custodian fees. CIS prices are available daily on [www.oasiscrescent.com](http://www.oasiscrescent.com).

The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Oasis is a member of the Association for Savings and Investment SA. The above portfolio performance is calculated on a NAV to NAV basis and does not take initial fees into account. Income is reinvested on the ex dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Figures quoted are from Micropal and I Net Bridge for the period ending 31 March 2018 for a lump sum investment using NAV-NAV prices with income distributions reinvested.

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 product is appropriate to the investment objectives, financial situation or needs of any individual or entity.

Oasis Crescent Management Company Ltd. is registered and approved in terms of the Collective Investment Schemes Control Act, 2002. Investment performance is for illustrative purposes only and is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown and the income is reinvested on the reinvestment date. The manager has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. This Minimum Disclosure Document is published quarterly. Additional investment information (including brochures, application forms, annual and half-yearly reports) can be obtained free of charge from Oasis. Oasis Crescent Capital (Pty) Ltd. is the investment management company of the manager and is authorized under the Financial Advisory and Intermediary Services Act, 2002 (Act No.37 of 2002). Data are sourced from Oasis Research using I-Net Bridge (31 March 2018). Kindly note that this is not the full Terms and Conditions. To view the latest Terms and Conditions please visit [www.oasiscrescent.com](http://www.oasiscrescent.com).

GIPS compliant & verified

## PROTECTING AND GROWING YOUR WEALTH

### Product Provider:

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### Custodian:

The Standard Bank of South Africa Limited  
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20th Floor, Main Tower  
Standard Bank Centre  
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### Complaints:

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