

Oasis launches SA's first sharia-compliant worldwide fund of funds

STAFF REPORTER

Oasis Crescent unit trust management company has launched the first sharia-compliant worldwide fund of funds available to South African investors who wish to make rand-denominated foreign investments. The fund is called the Oasis Crescent Worldwide Flexible Fund of Funds.

Sharia (Islamic law) prohibits transactions that involve interest, gambling, speculation, unethical investments and pornography.

The Oasis Crescent Worldwide Flexible Fund of Funds comprises underlying funds that are part of the Oasis Crescent range of funds locally and globally.

Each of these funds has its own specific mandate and is run by specialist asset managers. The underlying funds are domestic equity, global equity, domestic property, global property, domestic income and global income funds. This means that investors in the Oasis Crescent Worldwide Flexible Fund of Funds are exposed to different asset classes and local and offshore markets with greater asset allocation flexibility.

Ebrahim Allie, the head of Gauteng client service at Oasis Asset Management, says: "While investors can go directly into these underlying funds, the fund of funds set-up adds

the expertise of asset allocation and weightings for the investor. The investment manager watches the markets closely and makes purchases into the underlying portfolios accordingly."

While the ratio of the underlying funds will vary over time, offshore investments will initially make up to 80 percent of the Worldwide Flexible Fund of Funds, with local investments making up the balance.

REASONS TO GO OFFSHORE

Allie says there are a number of reasons for local investors to diversify a portion of their portfolios into offshore markets.

"The rand is at very attractive levels at present, providing South African investors with a good opportunity to increase their offshore exposure. It is also important that investors protect themselves and maintain diversified portfolios by having appropriate exposure to different geographies and asset classes, thereby reducing their risks."

The minimum investment for the Worldwide Flexible Fund of Funds is a lump sum of R2 000 or a monthly debit order of R300.

The costs are an annual management fee of 1.71 percent (including VAT) and a maximum upfront fee of 5.13 percent (including VAT), which is reduced for large investments.

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