

# OASIS CRESCENT



MANAGEMENT COMPANY LIMITED

## OASIS COLLECTIVE INVESTMENT SCHEME

### KEY INVESTOR INFORMATION

#### OASIS BOND UNIT TRUST FUND

#### 3RD QUARTER 2023

|                     |                                |                          |                       |
|---------------------|--------------------------------|--------------------------|-----------------------|
| Investment Manager  | Adam Ebrahim                   | Min. Monthly Investment  | R500                  |
| Launch Date         | 27 June 2002                   | Min Lump- Sum Investment | R2000                 |
| Risk Profile        | Medium                         | Fund Size                | R 249.6 million       |
| Benchmark           | South African Interest Bearing | Total Expense Ratio      | 1.06%                 |
|                     | Variable Term Portfolio        | Class                    | D                     |
| Fund Classification | South African Interest Bearing | Distribution             | 0.7986 cents per unit |
|                     | Variable Term Bonds            |                          |                       |
| Annualised Yield    | 8.86%                          | Distribution Period      | Monthly               |

#### Investment Objective and Policy

The Oasis Bond Fund provides exposure to a selection of fixed interest instruments that have impeccable credit ratings. This would ensure that it is able to generate a steady stream of interest income at low level of risk. The portfolio is also diversified across fixed interest instruments that have different maturities to provide greater consistency in the rate of return (or yield) over time.

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

## Cumulative Returns

| Cumulative Performance                                 | Jun-Dec 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015  | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | YTD Sept 2023 | Return Since Inception |     |
|--|--------------|------|------|------|------|------|------|-------|------|------|------|------|------|-------|------|------|------|------|------|------|------|---------------|------------------------|-----|
|  |              |      |      |      |      |      |      |       |      |      |      |      |      |       |      |      |      |      |      |      |      |               | Cum                    | Ann |
| Oasis Bond Unit Trust Fund                             | 10.0         | 15.0 | 13.6 | 9.0  | 5.0  | 5.9  | 13.8 | 4.9   | 12.0 | 9.0  | 14.1 | 1.9  | 8.1  | (0.7) | 13.4 | 10.3 | 7.6  | 9.0  | 7.6  | 8.5  | 3.4  | 0.4           | 464.2                  | 8.5 |
| South African Interest Bearing Variable Term Portfolio | 11.2         | 17.2 | 14.5 | 10.5 | 5.5  | 4.0  | 16.1 | (0.2) | 13.8 | 8.5  | 15.3 | 1.1  | 9.0  | (2.0) | 12.8 | 10.1 | 6.2  | 8.5  | 7.6  | 9.4  | 3.6  | 0.6           | 465.9                  | 8.5 |

Performance (% returns) in Rand, net of fees of the Oasis Bond Unit Trust Fund since inception to 30 September 2023

(Source: Oasis Research; Morningstar Direct)

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 | % Growth 10 years | % Growth 15 years | % Growth 20 years | Return Since Inception |
|--|-----------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------------|
|  |                 |                  |                  |                  |                   |                   |                   | Annualised             |
| Oasis Bond Unit Trust Fund                             | 5.2             | 6.2              | 6.3              | 6.8              | 6.7               | 7.7               | 7.9               | 8.5                    |
| South African Interest Bearing Variable Term Portfolio | 5.4             | 6.7              | 6.4              | 6.6              | 6.5               | 7.5               | 7.8               | 8.5                    |

Performance (% returns) in Rand, net of fees of the Oasis Bond Unit Trust Fund since inception to 30 September 2023

(Source: Oasis Research; Morningstar Direct)

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

## Investment Manager Commentary

A persistent feature of the South African economic landscape over the past year has been the record levels of electricity loadshedding the economy has had to endure, which has acted as a handbrake on the recovery in activity and employment. On a more positive note, persistent Level 6 loadshedding, which was prevalent over May and June, has appeared to move into the rear-view mirror. Moreover, loadshedding in general has become more intermittent during August and September as Eskom has reduced the level of its planned maintenance while also over time mitigating the impact of collapsed stacks at the Kusile power station which had initially put three generation units of 2.4GW out of action. In its July World Economic Outlook update, the IMF raised its South Africa GDP forecast for 2023 from 0.1% to a still anaemic 0.3%, given expectations of ongoing headwinds from electricity loadshedding. Looking ahead, the IMF expects annual GDP growth of 1.7% in 2024 as the negative impact of loadshedding abates. This still modest economic growth rate reflects ongoing structural headwinds such as electricity shortages, corruption, fiscal sustainability, SOE underperformance and rigid labour markets. Projected GDP growth at these rates will be insufficient over the long term to create enough jobs to absorb the new labor market entrants. This implies the unemployment rate will remain historically high outside of serious structural reform. Over the past 10 years, South Africa's economic growth has averaged 0.9% relative to population growth of 1.4% and global GDP growth of 3.1%.

On the positive side, in the face of widespread economic crisis, the government has been forced into undertaking significant structural reforms which could shortly bear fruit. Most notably, in a huge step towards energy sector liberalisation, any private sector firm or municipality can now build their own electricity generative capacity with the option in the future of selling back into the national grid. Separately, much needed impetus on the transport logistics side could soon be injected by Transnet as it looks to concession its key logistic rail lines. Together with setting up a leasing company for rolling stock with a private sector partner, this could significantly reduce the barriers to entry on the rail concessionary. Looking ahead to the May 2024 general elections, much will depend on the incumbent government providing a stable macro-economic and policy framework as well as managing its geopolitical relations between the 'West' and the 'East' in order to encourage both the domestic and foreign private sectors to invest and create new job opportunities with confidence. Factors that could stimulate economic growth are: 1) Increased private sector electricity provision and an end to widespread loadshedding; 2) Continued high commodity export prices; 3) Onshoring boosted by supportive government policy; 4) Significant structural reform, especially in energy, telecoms and wage bargaining; 5) Renewed bureaucratic vigour and steps to tackle corruption; 6) Development of a vibrant oil & gas industry. Factors which could slow the SA economy further are: 1) Eskom load shedding; 2) Transnet underperformance; 3) SA caught in a geopolitical vice between 'West' and 'East'; 4) Sharp correction in commodity exports prices; 5) Failure to address massive skills deficit; 6) Politically inspired unrest & looting; 7) Failure to rein in rampant corruption; 8) Labour unrest/strikes for above-inflation wage demands.

SA bonds continue to provide some of the highest real value amongst Emerging Market peers and remains very attractive to foreign investors. On a real-term basis, the SA 10 year bond provides a real yield of 7.2%, well above its long-term average of 3.5%. Moreover, foreign investors are significantly underweight local bonds relative to history. With global inflation showing signs of moderating and underlying economic growth softening, Federal Reserve monetary policy next year could 'pivot' toward a less hawkish stance, triggering renewed fixed income portfolio inflows into Emerging Markets as risk sentiment improves. Domestically, structural reform, fiscal consolidation and success in tackling corruption could all trigger further buying by foreigners. During Q3 2023, the SA bond market came under pressure as worries over weak economic growth and disappointing tax revenues raised concerns over fiscal sustainability. The 10 year yield rose to above 12% as investors look ahead to the Medium-Term Budget Policy Statement later this year on 1st November 2023. While fiscal metrics are under pressure, we expect the Finance Minister to present a prudent medium-term budget which takes credible steps to constrain rising debt levels which should ease pressure on the domestic bond market. We continue to monitor our duration exposure carefully in our portfolios and look to take advantage of any mispricing of bond prices relative to their fundamentals.

Sources: Oasis Research, Bloomberg statistics, IMF World Economic Outlook, SARB

## Distribution

| Distribution               | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sept-23 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Oasis Bond Unit Trust Fund | 0.8191 | 0.8115 | 0.8284 | 0.8502 | 0.7670 | 0.8460 | 0.8131 | 0.8109 | 0.8473 | 0.8490 | 0.8691 | 0.7986  |

Distribution (cents per unit), of the Oasis Bond Unit Trust Fund over the past 12 months.

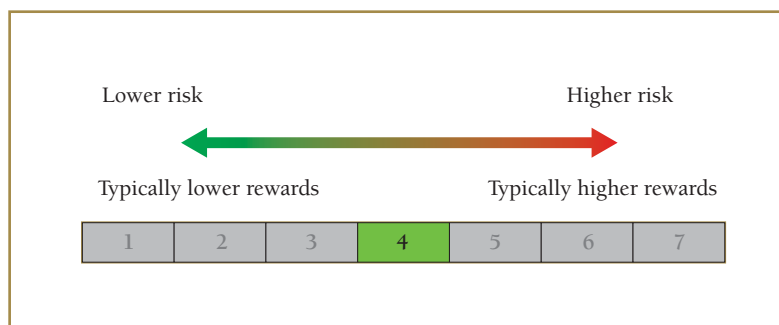
(Source: Oasis)

## Risk Analysis

|  | Sharpe | Sortino |
|--|--------|---------|
|  | Ratio  | Ratio   |
| Oasis Bond Unit Trust Fund                             | (0.09) | (0.12)  |
| South African Interest Bearing Variable Term Portfolio | (0.07) | (0.10)  |

Calculated net of fees  
since inception to 30 September 2023  
(Source: Oasis Research; Morningstar Direct)

## 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  | Maximum 3% deducted prior to each investment being made. Where ongoing fee is greater than 0.5% then initial fee is limited to 1.5%. | No charge     | No charge  |
| Ongoing  | Maximum 1% per annum of the investment account. Where the initial fee is more than 1.5% then the maximum ongoing fee is 0.5%.        | 0%            | 1% to 3%<br>Based on portfolio performance relative to benchmark |

\* Excluding VAT.

## Total Expense Ratio

Class D of the portfolio has a Total Expense Ratio (TER) of 1.06% for the period from 1 July 2020 to 30 June 2023. 1.06% 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 | 1.06% | Service Fees | 0.63% | Performance Fees | 0.28% | Other Costs | 0.02% | VAT | 0.14% |
|---------------------|-------|--------------|-------|------------------|-------|-------------|-------|-----|-------|

Class D: performance fees are payable in the case of outperformance of the underlying portfolio, relative to its benchmark. Performance is calculated for the portfolio, and individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The sharing ratio of the performance fee is 20% of the outperformance, and the total fees are capped at 3%. This fee 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.

## 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.oasisrescresent.com](http://www.oasisrescresent.com). Class D: performance fees are payable in the case of outperformance of the underlying portfolio, relative to its benchmark. Performance is calculated for the portfolio, and individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The sharing ratio of the performance fee is 20% of the outperformance, and the total fees are capped at 3%. This fee 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. For a full disclosure on performance fees FAQs visit [www.oasisrescresent.com](http://www.oasisrescresent.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 30 September 2023 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 Asset Management 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; Morningstar Direct (30 September 2023). Kindly note that this is not the full Terms and Conditions. To view the latest Terms and Conditions please visit [www.oasisrescresent.com](http://www.oasisrescresent.com).

GIPS compliant & verified

## PROTECTING AND GROWING YOUR WEALTH

### Product Provider:

**Oasis Crescent Management Company Ltd.**  
Oasis House, 96 Upper Roodebloem Road  
University Estate, Cape Town 7925  
South Africa  
Tel: +27 21 413 7860 Fax: +27 21 413 7900  
Oasis Share Call Helpline: 0860 100 786  
Email : [info@oasisrescresent.com](mailto:info@oasisrescresent.com)  
[www.oasisrescresent.com](http://www.oasisrescresent.com)

### Custodian:

The Standard Bank of South Africa Limited  
Standard Bank Trustee Services  
Corporate and Investment Banking  
20th Floor, Main Tower  
Standard Bank Centre  
Heerengracht  
Cape Town  
8000

### Complaints:

Oasis Ombudsman  
Postal Address : PO Box 1217  
Cape Town  
8000  
Telephone: 021 413 7860  
Email : [ombudsman@oasisrescresent.com](mailto:ombudsman@oasisrescresent.com)

### Investment Company:

**Oasis Asset Management Ltd.**  
Oasis House, 96 Upper Roodebloem Road  
University Estate, Cape Town 7925  
South Africa  
Tel: +27 21 413 7860 Fax: +27 21 413 7900  
Oasis Share Call Helpline: 0860 100 786  
Email : [info@oasisrescresent.com](mailto:info@oasisrescresent.com)  
[www.oasisrescresent.com](http://www.oasisrescresent.com)