

# SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS 2020



OASIS CRESCENT PROPERTY FUND

## INVESTING IN YOUR TOMORROW

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OASIS





## CORPORATE INFORMATION

### OASIS CRESCENT PROPERTY FUND

A property fund created under the Oasis Crescent Property Trust Scheme registered in terms of the Collective Investment Schemes Control Act (Act 45 of 2002) having REIT status with the JSE Limited

Share code: OAS

ISIN: ZAE000074332

(“OCPF” or “the Fund”)

#### Registered office of OCPF

Oasis House  
96 Upper Roodebloem Road  
University Estate  
Cape Town, 7925  
(PO Box 1217, Cape Town, 8000)

**Date of Incorporation:** 23 November 2005

**Place of incorporation:** Pretoria, RSA

#### Trustee

FirstRand Bank Limited  
(Registration number 1929/001225/08)  
3 First Place Bank City  
Cnr Simmonds & Jeppe Street  
Johannesburg, 2001  
(PO Box 7713, Johannesburg, 2000)

#### Manager

Oasis Crescent Property Fund Managers Limited  
(Registration number 2003/012266/06)

#### Principal office of the manager

Oasis House  
96 Upper Roodebloem Road  
University Estate  
Cape Town, 7925  
(PO Box 1217, Cape Town, 8000)

#### Transfer secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196  
(Private Bag X9000, Saxonworld, 2132)

#### Directors and company secretary of the manager

##### Directors:

M S Ebrahim\* (Executive Chairman)

N Ebrahim\*

M Swingler\* (Financial Director)

Z Ebrahim\*

Dr Y Mahomed+

AA Ebrahim+

E Mohamed+

A Mayman+

\* executive

+ independent non-executive

#### Designated advisor

PSG Capital Proprietary Limited  
(Registration number 2006/015817/07)  
1st Floor  
Ou Kollege Building  
35 Kerk Street  
Stellenbosch, 7600  
(PO Box 7403, Stellenbosch, 7599)

and

2<sup>nd</sup> Floor  
11 Alice Lane  
Sandhurst  
Sandton, 2196  
(PO Box 650957, Benmore, 2010)

#### Company secretary:

N Ebrahim (B.Soc.Sc., B.Proc.)



## MANAGER'S REPORT

# INTRODUCTION

The Oasis Crescent Property Fund ("the Fund") is a well-diversified real estate investment trust ("REIT") invested in South African direct property investments and high quality global listed REITs. The Fund is focused on meeting all tenant needs and maintaining world class facilities.

In line with our philosophy, a key differentiator between the Fund and the rest of the SA listed REITs is that it is one of the few SA REITs, if not the only, that has no debt. This absence of debt and financial leverage delivers a sustainable rate of growth during the normal course of operations but more importantly, the Fund is not exposed to the risk and negative effects of financial leverage during difficult times as we are currently experiencing. This is very evident from the volatility of the SA listed property index (SAPY) which is down by 47% on a total return basis over the year to March 2020 while the Oasis Crescent Property Fund is up by 6% over the same period. We have already seen that some SA REITs are suspending their dividend payments over the short term in order to protect their balance sheets.

The measures taken by the SA Government to counter the spread of the Covid-19 pandemic did not have an impact on rental income during this reporting period to 31 March 2020 and the impact going forward is dealt with in more detail under the Subsequent Events and Outlook section below.

The objective of Oasis Crescent Property Fund Managers Ltd ("the Manager" or "OCPF") is to protect and grow the real wealth of investors by providing sustainable growth in net asset value ("NAV") and delivering a consistent income stream that has potential to grow. This objective is achieved through our diversification strategy and the active management of the direct property portfolio as covered in more detail under the Portfolio Overview section below. Our focused approach has delivered significant real wealth creation for investors with an annualised total unitholder return of 12.0% since inception relative to 7.5% annualised return for the SAPY and annualised inflation of 5.7% since inception, resulting in a real return of 6.3%. The Fund's annualised total intrinsic value return is 11.9% per annum since inception.

		Figures in %														
Cumulative returns	Since Inception	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006
		Unitholder return	411.8	382.9	349.7	321.1	286.3	227.3	165.3	125.9	104.2	89.3	68.3	53.6	40.8	31.0
Intrinsic value return	404.3	387.7	334.7	312.2	302.8	248.7	194.6	161.0	124.1	101.5	81.0	57.9	48.4	27.3	11.6	
Inflation	121.2	111.4	103.1	95.2	83.7	71.7	65.2	56.0	47.3	39.0	33.5	27.0	14.2	6.3	1.4	
Annual Returns	Since Inception	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006
		Unitholder return	12.0	6.0	7.4	6.8	9.0	18.0	23.4	17.4	10.7	7.8	12.5	9.6	9.1	7.5
Intrinsic value return	11.9	3.4	12.2	5.4	2.3	15.5	18.4	12.9	16.4	11.2	11.3	14.6	6.4	16.5	14.1	11.6
Inflation	5.7	4.6	4.1	4.0	6.3	7.0	3.9	5.9	5.9	6.0	4.1	5.1	11.2	7.4	4.8	1.4
Market Price (cents)		2 125	2 100	2 060	2 025	1 950	1 750	1 500	1 350	1 300	1 290	1 230	1 210	1 200	1 201	1 151
NAV (cents)		2 172	2 198	2 059	2 050	2 101	1 919	1 706	1 587	1 439	1 376	1 320	1 235	1 254	1 154	1 087

## 2 MARKET OVERVIEW

The measures taken by Governments to counter the spread of the Covid-19 pandemic during Q1 2020 are impacting all role players in the global property market. However, there is a lot of support from Governments for property owners and tenants in the developed markets which will alleviate some of the pressure. The full impact of tenant assistance and relief on rental income and REIT balance sheets will come through in Q2 2020 but a lot has already been reflected in the market movements of listed REITs during Q1 2020.

## MANAGER'S REPORT

The Covid-19 lockdown measures are starting to impact the SA property market and the major property bodies in SA have formed a Property Industry Group to collectively engage on behalf of the commercial real estate sector. Engagement is ongoing with regards to assistance and relief for tenants that have been hardest hit by complying with the lockdown. The key differences between the SA and Global Property market is that the SA market entered Covid-19 with a weak economy and property fundamentals with negative rental reversions and the SA government has limited capacity to support the property sector. We have already seen that SA REITs are suspending their dividend payments over the short term in order to protect their balance sheets.

A positive is that we will see very low levels of capital investment and development activity which curtails new supply and creates an improving environment for existing property owners over the medium to longer term. It is also important to remember that property valuations are based on the long term cash flows that will be generated by the property and the biggest disruption caused by this pandemic is expected to be of a short term nature.

### 3 PORTFOLIO OVERVIEW

Assets Employed	FY2020		FY2019		FY2018	
	(R'mil)	%	(R'mil)	%	(R'mil)	%
Direct Property	742	51	740	52	687	54
Global Investments	497	34	507	35	398	31
Cash, SA Investments and other	209	15	181	13	196	15
<b>Total</b>	<b>1,448</b>	<b>100</b>	<b>1,428</b>	<b>100</b>	<b>1,281</b>	<b>100</b>
<b>Period end ZAR/US\$ exchange rate</b>	17.79		14.42		11.82	

The Fund has focused on building a portfolio with a combination of high quality direct property investments, global listed REITs which adds geographic and currency diversification and substantial liquid assets. The direct property portfolio is primarily focused on the Western Cape and the Industrial / Logistics sector. In an opportunity to recycle capital, Jagger Road was disposed during this period at a premium relative to its last carrying value at 31 March 2019 of R30 million.

The global investments consist of the Oasis Crescent Global Property Equity Fund which is well positioned with a focus on REITs with the best quality assets and balance sheets. The Cash and other listed SA Investments provide flexibility for the Fund to pursue growth opportunities. Investment actions during this period were focused on disposing of SA listed investments and the reinvestment of the proceeds in global investments while the Rand was strong. While this has already started benefiting growth in NAV, it does dilute the distributable income over the short term but the Fund will benefit from these actions and see the positive impact going forward.



# MANAGER'S REPORT

## 4 REVIEW OF RESULTS AND OPERATIONS

### Highlights and salient features for the year to 31 March 2020

- Unitholder return of 12.0% per annum since inception compared to inflation of 5.7% per annum and 7.5% annualised return for the SAPY
- Direct property portfolio focused on the Western Cape with prime locations in and around Cape Town and the key industrial and logistic nodes serving the area
- Tough environment but key differentiator is that the Fund has zero debt and substantial cash and liquid reserves to take advantage of opportunities
- 87% of tenants are multi-national, national, or government related and 76% of the current rental income is in the Industrial, Office and Retail Essential Goods & Services sectors. The Fund has zero exposure to the Edcon Group
- Distribution per unit including non-permissible income was 102.1 cents per unit relative to 112.8 cents in the prior year
- Distribution per unit was impacted by 5.3 cps or 4.7% due to strategic vacancy for property enhancement and property disposal and 1.7 cps or 1.5% due to additional property security costs incurred
- Net Asset Value per unit of 2 172 cents per unit (FY2019: 2 198 cents) with a positive direct property valuation increase of 4%
- The Fund remains focused on excellence in the execution of property basics and Management is confident in the strategy of the Fund

Distribution per unit including non-permissible income (cents)	102.1	112.8	104.7
Distribution per unit excluding non-permissible income (cents)	101.0	111.9	102.7
Property portfolio valuation (R m)	742	740	687
Investments in Offshore Listed Properties (R m)	497	507	398
Investments in Local Listed Properties and other current assets (R m)	38	30	55
Cash and cash equivalents (R m)*	171	151	141
Net asset value per unit (cents)	2 172	2 198	2 059
Listed market price at year end (cents)	2 125	2 100	2 060

	FY2020	FY2019	FY2018
Distribution per unit including non-permissible income (cents)	102.1	112.8	104.7
Distribution per unit excluding non-permissible income (cents)	101.0	111.9	102.7
Property portfolio valuation (R m)	742	740	687
Investments in Offshore Listed Properties (R m)	497	507	398
Investments in Local Listed Properties and other current assets (R m)	38	30	55
Cash and cash equivalents (R m)*	171	151	141
Net asset value per unit (cents)	2 172	2 198	2 059
Listed market price at year end (cents)	2 125	2 100	2 060

\* includes held for trading investments (incl. OCINF)

# MANAGER'S REPORT

## 4.2 RESULTS OVERVIEW

	FY2020 (R'000)	FY2019 (R'000)	FY2018 (R'000)	2019/2017 % % (annualised)	
Direct property net income	47 224	49 624	44 911	(5)	3
Global Investment Income	13 958	13 396	11 234	4	12
Cash and Local Investment Income	10 959	13 189	10 853	(17)	0
Shared expense	(7 845)	(7 508)	(7 018)	5	6
<b>Distributable Income excl NPI</b>	<b>64 316</b>	<b>68 701</b>	<b>59 980</b>	<b>(6)</b>	<b>4</b>
<b>Average ZAR/US\$ exchange rate</b>	<b>14.78</b>	<b>13.81</b>	<b>12.99</b>	<b>7</b>	<b>7</b>

During the past year the Fund made good progress with the ongoing enhancement of the portfolio and improvement of tenant quality. In particular, the conclusion of a lease with Clicks at The Ridge@ Shallcross was another important step in the diversification of its tenant mix. Rental income was impacted by strategic vacancy for property enhancements at Nourse Avenue and the disposal of Jagger Road which together impacted direct property income by R3.3 million which is 5.3 cps or 4.7% of distribution per unit during this period. Cost management remains a high priority in a tough market environment. The direct property net income was also impacted by additional security costs, which amounted to R1.1 million which is 1.7 cps or 1.5% of distribution per unit during this period.

The global investment income was higher year on year with the lower US\$ income from global investments being offset by the currency benefit and additional investment. The average Rand to the US\$ exchange rate on the quarterly receipts of the global income was R15.35 being 8% weaker than the prior year corresponding period. Based on the current level of the Rand to the US\$ there remains further benefit from the currency going forward which will assist in offsetting some of the expected decline in the US\$ income in the year ahead due to the economic impact of Covid-19 on the cash flow and dividends of global REITs in certain sectors. The cash and local investment income was lower due to the disposal of the SA listed investments and yield being lower on the reinvestment of income.

## 4.3 DIRECT PROPERTY PORTFOLIO CHARACTERISTICS

### i. Geographical Profile+

	Rentable Area		Revenue FY2020		Revenue FY2019	
	Area (m <sup>2</sup> )	%	(R'mil)	%	(R'mil)	%
Western Cape	73 256	81	56.7	61	56.4	63
KwaZulu-Natal	17 607	19	36.0	39	32.9	37
<b>Total - Direct Property (excl straight lining)</b>	<b>90 863</b>	<b>100</b>	<b>92.7</b>	<b>100</b>	<b>89.3</b>	<b>100</b>

Note: Revenue includes recoveries and excludes lease incentives

The exposure of the direct property portfolio to the Western Cape is 61% based on Revenue and the KwaZulu-Natal exposure is 39%.



# MANAGER'S REPORT

## ii. Segmental Profile+

Segment	Rentable area (m <sup>2</sup> )	FY2020		FY2019	
		Average rental per m <sup>2</sup> for the period	Average rental escalation per m <sup>2</sup> (%)	Average rental per m <sup>2</sup> for the period	Average rental escalation per m <sup>2</sup> (%)
		(R)	(%)	(R)	(%)
Retail	24 187	118	8	111	7
Office	7 629	150	8	139	8
Industrial	59 047	39	7	36	8
<b>TOTAL</b>	<b>90 863</b>				

The average office and industrial rentals per m<sup>2</sup> increased by 8% in line with annual escalations while the average retail rental per m<sup>2</sup> increased by 6% which is slightly less than the annual escalation due to some changes in tenant size mix.

Vacancy Profile\*\*

## iii. Vacancy Profile

% of total rentable area	FY2020	FY2019
Retail	4.0	1.9
Office	0.0	0.0
Industrial	5.2	12.9
	<b>9.2</b>	<b>14.9</b>

## Vacancy as a % of total rental income

% of total rental income	FY2020	FY2019
Retail	5.5	2.8
Office	0.0	0.0
Industrial	2.8	8.6
	<b>8.3</b>	<b>11.4</b>

\*Note: This relates only to the Direct Property Portfolio

During the period, the Fund was impacted by partial vacancy as short term leases came to an end. This impact was offset by active asset management through tactical filling of vacancies and the development of an additional retail offering at The Ridge.

## MANAGER'S REPORT

The Industrial vacancy has reduced to 2.8% of rental income due to the disposal of Jagger Road and the remaining vacancy in this sector is largely strategic to provide flexibility to enhance and improve functionality which will improve the quality of the tenant and lease expiry profile further. Retail vacancy is higher as we continue our focus to increase exposure to high quality national tenants and with leases concluded subsequent to yearend, the retail vacancy has reduced to 3.1% of rentable area and 4.8% of rental income.

### iv. Lease expiry profile

Lease expiry profile <sup>+</sup>	FY2020		FY2019	
	Rental Area %	Revenue %	Rental Area %	Revenue %
- Within 1 year	5	11	15	16
- Within 2 years	43	43	26	17
- Within 3 years	3	5	16	30
- Within 4 years	38	30	1	2
- Within 5 or more years	11	11	42	35
	100	100	100	100

The lengthening of the lease expiry profile remains a high priority for the team and with enhancement plans at two of our large industrial properties we expect to significantly increase the lease expiry profile once our property enhancement strategies are implemented.

### v. Tenant profile<sup>\*\*+</sup>

	FY2020	FY2019
	(%)	(%)
A - Large Nationals, large listed, large franchisees, multi-nationals and government	87	87
B - Nationals, listed, franchisees and medium to large professional firms	4	4
C - Other	9	9
<b>TOTAL</b>	100	100

<sup>\*\*</sup>Note: Tenants are classified as large or major ("A" grade) or medium to large ("B" grade) based on their financial soundness, profile and global or national footprint.

The Fund has a high exposure of 87% to A grade tenants which include multi-national, large national and government tenants.



# MANAGER'S REPORT

## 4.4 INVESTMENT PORTFOLIO CHARACTERISTICS

The Oasis Crescent Global Property Equity Fund is well positioned due to its focus on REITs with positive secular demand drivers, strong management teams and superior balance sheets. With 51% of the portfolio (excluding cash and liquid holdings) being exposed to logistics, industrial and data center REITs with strong positive secular demand drivers and only 12% exposure to Retail REITs, the Fund is appropriately positioned. The Fund displays very attractive valuation characteristics with an average cash flow yield of 8.6% and dividend yield of 6.3% which offers value relative to the average bond yield of 1.1% and average inflation at 1.9%.

The Fund invests its liquid reserves in the Oasis Crescent Income Fund which provides competitive, Shariah compliant income and flexibility to take advantage of opportunities.

## 5 SUBSEQUENT EVENTS AND OUTLOOK

There were two events at the end of this financial period which will have an impact on the South African economy and operating environment after the reporting period.

Firstly, ratings agency Moody's downgraded the South African sovereign credit rating on 27 March 2020 which resulted in the last remaining investment grade rating being lost. This will raise the cost of debt and equity capital and result in Corporates with high levels of debt and weak or negative cash flows coming under pressure. Over the short term this will add pressure on the economy due to lower confidence but over the longer term it should encourage the necessary reform required and there will be some offset from the weaker currency resulting in South Africa becoming more competitive in the global market. In the property market, this higher cost and reduced availability of capital will increase the barriers to entry and lead to lower levels of supply which will impact positively on the demand for existing well located properties.

Secondly, the President announced the Covid19 State of Disaster on 15 March and at midnight on 26 March 2020 South Africa commenced its Covid19 nation-wide lockdown which has recently been extended to 30 April 2020. The lockdown measures are impacting all roleplayers in the SA property market and the major property bodies in SA have formed a Property Industry Group to collectively engage on behalf of the commercial real estate sector. Engagement is ongoing with regards to assistance and relief for tenants that are hardest hit by complying with the lockdown and it is too early to speculate on the potential outcome. However, the Fund is well positioned with 87% of tenants being multi-national, national or government related and 76% of the current rental income is in the Industrial, Office and Retail Essential Goods & Services sectors. In addition, the Fund has zero exposure to the Edcon Group.

The Fund is uniquely positioned in this tough environment due to its very strong balance sheet with no debt and accumulated cash and liquid reserves which provides sustainability and the flexibility to take advantage of opportunities.

Our focus remains on excellence in the execution of the property basics which include the continuous improvement of the tenant mix and lease expiry profile and ensuring that properties are maintained at the highest standards to deliver sustainable income into perpetuity. The Fund and its strategic partner will continue to assess logistics and mixed use development opportunities in the Western Cape and the Management is confident in the strategy of the Fund.

# MANAGER'S REPORT

## 6 ADDITIONAL INFORMATION

### Property management

Property management is outsourced to the Manager and external service providers. The amount paid to the Manager was R1.57 million (FY2019: R1.54 million)

### Service charge

The service charge is equal to 0.5% per annum of the Fund's market capitalization and borrowing facilities based on the average daily closing prices of the units. The amount paid to the Manager was R6.76 million (FY2019: R6.34 million)

### Units in issue

As at 31 March 2020 the number of units in issue was 64 462 922 (FY2019: 62 484 150)

Unitholders' holding more than 5% of issued units as at 31 March 2020:

NAME	NUMBER OF UNITS	HOLDING (%)
Oasis Crescent Equity Fund	10 268 772	16
Oasis Crescent Property Company (Pty) Ltd	7 807 926	12
Oasis Crescent Balanced Progressive Fund of Funds	7 189 049	11
Oasis Crescent Pension Annuity Stable Fund	6 171 305	10
BNP Paribas Securities	4 901 302	8
Oasis Crescent Balanced Stable Fund of Funds	3 935 337	6
Oasis Crescent Retirement Annuity High Equity Fund	3 662 711	6
<b>TOTAL</b>	<b>43 936 402</b>	<b>69</b>

### Shareholding in Oasis Crescent Property Fund Managers (OCPFM)

OCPFM is 100% owned by Oasis Group Holdings (Pty) Ltd.



## INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the Unitholders of Oasis Crescent Property Fund

### **Opinion**

The summarised consolidated financial statements of Oasis Crescent Property Fund, set out on pages 12 to 26 of the preliminary report titled "Oasis Crescent Property Fund Summarised Consolidated Financial Statements", which comprise the summarised consolidated statement of financial position as at 31 March 2020, the summarised consolidated statements of comprehensive income, changes in unitholders' funds and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Oasis Crescent Property Fund for the year ended 31 March 2020.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, as set out in note 1 to the summary consolidated financial statements.

### **Summarised Consolidated Financial Statements**

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### **The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 April 2020. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

### **Director's Responsibility for the Summarised Consolidated Financial Statements**

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in note 1 to the summarised consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT ON  
THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

**Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



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PricewaterhouseCoopers Inc.  
Director: P Liedeman  
Registered Auditor  
Cape Town  
29 April 2020

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 as at 31 March 2020

	Audited Mar-20 R '000	Audited Mar-19 R '000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>1,249,902</b>	<b>1,253,278</b>
Investment properties	721,625	720,074
Property, plant and equipment	190	111
Straight-line lease accrual	15,584	18,042
Financial assets at fair value through profit or loss	512,503	515,051
<b>Current assets</b>	<b>198,061</b>	<b>174,810</b>
Trade receivables	4,953	3,912
Other receivables	9,349	8,775
Straight-line lease accrual	4,162	1,859
Other financial assets at fair value through profit or loss	167,687	146,154
Other short-term financial assets	8,707	8,699
Cash and cash equivalents	3,203	5,411
<b>Total assets</b>	<b>1,447,963</b>	<b>1,428,088</b>
<b>UNITHOLDERS' FUNDS AND LIABILITIES</b>		
<b>Unitholders' funds</b>	<b>1,400,330</b>	<b>1,373,697</b>
Capital of the Fund	901,307	858,531
Retained income	31,868	35,109
Other reserves	307,874	279,545
Fair value movements on financial assets reserve	159,281	200,512
<b>Non-current liabilities</b>		
Lease liability	1,678	-
<b>Current liabilities</b>	<b>45,955</b>	<b>54,391</b>
Trade payables	10,709	13,364
Accruals	343	518
Other payables	1,657	3,310
Trade payables to related parties	1,168	1,187
Lease liability	70	-
Unitholders for distribution	31,892	35,913
Non-permissible income available for dispensation	116	99
<b>Total unitholders' funds and liabilities</b>	<b>1,447,963</b>	<b>1,428,088</b>

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 as at 31 March 2020

	<b>Audited Mar-20 R '000</b>	<b>Audited Mar-19 R '000</b>
<b>Property portfolio revenue and income</b>	<b>114,590</b>	<b>116,225</b>
Rental income	66,313	65,569
Property related revenue	23,471	21,676
Income from investments (excluding non-permissible income and fair value adjustments)	24,961	26,757
Straight-lining of lease income	(155)	2,223
<b>Expenses</b>	<b>49,988</b>	<b>45,146</b>
Property expenses	42,098	37,467
Service charges	6,755	6,343
Other operating expenses	1,135	1,336
<b>Net income from rentals and investments</b>	<b>64,602</b>	<b>71,079</b>
<b>Fair value adjustment to investment properties excluding straight-lining of lease income</b>	<b>28,484</b>	<b>28,836</b>
Fair value adjustment to investment properties	27,481	31,059
Gain on disposal of investment property	848	-
Straight-lining of lease income	155	(2,223)
<b>Profit for the period before fair value adjustments to financial assets and realised gains</b>	<b>93,086</b>	<b>99,915</b>
<b>Fair value adjustments and realised gains to investments</b>	<b>(44,514)</b>	<b>55,446</b>
Fair value adjustments on financial assets at fair value through profit or loss	(48,683)	53,583
Fair value adjustments on other financial assets at fair value through profit or loss	3,420	1,722
Fair value adjustments on other short-term financial assets	749	141
<b>Operating profit for the year</b>	<b>48,572</b>	<b>155,361</b>
Finance costs	115	-
<b>Net profit before non-permissible income</b>	<b>48,457</b>	<b>155,361</b>
<b>Net non-permissible income</b>	<b>(284)</b>	<b>(155)</b>
Non-permissible investment income	393	386
Non-permissible income dispensed	(677)	(541)
<b>Net profit for the year</b>	<b>48,173</b>	<b>155,206</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>48,173</b>	<b>155,206</b>
<b>Basic and diluted earnings per unit (cents)</b>	<b>75.6</b>	<b>252.9</b>

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS  
 for the year ended 31 March 2020

	Capital of the Fund	Fair value movements on financial assets reserve	Other reserves	Retained income	Total
	R '000	R '000	R '000	R '000	R '000
<b>Balance at 1 April 2018</b>	<b>806,713</b>	-	<b>248,486</b>	<b>180,175</b>	<b>1,235,374</b>
Net profit for the year ended 31 March 2019	-	-	-	155,206	155,206
Issue of units	52,676	-	-	-	52,676
Transaction costs for issue of new units	(311)	-	-	-	(311)
Fair value adjustment on investment properties transferred to non distributable reserve	-	-	31,059	(31,059)	-
Fair value movements on financial assets transferred to non distributable reserve	-	207,877	-	(207,877)	-
Realised gains on sale of listed equity investment transferred to retained income	-	(7,365)	-	7,365	-
Distribution received in advance	(547)	-	-	547	-
Distribution to unitholders	-	-	-	(69,248)	(69,248)
<b>Balance at 31 March 2019</b>	<b>858,531</b>	<b>200,512</b>	<b>279,545</b>	<b>35,109</b>	<b>1,373,697</b>
Net profit for the year ended 31 March 2020	-	-	-	48,173	48,173
Issue of units	43,875	-	-	-	43,875
Transaction costs for issue of new units	(308)	-	-	-	(308)
Fair value adjustment on investment properties transferred to non distributable reserve	-	-	27,481	(27,481)	-
Fair value movements on financial assets transferred to non distributable reserve	-	(48,157)	-	48,157	-
Realised loss on sale of listed equity investment transferred to retained income	-	6,926	-	(6,926)	-
Gain on disposal of investment property transferred to non-distributable reserve	-	-	848	(848)	-
Distribution received in advance	(791)	-	-	791	-
Distribution to unitholders	-	-	-	(65,107)	(65,107)
<b>Balance at 31 March 2020</b>	<b>901,307</b>	<b>159,281</b>	<b>307,874</b>	<b>31,868</b>	<b>1,400,330</b>

Distributions declared during the year amounted to 101.0 cents (2019: 111.9 cents) per unit.



## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited	Audited
	Mar-20	Mar-19
	R '000	R '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net profit for the year</b>	<b>48,173</b>	<b>155,206</b>
Adjusted for:		
Non-permissible investment income received	(393)	(386)
Depreciation	55	180
Finance cost	115	-
Provision for receivables impairment	237	136
Straight-line lease accrual	155	(2,223)
Movement in lease incentives	(928)	(1,507)
Gain on disposal of investment property	(848)	-
Fair value adjustment on financial assets at fair value through profit or loss	48,683	(53,583)
Fair value adjustment on other financial assets at fair value through profit or loss and other short-term financial assets	(4,169)	(1,863)
Fair value adjustment on investment properties excluding straight-lining of lease income	(27,636)	(28,836)
<b>Net operating cash flow before changes in working capital</b>	<b>63,444</b>	<b>67,124</b>
<b>(Increase) / decrease in current assets</b>		
Trade receivables	(1,278)	49
Other receivables	(575)	(1,672)
<b>(Decrease) / increase in current liabilities</b>		
Trade payables	(2,655)	1,790
Accruals	(175)	70
Other payables	(1,653)	1,060
Trade payables to related parties	(19)	266
<b>Cash generated from operations</b>	<b>57,089</b>	<b>68,687</b>
Non-permissible investment income received	393	386
Cash distributed to unitholders	(25,253)	(10,673)
Non-permissible income dispensed	17	85
<b>Net cash inflow from operating activities</b>	<b>32,246</b>	<b>58,485</b>

## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS...continued

	Audited	Audited
	Mar-20	Mar-19
	R '000	R '000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(47,973)	(47,660)
Acquisition of other financial assets at fair value through profit or loss	(31,428)	(5,913)
Capital expenditure on investment properties	(2,195)	(20,734)
Capital expenditure on property, plant and equipment	(134)	-
Acquisition of other short-term financial assets	(219)	(1,298)
Proceeds from disposal of other short term financial assets at fair value through profit or loss and other short term financial assets	14,275	1,108
Proceeds on disposal of investment property	31,848	-
Proceeds from disposal of financial assets at fair value through profit or loss	<u>1,838</u>	<u>18,747</u>
<b>Net cash outflow from investing activities</b>	<b>(33,988)</b>	<b>(55,750)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(158)	-
Transaction cost for issue of new units	(308)	(311)
<b>Net cash outflow from financing activities</b>	<b>(466)</b>	<b>(311)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,208)</b>	<b>2,424</b>
<b>CASH AND CASH EQUIVALENTS</b>		
At the beginning of the period	<u>5,411</u>	<u>2,987</u>
<b>At the end of the year</b>	<b>(3,203)</b>	<b>5,411</b>

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements of Oasis Crescent Property Fund ("the Fund" or "OCPF") have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 Interim Financial Reporting, JSE Listings Requirements for preliminary reports, the requirements of the Collective Investment Schemes Control Act of 2002, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The financial statements are prepared on the historical cost basis as modified by the revaluation of investment properties and financial assets at fair value through profit or loss. The accounting policies and methods of computation applied in this report are consistent with the policies as set out in the most recent annual financial statements, which should be read in conjunction with this report, except as set out below. The Fund's external auditor, PricewaterhouseCoopers Inc., has audited the financial information set out in this report. Their unmodified audited report is included on page 10 and 11 of this report.

These summarised consolidated audited results were compiled by Michael Swingler CA (SA). The audit report is available for inspection at the Fund's registered address and on the website [www.oasiscrescent.co.za](http://www.oasiscrescent.co.za).

### Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on OCPF's financial statements and also discloses the new accounting policies that have been applied from 1 April 2019, where they are different to those applied in prior periods.

### Impact on the financial statements

OCPF has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

At inception of a contract, OCPF assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, OCPF assesses whether:

- the contract involves the use of an identified asset;
- OCPF has the right to obtain substantially all of the economic benefits from use of the assets; and
- OCPF has the right to direct the use of the asset.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17: Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 01 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 01 April 2019 was 9.50%.

The associated right-of-use asset for property leases was measured on a retrospective basis as if the new rules had always been applied. The net impact on retained earnings on 01 April 2019 was insignificant and accordingly the opening retained earnings on 01 April 2019 was not adjusted.

### Measurement

OCPF recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, OCPF's incremental borrowing rate. Generally OCPF uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in OCPF's estimate of the amount expected to be payable under a residual guarantee, or if OCPF changes its assessment of whether it will exercise a purchase, extension or termination option.

The weighted average incremental borrowing rate applied to lease liabilities on 1 April 2019 was 9.50%. The aggregate lease liability recognised in the statement of financial position at 1 April 2019 and the group's operating lease commitment can be reconciled as follows:

Operating lease commitment at 1 April 2019	<b>R'000</b>
	149
Discounted using the group's incremental borrowing rate at 9.5%	(27)
Liability recognised as at 01 April 2019	<u>122</u>


 NOTES TO THE SUMMARISED  
 CONSOLIDATED FINANCIAL STATEMENTS

	Audited Mar-20 R '000	Audited Mar-19 R '000
<b>2 Basic and headline earnings per unit</b>		
<b>2.1 Headline earnings and distribution income reconciliation</b>		
<b>Basic earnings before non-permissible income adjustment</b>	<b>48,457</b>	<b>155,361</b>
Non-permissible investment income	393	386
<b>Basic earnings after non-permissible income adjustment</b>	<b>48,850</b>	<b>155,747</b>
Non-permissible income dispensed	(677)	(541)
<b>Basic earnings</b>	<b>48,173</b>	<b>155,206</b>
Adjusted for:		
Gain on disposal of investment property	(848)	-
Fair value adjustment to investment properties	(27,636)	(28,836)
<b>Headline earnings</b>	<b>19,689</b>	<b>126,370</b>
Less: Fair value adjustments on financial assets at fair value through profit or loss	48,683	(53,583)
Less: Fair value adjustments on other financial assets at fair value through profit or loss	(3,420)	(1,722)
Less: Fair value adjustments on other short-term financial assets	(749)	(141)
Add: Finance costs on lease liability	116	-
Less: Right-of-use asset lease payments under IFRS 16 added back	(158)	-
Less: Straight-lining of lease income	155	(2,223)
<b>Distribution income excluding non-permissible income</b>	<b>64,316</b>	<b>68,701</b>
Distribution received in advance	791	547
<b>Income distributed</b>	<b>65,107</b>	<b>69,249</b>
<b>Basic earnings and diluted earnings per unit (cents)</b>	<b>75.6</b>	<b>252.9</b>
<b>Headline earnings and diluted headline earnings per unit (cents)</b>	<b>30.9</b>	<b>205.9</b>
<b>Distribution per unit including non-permissible income (cents)</b>	<b>102.1</b>	<b>112.8</b>
<b>Distribution per unit excluding non-permissible income (cents)</b>	<b>101.0</b>	<b>111.9</b>
<b>Weighted average units in issue</b>	<b>63,679,690</b>	<b>61,379,349</b>
<b>Units in issue at the end of the year</b>	<b>64,462,922</b>	<b>62,484,150</b>
<b>Net Asset Value per unit (cents)</b>	<b>2,172</b>	<b>2,198</b>

NOTES TO THE SUMMARISED  
 CONSOLIDATED FINANCIAL STATEMENTS ...continued

**3 Segmental analysis 2020**

Management has determined the operating segments based on the management information reviewed by the investment manager in making strategic decisions. The investment manager considers the business based on the following reportable segments, namely: Retail, Offices, Industrial and Investments by considering the net income before straight-line lease income and fair value change to investment properties. The operating segments derive their revenue primarily from rental income from operating leases. All of the Fund's business activities and operating segments are reported within the segments below. The tenants with rentals greater than 10% of revenue are also disclosed alongside:

Tenant	Segment	Mar-20	Mar-19
		R'000	R'000
1	Office	12,362	12,362
2	Industrial	11,352	9,871
3	Retail	9,952	8,702
		33,666	30,936

**Segment revenue**
**Property income**

Rental income

Recoveries

**Rental and related income**
**Income from investments (excluding non-permissible income and fair value adjustments)**

Dividend income - offshore

Permissible investment income - domestic

**Income before straight-lining of lease income**

Straight-lining of lease income

**Income**
**Segment expense**

Property expenses (excluding Provision for receivables impairment)

Provision for receivables impairment

Service charges

Other operating expenses

**Expenses**
**Net income from rentals and investments**

Fair value adjustment to investment properties excluding straight-lining of lease income

**Profit for the period before fair value adjustments to financial assets**
**Fair value adjustments on financial assets**

Fair value adjustments on financial assets at fair value through profit or loss

Fair value adjustments on other financial assets at fair value through profit or loss

Fair value adjustments on other short-term financial assets

**Total fair value adjustments**

Finance Costs

**Operating profit for the year**
**Net finance income**

Non-permissible investment income

Non-permissible income dispensed

**Net non-permissible income**
**Net profit for the year**

Retail	Offices	Industrial	Investments	Corporate	Total
R '000					
27,939	13,641	24,733	-	-	66,313
14,530	2,980	5,961	-	-	23,471
42,469	16,621	30,694	-	-	89,784
-	-	-	13,958	-	13,958
-	-	-	11,003	-	11,003
-	-	-	24,961	-	24,961
443	48	(646)	-	-	(155)
42,912	16,669	30,048	24,961	-	114,590
25,731	6,136	9,994	-	-	41,861
357	-	(120)	-	-	237
-	-	-	-	6,755	6,755
-	-	-	44	1,091	1,135
26,088	6,136	9,874	44	7,846	49,988
16,824	10,533	20,174	24,917	(7,846)	64,602
9,455	4,234	14,795	-	-	28,484
26,279	14,767	34,969	24,917	(7,846)	93,086
-	-	-	(48,683)	-	(48,683)
-	-	-	3,420	-	3,420
-	-	-	749	-	749
-	-	-	(44,514)	-	(44,514)
		115			115
26,279	14,767	34,854	(19,597)	(7,846)	48,457
-	-	-	-	393	393
(284)	-	-	-	(393)	(677)
(284)	-	-	-	-	(284)
25,995	14,767	34,854	(19,597)	(7,846)	48,173



NOTES TO THE SUMMARISED  
CONSOLIDATED FINANCIAL STATEMENTS ...continued

**3 Segmental analysis 2020...continued**

	Retail	Offices	Industrial	Investments	Corporate	Total
<b>R '000</b>						
<b>Segment assets</b>						
Investment properties	283,977	151,397	286,251	-	-	721,625
Property, plant and equipment	190	-	-	-	-	190
Straight-line lease accrual non-current	7,535	1,879	6,170	-	-	15,584
Straight-line lease accrual current	1,372	1,064	1,726	-	-	4,162
Financial assets at fair value through profit or loss	-	-	-	512,503	-	512,503
Other short term financial assets	3,798	716	4,193	-	-	8,707
Trade receivables	2,873	1,237	678	-	165	4,953
Other receivables	2,040	545	1,172	5,284	308	9,349
Other financial assets at fair value through profit or loss	-	-	-	167,687	-	167,687
Cash and cash equivalents	-	-	-	3,203	-	3,203
<b>Total segment assets</b>	<b>301,785</b>	<b>156,838</b>	<b>300,190</b>	<b>688,677</b>	<b>473</b>	<b>1,447,963</b>
<b>Segment liabilities</b>						
Lease liability non-current			1,678			1,678
Lease liability current			70			70
Trade payables	5,243	1,542	3,671	-	253	10,709
Accruals	33	15	45	-	250	343
Other payables	375	87	429	-	766	1,657
Trade payables to related parties	209	30	195	14	720	1,168
Unitholders for distribution	-	-	-	-	31,892	31,892
Non-permissible income available for dispensation	-	-	-	-	116	116
<b>Total segment liabilities</b>	<b>5,860</b>	<b>1,674</b>	<b>6,088</b>	<b>14</b>	<b>33,997</b>	<b>47,633</b>
<b>Net current segment assets/(liabilities)</b>	<b>4,223</b>	<b>1,888</b>	<b>3,359</b>	<b>176,160</b>	<b>(33,524)</b>	<b>152,106</b>
<b>Capital expenditure incurred (incl. Property, plant and equipment)</b>	<b>1,991</b>	<b>265</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>2,330</b>

NOTES TO THE SUMMARISED  
 CONSOLIDATED FINANCIAL STATEMENTS ...continued

**3 Segmental analysis 2019**

	Retail	Offices	Industrial	Investments	Corporate	Total
<b>R '000</b>						
<b>Segment revenue</b>						
<b>Property income</b>						
Rental income	27,491	12,643	25,435	-	-	65,569
Recoveries	13,464	2,140	6,072	-	-	21,676
<b>Rental and related income</b>	<b>40,955</b>	<b>14,783</b>	<b>31,507</b>	-	-	<b>87,245</b>
<b>Income from investments (excluding non-permissible income and fair value adjustments)</b>						
Dividend income - offshore	-	-	-	13,395	-	13,395
Permissible investment income - domestic	-	-	-	13,362	-	13,362
<b>Income before straight-lining of lease income</b>				<b>26,757</b>	-	<b>26,757</b>
Straight-lining of lease income	428	863	933	-	-	2,223
<b>Income</b>	<b>41,382</b>	<b>15,646</b>	<b>32,440</b>	<b>26,757</b>	-	<b>116,225</b>
<b>Segment expense</b>						
Property expenses (excluding Provision for receivables impairment)	23,782	5,321	8,228	-	-	37,331
Provision for receivables impairment	7	(6)	135	-	-	136
Service charges	-	-	-	-	6,343	6,343
Other operating expenses	-	-	-	172	1,164	1,336
<b>Expenses</b>	<b>23,789</b>	<b>5,315</b>	<b>8,363</b>	<b>172</b>	<b>7,507</b>	<b>45,146</b>
<b>Net income from rentals and investments</b>	<b>17,594</b>	<b>10,331</b>	<b>24,077</b>	<b>26,585</b>	<b>(7,507)</b>	<b>71,079</b>
Fair value adjustment to investment properties excluding straight-lining of lease income	9,341	4,215	15,280	-	-	28,836
<b>Profit for the period before fair value adjustments to financial assets</b>	<b>26,935</b>	<b>14,545</b>	<b>39,357</b>	<b>26,585</b>	<b>(7,507)</b>	<b>99,915</b>
<b>Fair value adjustments on financial assets</b>						
Fair value adjustments on financial assets at fair value through profit or loss	-	-	-	53,583	-	53,583
Fair value adjustments on other financial assets at fair value through profit or loss	-	-	-	1,722	-	1,722
Fair value adjustments on other short-term financial assets	-	-	-	141	-	141
<b>Total fair value adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,446</b>	<b>-</b>	<b>55,446</b>
<b>Operating profit for the year</b>	<b>26,935</b>	<b>14,545</b>	<b>39,357</b>	<b>82,031</b>	<b>(7,507)</b>	<b>155,361</b>
<b>Net finance income</b>						
Non-permissible investment income	-	-	-	55	331	386
Non-permissible income dispensed	(155)	-	-	(55)	(331)	(541)
<b>Net non-permissible income</b>	<b>(155)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155)</b>
<b>Net profit for the year</b>	<b>26,780</b>	<b>14,545</b>	<b>39,357</b>	<b>82,031</b>	<b>(7,507)</b>	<b>155,206</b>




 NOTES TO THE SUMMARISED  
 CONSOLIDATED FINANCIAL STATEMENTS ...continued

## 3 Segmental analysis 2019 ...continued

	Retail	Offices	Industrial	Investments	Corporate	Total
<b>Segment assets</b>						
	<b>R '000</b>					
Investment properties	280,124	136,742	303,209	-	-	720,074
Property, plant and equipment	111	-	-	-	-	111
Straight-line lease accrual non-current	7,431	3,033	7,577	-	-	18,042
Straight-line lease accrual current	897	22	940	-	-	1,859
Financial assets at fair value through profit or loss	-	-	-	515,051	-	515,051
Other short term financial assets	4,678	91	3,930	-	-	8,699
Trade receivables	2,719	350	457	-	387	3,912
Other receivables	1,807	659	2,340	3,936	33	8,775
Other financial assets at fair value through profit or loss	-	-	-	146,154	-	146,154
Cash and cash equivalents	-	-	-	5,411	-	5,411
<b>Total segment assets</b>	<b>297,766</b>	<b>140,898</b>	<b>318,452</b>	<b>670,552</b>	<b>420</b>	<b>1,428,088</b>
<b>Segment liabilities</b>						
Trade payables	8,023	600	4,695	-	46	13,364
Accruals	37	11	52	-	418	518
Other payables	686	1,119	952	-	553	3,310
Trade payables to related parties	214	2	333	6	632	1,187
Unitholders for distribution	-	-	-	-	35,913	35,913
Non-permissible income available for dispensation	-	-	-	-	99	99
<b>Total segment liabilities</b>	<b>8,960</b>	<b>1,732</b>	<b>6,032</b>	<b>6</b>	<b>37,661</b>	<b>54,391</b>
<b>Net current segment assets/(liabilities)</b>	<b>1,141</b>	<b>(612)</b>	<b>1,633</b>	<b>155,495</b>	<b>(37,243)</b>	<b>120,414</b>
<b>Capital expenditure incurred (incl. Property, plant and equipment)</b>	<b>19,716</b>	<b>627</b>	<b>390</b>	<b>-</b>	<b>-</b>	<b>20,734</b>

NOTES TO THE SUMMARISED  
 CONSOLIDATED FINANCIAL STATEMENTS ...continued

**4 FAIR VALUE ESTIMATION OF INVESTMENTS**

Financial instruments and other assets carried at fair value are valued in terms of IFRS 13.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on the quoted market prices at the end of the reporting period.

"IFRS 13 requires that an entity discloses for each class of assets and liabilities measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety. The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.

Specific valuation techniques used to determine fair value include:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Fund's assets and liabilities that are measured at fair value at 31 March 2020:

Assets	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>Financial assets at fair value through profit or loss</b>				
Investment in Oasis Crescent Global Property Equity Fund	-	418,820	-	418,820
Investment in listed property funds	15,178	-	-	15,178
Investment in Oasis Crescent International Property Equity Feeder Fund	-	78,505	-	78,505
<b>Other financial assets at fair value through profit or loss</b>				
Investment in Oasis Crescent Income Fund	-	167,687	-	167,687
Other short-term financial assets	-	8,707	-	8,707
<b>Investment property</b>				
Investment property	-	-	721,625	721,625

The following table presents the Fund's assets and liabilities that are measured at fair value at 31 March 2019:

Assets	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>Financial assets at fair value through profit or loss</b>				
Investment in Oasis Crescent Global Property Equity Fund	-	442,668	-	442,668
Investment in listed property funds	8,342	-	-	8,342
Investment in Oasis Crescent International Property Equity Feeder Fund	-	64,041	-	64,041
<b>Other financial assets at fair value through profit or loss</b>				
Investment in Oasis Crescent Income Fund	-	146,154	-	146,154
Other short-term financial assets	-	8,699	-	8,699
<b>Investment property</b>				
Investment property	-	-	720,074	720,074

## NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS ...continued

The valuation of investment properties include comparable bulk sales, discounted cash flow and net income capitalisation methods, using contracted rental income and other cash flows. Capitalisation rates used in the valuations are the most recent rates published by the South African Property Owners Association (SAPOA). The principal assumptions underlying estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, void levels ranging from 0% to 5%, maintenance requirements and appropriate discount rates.

These valuations are regularly compared to actual market yield data, actual transactions by the Fund and those reported by the market. Valuations were carried out as at 31 March 2020 by Mills Fitchet Magnus Penny, an independent, professional valuer registered without restriction in terms of the Property Valuers Act No. 47 of 2000. The valuation of investment properties requires judgement in the determination of future cash flows and an appropriate capitalisation rate which varies between 8% and 10% (2019: 7.70% and 10.50%). Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations. The valuation of investment properties may also be influenced by changes in vacancy rates.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statements of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The instruments included in level 2 comprises of Irish stock exchange property equity investments in Shari'ah compliant instruments classified as financial assets at fair value through profit or loss. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## 5 RELATED PARTY TRANSACTIONS AND BALANCES

### 5.1 Identity of the related parties with whom material transactions have occurred

Oasis Crescent Property Fund Managers Limited is the management company of the Fund in terms of the Collective Investment Schemes Control Act.

Management fees payable to Oasis Crescent Property Fund Managers Limited ("the Manager") represent 0.5% of the enterprise value of the Fund which consists of the total market capitalisation and any long term borrowings of the Fund. The management fee is calculated and payable monthly based on the average daily closing price of the Fund as recorded by the JSE Limited and the average daily extent of any long term borrowings. Management fees are recognised monthly as and when the services are performed.

Oasis Group Holdings (Pty) Ltd. is the parent of Oasis Crescent Property Fund Managers Limited and a tenant at The Ridge@Shallcross and Milner Road.

As disclosed in the prospectus of Oasis Crescent Global Property Equity Fund, a management fee is charged for investing in Oasis Global Management Company (Ireland) Limited, the manager of the Fund.

As disclosed in the prospectus of Oasis Crescent Income Fund and Oasis Crescent International Property Equity Feeder Fund, a management fee is charged for investing in the Oasis Crescent Income Fund by Oasis Crescent Management Company Limited, the manager of the fund.

Abli Property Developers (Pty) Ltd. renders property development consulting services to the Fund on capital development projects.

Oasis Asset Management Limited renders investment management services to the Fund on financial assets at fair value through profit or loss.

Oasis Crescent Property Company (Pty) Limited renders services relating to identifying and securing tenants for the Fund.

There are common directors to Oasis Crescent Property Fund Managers Limited, Oasis Group Holdings (Pty) Limited, Oasis Global Management Company (Ireland) Limited, Oasis Crescent Management Company Limited, Oasis Crescent Property Company (Pty) Limited, Oasis Asset Management and Abli Property Developers (Pty) Limited. Transactions with related parties are executed on terms no less favourable than those arranged with third parties.

### 5.2 Type of related party transactions

The Fund pays a service charge and a property management fee on a monthly basis to Oasis Crescent Property Fund Managers Limited.

## NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS ...continued

5.3 Related party transactions	Mar-20 R'000	Mar-19 R'000
Service charge paid to Oasis Crescent Property Fund Managers Limited	6,755	6,343
Property management fees paid to Oasis Crescent Property Fund Managers Limited	1,571	1,539
Rental and related income from Oasis Group Holdings (Pty) Limited at The Ridge@Shallcross	614	503
Rental and related income from Oasis Group Holdings (Pty) Limited at 24 Milner Road	1,136	918
Letting commission paid to Oasis Crescent Property Company (Pty) Limited for securing tenants	473	780
Property related expenses paid to Oasis Crescent Property Company (Pty) Limited	1,563	904
Consulting fees paid to Abli Property Developers (Pty) Limited for consulting services on capital projects	163	468
Investment management fees paid to Oasis Asset Management Limited	44	172
<b>Related party balances</b>		
Trade payables to Oasis Crescent Property Fund Managers Limited	(686)	(823)
Trade payables to Oasis Group Holdings (Pty) Limited	(294)	(101)
Trade payables to Oasis Crescent Property Company (Pty) Limited	(100)	(157)
Trade payables to Oasis Asset Management Limited	(14)	(6)
Trade payables to Abli Property Developers (Pty) Limited	(74)	(99)
	<u>(1,168)</u>	<u>(1,187)</u>
Current liabilities	<u>(1,168)</u>	<u>(1,187)</u>
	<u>(1,168)</u>	<u>(1,187)</u>



## Declaration announcement in respect of distribution for the 6 months ended 31 March 2020

Notice is hereby given that a distribution of 4,878.54402 cents (in aggregate), after non-permissible income, for every 100 (one hundred) units so held, has been approved and declared for the six-month period ended 31 March 2020, from income, to unitholders recorded in the register of OCPF at close of business on Friday, 5 June 2020. Unitholders may elect to receive the distribution in cash or to reinvest the distribution by the purchase of new units at a rate of 2.24611 units at 2,172 cents per unit (in aggregate), for every 100 (one hundred) units so held.

### Foreign unitholders

The publication of this announcement and/or accompanying documents and the right to reinvest the distribution in jurisdictions other than South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. OCPF units have not been and will not be registered for the purposes of the election under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

### Fractions

Trading in the electronic Strate environment does not permit fractions and fractional entitlements in respect of units. Accordingly, should a unitholder's entitlement to new units, calculated in accordance with the ratio mentioned in paragraph 1 above, give rise to a fraction of a new unit, such fraction will be rounded down to the nearest whole number, resulting in allocations of whole units and a payment to the unitholder in respect of the remaining cash amount due to that unitholder under the distribution.

### Tax implications

In respect of the distribution, the manager hereby informs unitholders, who will receive the distribution, that for taxation purposes, OCPF is a REIT as defined in the Income Tax Act as from 1 April 2013 and, accordingly, the tax implications of the distribution have changed as from that date. The distribution will not be exempt from income tax in terms of section 10(1)(k) of the Income Tax Act.

For South African tax residents, the distribution will be exempt from dividends tax in terms of section 64F(1) of the Income Tax Act, provided that you, as unitholder, provide the transfer secretary or your nominee, custodian or CSDP with confirmation of your tax residence status in the prescribed form. If you do not provide the required residence status, they will have no choice but to withhold dividends tax at a rate of 20%.

For non-resident unitholders, for South African tax purposes, the distribution received by a non-resident unitholder from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement, for the avoidance of double taxation ("DTA") between South Africa and the country of tax residence of the unitholder. Non-resident unitholders that believe that a reduced rate of tax applies in respect of their applicable DTA should contact the transfer secretaries or their nominee, custodian or CSDP for the prescribed form to record the reduced rate of tax.

**Where dividends tax is withheld at 20%:**

- the reinvestment ratio for non-resident unitholders will be 1.79689 units at 2,172 cents per unit, for every 100 (one hundred) units held on the record date; and
- should such unitholders elect to receive the distribution in cash, they will receive 3,902.83522 cents per 100 units held on the record date.

**Kindly contact the transfer secretaries, or your nominee, custodian or CSDP for a copy of the prescribed declaration form.**

The Income Tax Act sections applicable to the distributions made are as follows:

- Property income distribution from a REIT – section 10(1)(k) and section 64F(1)

Both resident and non-resident unitholders are encouraged to consult their professional tax advisors with regard to their individual tax liability in this regard.

A circular will be posted to unitholders on Friday, 15 May 2020, in respect of the unit and income distribution.

Units in issue at the date of declaration of the distribution: 64 462 922

Income tax reference number: 3354212148

<b>The salient dates of the dividend declaration are:</b>	<b>2020</b>
Release of results and declaration announcement on SENS of distribution and right of election to purchase new units or receive a cash payment	<b>Thursday, 30 April</b>
Circular and form of election posted to unitholders	<b>Friday, 15 May</b>
Finalisation announcement on SENS in respect of distribution and right of election to purchase new units or receive a cash payment	<b>Friday, 15 May</b>
Last day to trade in order to be eligible for the distribution	<b>Tuesday, 2 June</b>
Trading commences ex-entitlement to the distribution	<b>Wednesday, 3 June</b>
Listing of maximum possible number of units that may be purchased at commencement of trade	<b>Friday, 5 June</b>
Closing date for the election of cash distribution or to reinvest at 12:00 pm on	<b>Friday, 5 June</b>
<b>Record date for the distribution</b>	<b>Friday, 5 June</b>
Cash distribution cheques posted and CSDP/broker accounts updated with cash	<b>Monday, 8 June</b>
Announcement of the results of the distribution on SENS	<b>Monday, 8 June</b>
Unit certificates posted and CSDP/broker accounts updated with units	<b>Wednesday, 10 June</b>
Adjustment of number of new units listed on or about	<b>Friday, 12 June</b>

**Notes:**

1. Unitholders reinvesting their distribution in new units are alerted to the fact that the new units will be listed 3 business days after the last day to trade and that these new units can only be traded 3 business days after the last day to trade, due to the fact that settlement of the units will be 3 business days after the record date, which differs from the conventional one business day after the record date settlement process.
2. Units may not be dematerialised or rematerialised between Wednesday, 3 June 2020 and Friday, 5 June 2020, both days inclusive.
3. The above dates and times are subject to change. Any changes will be announced on SENS.
4. All times quoted above are South African times.
5. Dematerialised unitholders should provide their CSDP or broker with their election instructions by the cut-off time stipulated in terms of their custody agreement with such CSDP or broker.
6. If no election is made, the distribution accrued to the unitholder will be used to purchase additional units.

2020

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