

VIEWS FROM OUR CEO



Property is a broad asset class with multiple options to invest in, either directly or through various investment vehicles: Residential property, commercial property, industrial property or land, and each of these can be subdivided into multiple options such as freestanding or sectional title property. A unique feature of property investment is that it requires ongoing maintenance, and management of the relationship between landlords and tenants.

Real estate investment trusts (REITs) are investment companies that own property assets and provides an attractive alternative to direct investments. They offer easier entry and a spread of different types of properties to exploit different cyclical and structural factors impacting on the market. And maintenance and contractual relationships are managed by experts. Listed REITs also have the benefit of greater liquidity.

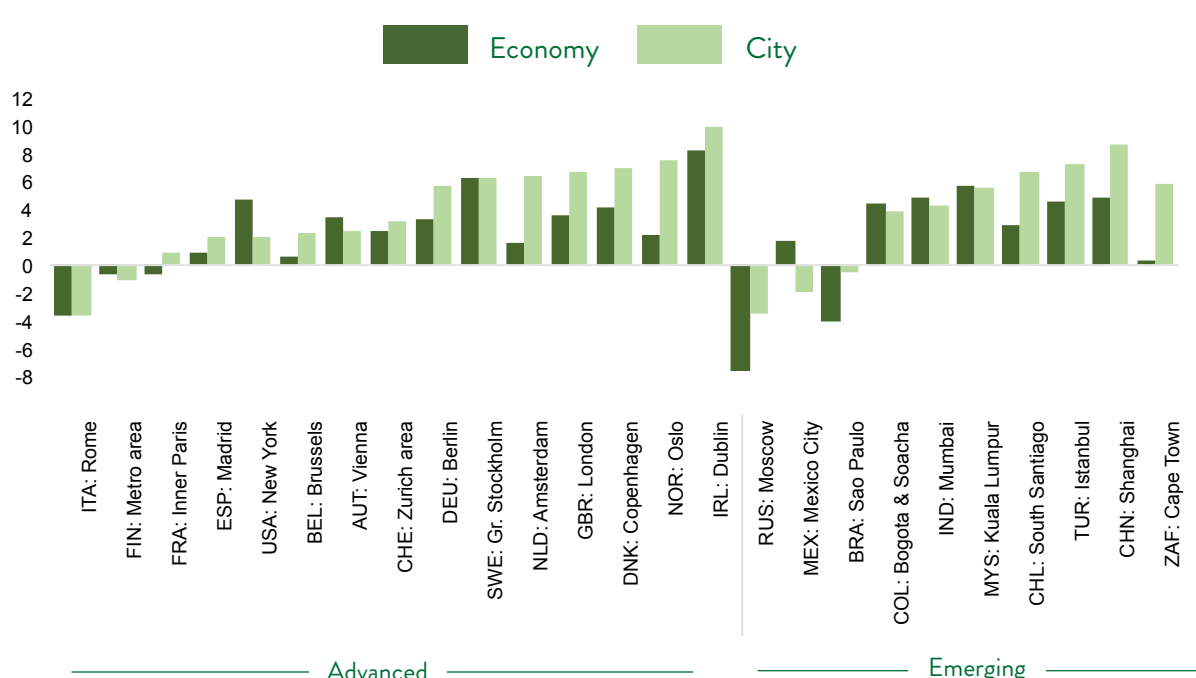
This is especially relevant in the current market where residential property has enjoyed strong synchronised growth, but is at risk of pulling back. IMF research showed that global house prices have enjoyed strong gains between 2013 and the first half of 2018, but that multiple markets have pulled back whilst others are at risk of following suit¹. Commercial property faces structural changes in how people live, work and shop. Online retailing boosts the need for logistics property but reduces demand for traditional retail space. The Fourth Industrial revolution increases the need for data centres at the expense of other forms of industrial property. With such a myriad of forces and changes to contend with, investing via REITs is a prudent option.

Listed REITs provide scale and diversification in a regulated, transparent and liquid structure. It allows individuals to generate earnings on income-producing properties without having the financial risk of taking out large loans to finance the acquisition of direct property. When purchasing property as an investment in your own name, it is not possible to obtain the scale, liquidity and diversification for sustainable long term returns and capital growth. There will also be significant cost and effort in managing your direct property investment. Property syndications are not regulated nor liquid and exposes investors to significant development risks and potential loss of capital.

Oasis provides you with exposure to high quality listed local and global REITs in the best industries with positive secular demand drivers in world class cities. You have immediate diversification across a number of geographical locations and property types. Our portfolios have exposure to the Oasis Crescent Property Fund, a high quality portfolio with strong fundamentals, *no debt* and sufficient *flexibility* to take advantage of opportunities.

It is important to consider which form of property investment would be best suited to achieving your long term investment goals. For most investors, REITs would be an ideal, low cost way to obtain property exposure, achieving long term sustainable returns. Speak to an Oasis approved financial advisor to assist you in selecting a portfolio best suited to your needs.

AVERAGE ANNUAL REAL HOUSE PRICE GROWTH (% , 2013 to Q2 2018)



Source: IMF World Economic Outlook, Chapter 2, (April 2019); Oasis Research.

OCAS Travel

Our Financial Advisors travel throughout the country on a monthly basis. During the month of October, will be travelling to the following areas:

DATE	AREA
02 nd - 05 th	KwaZulu-Natal Durban, Richard's Bay, Pietermaritzburg, Empangeni.
08 th - 12 th	KwaZulu-Natal Durban, Phoenix, Chatsworth, Overport.
15 th - 19 th	Gauteng Johannesburg, Pretoria, Sandton, Midrand, Fordsburg, Lenasia, Benoni
22 nd - 26 th	KwaZulu-Natal Durban, Phoenix, Chatsworth, Overport, Durban Central, Shallcross
	Eastern Cape Port Elizabeth, Uitenage
29 th - 31 st	North West Klerksdorp, Orkney, Rustenburg, Potchefstroom and Vryburg
	Gauteng Johannesburg, Pretoria, Sandton, Midrand, Fordsburg, Lenasia, Vereeniging, Pretoria

SA ECONOMY

SA residential property prices have taken increasing strain, with a number of surveys confirming broad-based weakness across major metropolitan areas. According to the FNB's Property Barometer, residential house prices grew by 3.6% year-on-year in August². With inflation at 4.3% in the same month, this implies a real contraction of 0.7%. Individuals who purchased a property a year ago would thus have lost value in real terms. Quarterly data from the same publication show that prices in the Cape metropole lag their respective peers. And across major metros, the top end of their respective markets are the weakest whilst the very bottom ends are their strongest, partly driven by households buying down. These results are confirmed by other surveys such as Standard Bank's, Lightstone's Deeds office data, the Reserve Bank's monthly credit numbers and Stats SA's CPI releases. A number of factors have weighed on prices, including low consumer confidence partly driven by a weak jobs market.

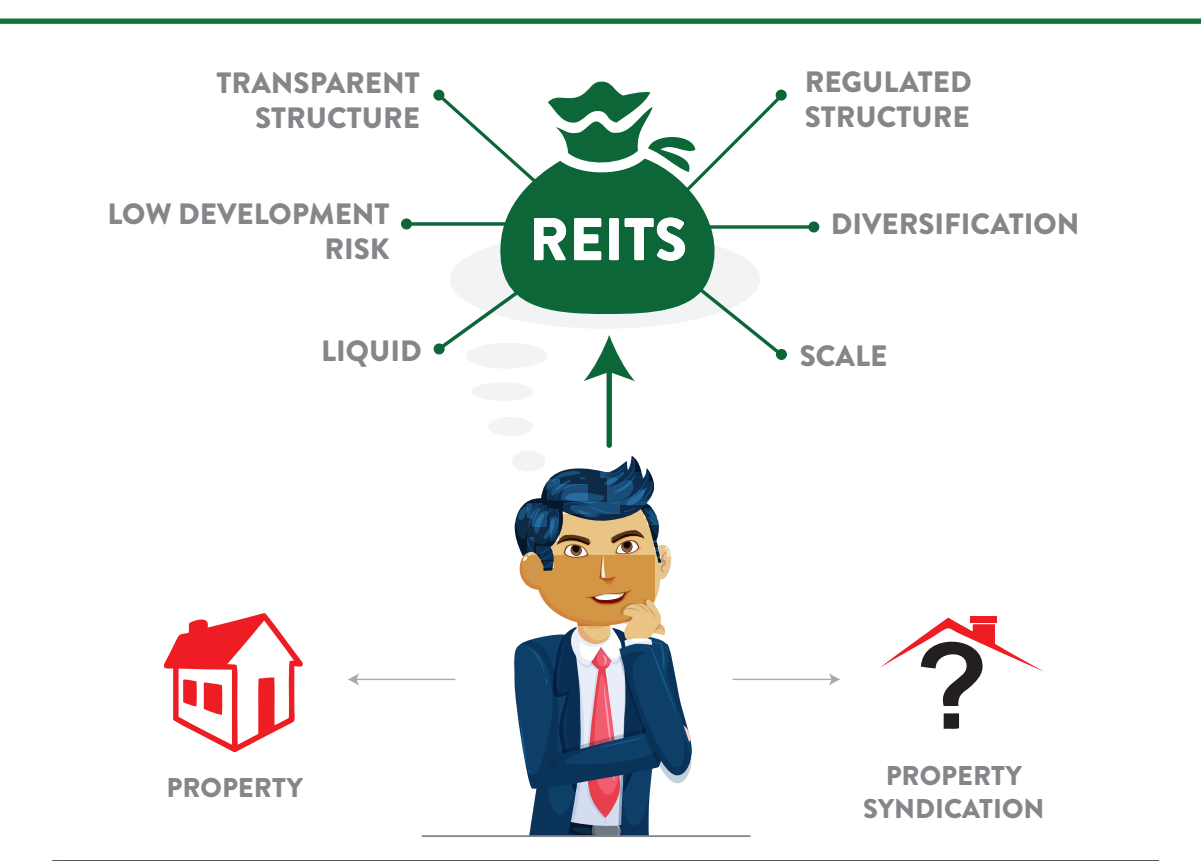
Property investors are thus faced with a multitude of challenges, including a weak residential cycle and broader structural changes. There is also the opportunity costs associated with directly-held properties, including the upkeep of the property and the management of various relationships. This is an environment where REITs are attractive alternatives.

FINANCIAL ADVISORY

As an investor looking for a well diversified portfolio, the property asset class will continue to play a vital role by providing long term sustainable returns and predictable income streams. Property is a medium risk investment which must be looked at over a medium to long term, with a minimum investment period of 10 - 20 years. The property asset class provides investors access to property sectors such as residential, commercial, industrial, logistical and office space. Property distribution in the form of rental income which generally increases over time is more steady and predictable than equity market returns. Hence property tends to be less risky than equities, making it a good diversifier to your investment portfolio.

There are various ways to invest in property, either through direct property, investing in listed Real Estate Investment Trusts (REITs) or through property syndications. Property is a dynamic asset class, but there are a number of attributes to consider when choosing which channel to invest through:

ATTRIBUTES	LISTED REITS	DIRECT PROPERTY HOLDING	PROPERTY SYNDICATES
Diversification	YES	NO	NO
Scale	YES	NO	NO
Regulated Structure	YES	NO	NO
Transparent Structure	YES	YES	NO
Liquid Structure	YES	NO	NO
Development Risk	LOW	LOW	HIGH



IN THE NEWS



At the 9th Annual Global Islamic Finance Awards (GIFA), which took place for the first time in Cape Town, South Africa; Oasis scooped up no less than three outstanding awards. The flagship Oasis Crescent Equity Fund, which recently celebrated its 21st Anniversary, received the award for the Best Islamic Fund over a 20 year period, after it provided an annualised return of over 17% since its inception in 1998. In addition, the Oasis Global Management Company (Ireland) Ltd. was named Best Islamic Fund Manager for 2019, while the Oasis brand was the recipient of the Advocacy Award, for the pioneering contribution that the organisation has made over an extended period of time to advance global Islamic Finance and Investment and establish an appropriate framework for such investment in South Africa.

The GIFA ceremony has become a notable event, attracting some of the most influential leaders and stakeholders who participate within the global Islamic finance industry. This year's event was attended by South Africa's Minister of Public Enterprises, His Excellency Pravin Gordhan, who accepted the GIFA Laureate Award on behalf of President Cyril Ramaphosa. South Africa's President was also recognised for his continued role in promoting an inclusive business environment that ensures South Africa is positioned as a strategic hub for both ethical and Islamic finance and investment.

Dr Sofiza Azmi, Chairman of the GIFA Awards Committee and CEO of Edbiz Corporation, noted that, "Over the years, we have seen new levels of innovation and authenticity in the products and services of our winners. These reflect the growing diversity and strength of the Islamic financial services industry".

Group CEO, Adam Ebrahim, said that the awards received by Oasis not only resonate with the core values of GIFA, but also highlight how relevant the design of the Oasis products have been over the past 21 years. The importance of understanding how value can be delivered over the long-term, in an ethical manner, is at the core of all the respective Oasis products and it has allowed the organisation to ensure that it is able to deliver excellence to its investors.



YouTube WATCH VIDEO

1. IMF World Economic Outlook, Chapter 2, (April 2019); Oasis Research. 2. FNB Property Barometer, September 2019.

