FUNDFACTS

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

OASIS CRESCENT VARIABLE BALANCED FUND

JANUARY 2016

Fund Manager	Adam Ebrahim	**Min. Initial Investment**	GBP 5,000
Launch Date	12 September 2014	**Min. Additional Investment**	GBP 1,000
Risk Profile	Medium	**Fund Size**	GBP 2,35 million
Benchmark	UK CPI	**Total Expense Ratio**	0.65%

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	YTD 2016	Return Since Inception	
				Cum	Ann
Oasis Crescent Variable Balanced Fund	3.0	(0.3)	0.3	2.9	2.2
UK CPI	(0.1)	0.1	0.2	0.2	0.1

Performance (% returns) in GBP, gross of fees, gross of non permissible income of the Oasis Crescent Variable Balanced Fund since inception to 31 January 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	(1.4)	2.2
UK CPI	0.2	0.1

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

Asset Allocation

Asset Allocation	Jan 2016
	OCVBF %
Income	50
Equity	31
Property	19
Total	**100**

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

GIPS compliant & verified

Fund Manager Comments

A restructuring of the Chinese economy continues to weigh on import demand and hence commodity prices, with global growth expectations being revised moderately lower during the second half to 3.1%. Positive growth impulses in the Euro area and Japan have offset the Chinese slowdown to some extent, while steady consumer demand and a tightening jobs markets in the US and UK have driven their trade weighted currencies significantly higher. Relative weakness in emerging market capital flows has seen a decline in official foreign currency reserves over the period, although weaker currencies as well as pockets of structural reform have improved their global competitiveness on average, reflected by narrowing current account deficits in countries such as India and Indonesia. Overall, global monetary conditions remain loose, and significant capacity for government support in China should provide for a continued orderly transition towards a consumer-led economy, while the US Federal Reserve's monetary policy committee is expected to follow a relatively shallow hiking cycle over the medium term.

The UK economy has fared well in the context of weakness in some of its major trading partners, growing at the fastest rate of all G7 countries over the previous two years. Declines in inflation and relatively buoyant residential property prices have underpinned strong consumer confidence in the economy, boosting retail sales and overall spending activity in recent months. Industrial activity however remains relatively subdued, resulting in a somewhat wider current account deficit, while a slowdown in construction volumes has further contributed to a softer headline GDP figure. Growth expectations for the year remain relatively resilient at 2.5%, on the back of elevated consumer spending and continued easy monetary conditions in the near term. Furthermore, the August Statement delivered in Q4 2015 saw the GDP growth outlook for 2016 and 2017 revised upwards from projections made in July, entrenching the UK economic recovery even further.

Global equity markets have remained volatile over the past quarter as the US moves closer towards monetary policy normalisation. In light of this, instrument quality has become increasingly relevant as credit spreads have widened – particularly those of high yield bonds. The increasing cost of funding will negatively impact earnings and valuations of highly geared companies, thus making stock selection more important. Equity risk premiums remain elevated, supported by the low level of bond yields, which should continue to provide some support to equity market valuations. However, with global equity market valuations relatively in line with their long-term averages and volatility expected to remain elevated, we believe the market will continue to show greater distinction between high quality and low quality companies, emphasizing the importance of investing in companies with strong competitive advantages, healthy balance sheets and sustainable cash flows. The UK market also experienced some pressure during the past quarter with valuations starting to move towards more normal levels. The financials and resource counters are weighing on both profitability and performance however there are unique opportunities across the board where high quality companies can be acquired at attractive multiples. This changing environment bodes well for our portfolios as we have maintained our investment in high quality companies that 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.

In the UK property market the growth in demand for space continues to support higher occupancy and positive rental reversion. Due to the high levels of investor interest and liquidity, the capitalisation rates for property valuations are close to their peak levels and it is important for REITS to utilise the opportunity to recycle their properties and to be disciplined on acquisitions. 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 as bond yields normalise over the medium term.

Based on the stable employment outlook for the UK economy, the BoE is on track to normalize its monetary policy stance over the next two years. However, by remaining sensitive to developments in macroeconomic conditions, including a rapid strengthening of the pound, UK policymakers have shown that they will be prudent in their actions, and will likely adapt to any unanticipated slowdown in the economy by tempering the tightening cycle. Long term yields have shifted steadily off their lows over the prior two years, and are expected to continue on a medium term upward trend as monetary policy normalises.

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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