

O A S I S



Managing Islamic Real Estate Funds

Islamic Real Estate Forum
London

December 2008

SUPERIOR RETURNS AT LOWER THAN MARKET RISK



Presentation Overview

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

1. Listed Real Estate market
2. Shari'ah Compliant Real Estate
3. The Oasis Way
4. Oasis Crescent Global Property Equity Fund
5. Oasis Crescent Property Fund
6. Conclusion

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S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

Listed Real Estate Market



Listed Real Estate Market Global Overview

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

Region	Market Cap US \$ bn	Market Cap %
USA	167	38
Asia	156	35
Europe	84	19
Other	36	8
TOTAL	443	100

Market Cap Peak Value = US \$ 608 bn



Impact of liquidity crisis and economic slowdown

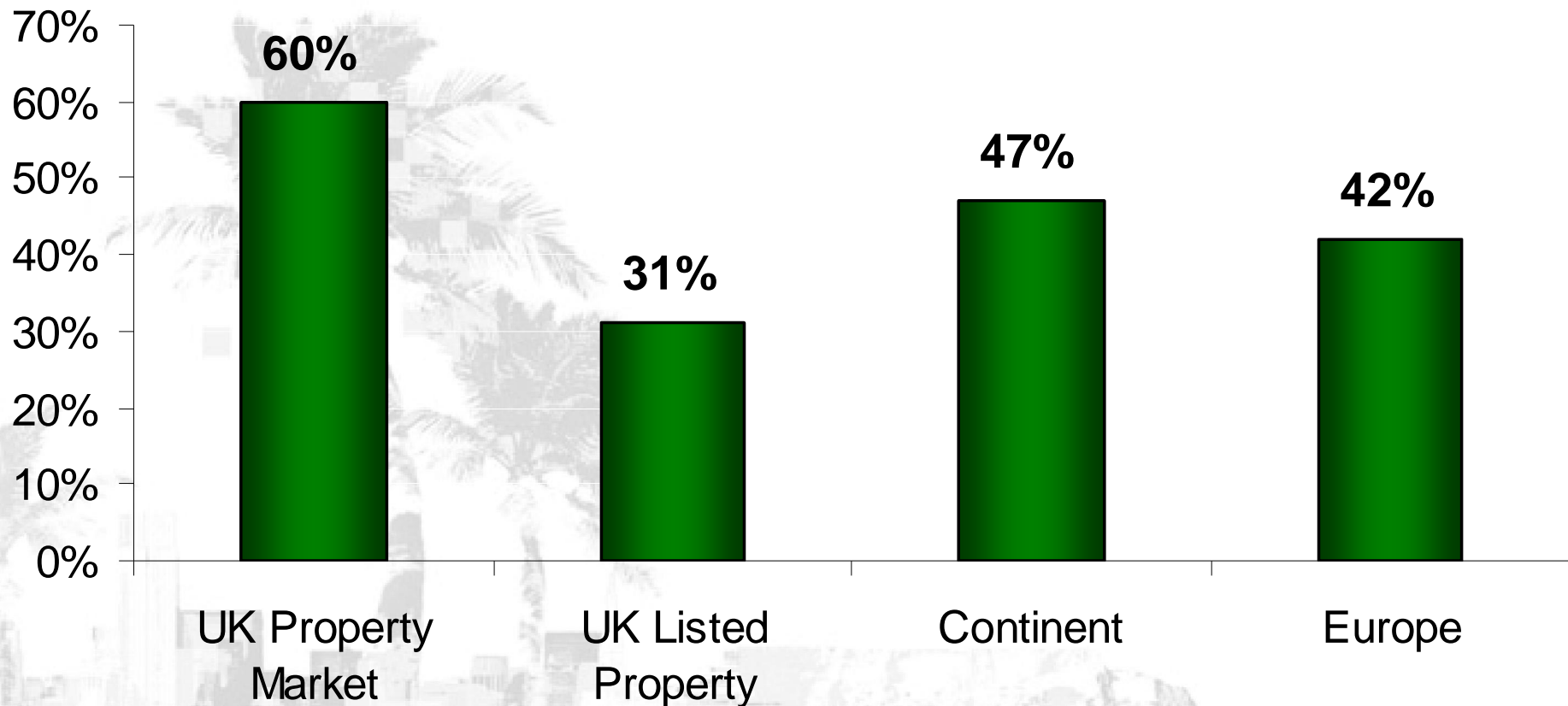
- Caught in the eye of the storm
 - Property sector dependency on debt funding
 - Mismatch – long term assets and short term liabilities
 - Key issue is financial engineering and not property fundamentals
- Short term impact
 - Poor debt maturity profiles exposed
 - Refinancing and debt covenant breach risk increases
- Long term impact
 - Reduced Supply – Lack of funding
 - Forced Sales – Create opportunities



Listed Real Estate Market Funding Mismatch

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

Debt expiring within 5 years

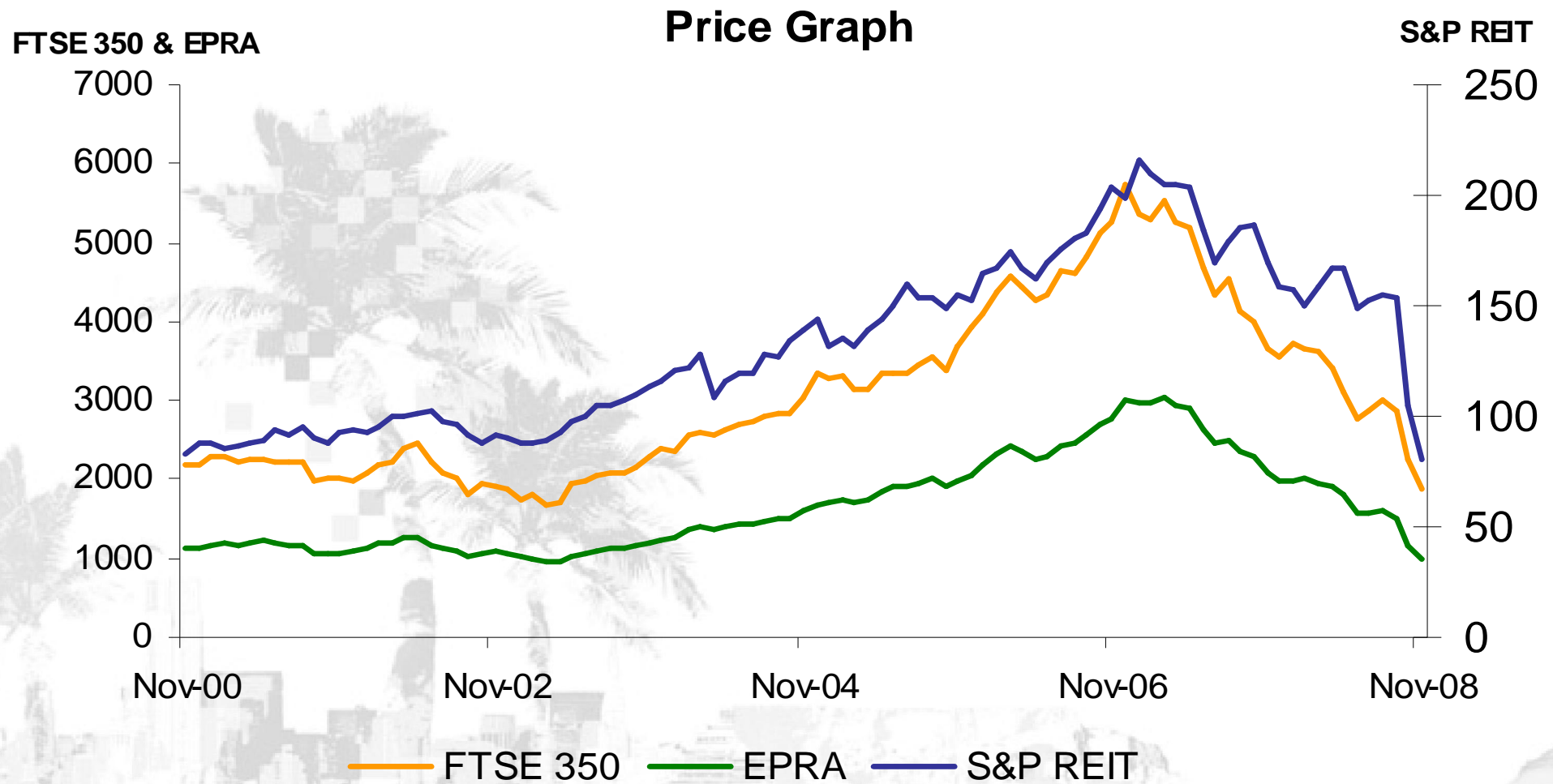


Source: J.P.Morgan estimates



Global Property- Price

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

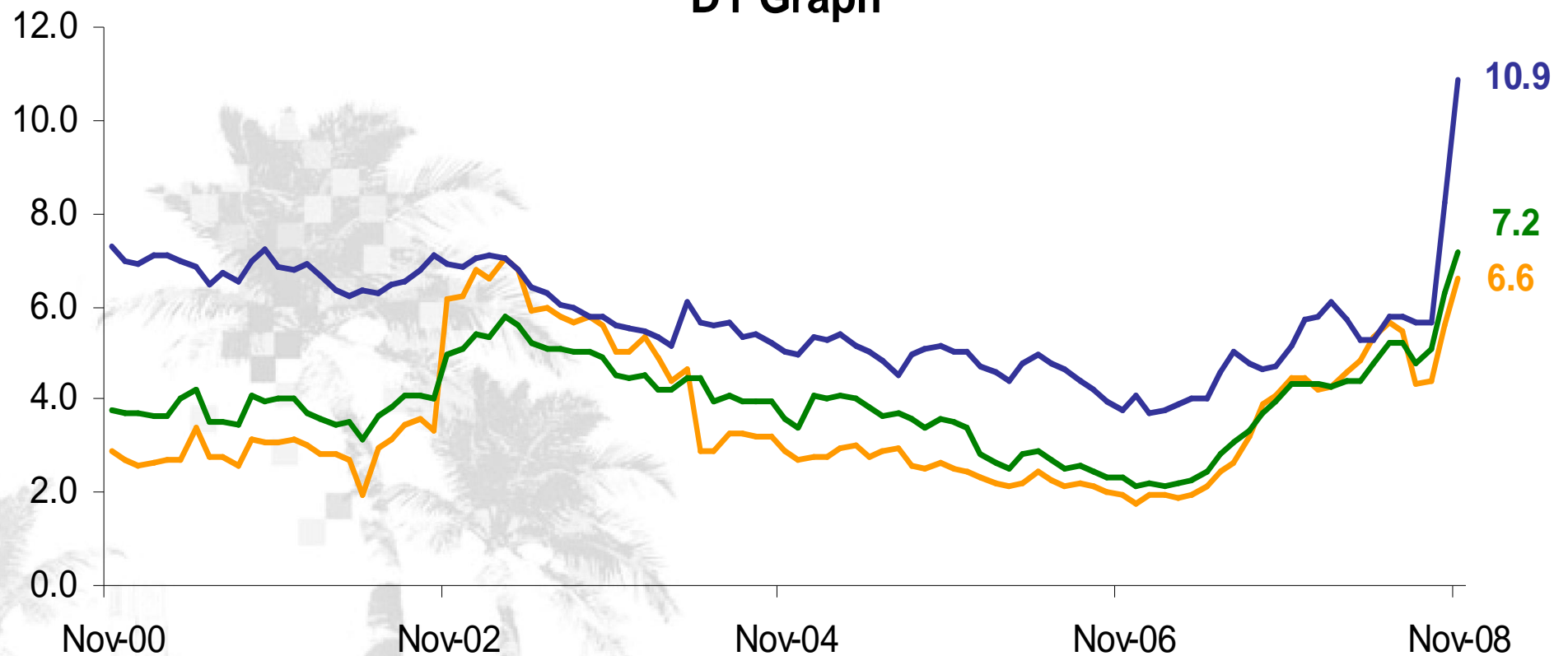




Global Property- Dividend Yield

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DY Graph



— FTSE 350 — EPRA — S&P REIT

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Shari'ah Compliant Real Estate



Shari'ah Complaint Real Estate Overview

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- Primarily unlisted
 - Lack of regulation
 - Lack of liquidity
 - Lack of transparency
- UK Shariah property developments
 - High profile assets or residential developments
 - Low level of leases committed
 - High promoters fees
 - Focus on capital profit

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The Oasis Way



The Oasis Tree of Life

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K



An oasis is a symbol of hope, a place of plenty in a barren landscape. A tree in the heart of an oasis, is the dynamic product of a life sustaining source, and is the evidence of the power of this source to create abundance in harsh conditions

Oasis investment portfolios seek to provide the same concepts -

Dynamic products with superior performance in harsh market conditions



The Oasis Way Strong Principles

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- Highly regulated entities and products
- Products are listed or invested in listed property
 - Liquidity and Transparency
- Focus on demand and supply fundamentals
 - Natural supply constraints – land, planning approval
 - Sustainable demand = lower vacancy and income risk
- Preference for internally managed property companies
 - No conflict of interest
- Focus on quality and sustainability of income
- Experienced Global Shariah Advisory Board



The Oasis Way Property Share Selection Criteria

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- Quality of asset, eg. age, location, etc.
- Low exposure to property development risk
- Tenant – Multi-National and National
- Lease expiry profile analysis
- Debt profile, average interest rates
- Liquidity
- Management experience

&

Priced below intrinsic value

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Oasis Crescent Global Property Equity Fund



Oasis Crescent Global Property Equity Fund - Regional Split

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

	CGPEF %	Benchmark %
Asia	36	38
Europe	30	35
US	19	19
Other	15	8
TOTAL	100	100



Oasis Crescent Global Property Equity Fund - Sectoral Split

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

	CGPEF %	Benchmark %
Diversified	26	* 46
Industrial	24	8
Healthcare	20	6
Office	18	14
Apartment	6	8
Retail	6	15
Hotel & Leisure	0	3
TOTAL	100	54

* High exposure (33%) to property developers



Oasis Crescent Global Property Equity Fund - Valuation

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- The Oasis Way:
 - ➔ Good quality
- DY substantially higher than bond yields and inflation
 - ➔ Great value

Weighted Portfolio Characteristics					
	Mkt. Cap (USD Millions)	P: NAV	Clean DY	10 Yr Bond Yield	Global Inflation*
Crescent Global Property Model Portfolio (Equity)	464	0.6	13.3	3.2	4.4

Source: Bloomberg, OASIS; November 2008

*Only includes inflation of countries in the Property Model Portfolio



Company Example GAGFAH

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- German Residential Market
 - Average Monthly Rent: € 300
 - Defensive
 - Middle to lower income tenants
 - Government subsidies for unemployed tenants
 - Average cost per unit : € 52 000
- Debt
 - Long term debt maturity profile
 - Only 4% of debt expiring in the next 2 years
- Attractive Valuation
 - P/NAV : 0.2
 - Dividend Yield : 29%





Company Example INTERVEST

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- Belgian Office Market
 - Limited risk of tenant default
 - Main tenants
 - » European Union
 - » PricewaterhouseCoopers
 - » Deloitte & Touche
- Debt
 - LTV of 41% relative to covenant of 60%
- Attractive Valuation
 - P/NAV : 0.7
 - Dividend Yield : 11%





Company Example LIBERTY INTERNATIONAL

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- London Shopping Centre Market
 - High quality assets
 - Scarcity value
- Debt
 - Low debt covenant breach risk
 - Long term debt maturity profile
 - Less than 10% of debt maturing in next 3 years.
- Attractive Valuation
 - P/NAV : 0.5
 - Dividend Yield : 7%





Oasis Crescent Global Property Equity Fund

Dividend Income

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

As at	Cents per unit	% Growth
September 2008	28.5	27%
March 2008	22.4	65%
September 2007	13.5	132%
March 2007	5.8	



Oasis Crescent Global Property Equity Fund

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- Focus on companies with:
 - High quality assets
 - Stable debt profiles
 - High quality cash flow and distributions
- Extremely attractive valuation on an income and valuation basis
- Once the credit cycle stabilises, there will be significant value unlock

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S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

Oasis Crescent Property Fund



Oasis Crescent Property Fund- Sectoral Split

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

	Sep-07	Sep-08
Industrial	36	36
Retail	48	32
Global Investments	0	17
Office	16	15
TOTAL	100	100



Oasis Crescent Property Fund- Annualised Yield

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

Distribution History	Cents per Unit	Distr Yld %
September 08	55	10%
March 08	52	
September 07	50	8%
March 07	54	
September 06	47	7%
March 06	31	



Oasis Crescent Property Fund Performance

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

	4 mnths to Mar 2006	Year to Mar 2007	Year to Mar 2008	April to Nov 2008
Oasis Crescent Property Fund	11.7	8.9	7.6	0.6
Property Unit Trust Sector	32.6	12.0	-8.0	-3.5

* Returns in ZAR

- Excellent Downside Protection
- Six month distribution up 14 %
- NAV growth of 11 %
- The Ridge Shopping Centre
 - Turnover increased by 20 % YoY
 - Footfall up 5 % YTD
- Two large industrial lease renewals of 50-60%



Oasis Crescent Property Fund

S U P E R I O R R E T U R N S A T L O W E R T H A N M A R K E T R I S K

- Well balanced portfolio
- No debt
- Global diversification
- Ongoing investment in portfolio
- Rental growth supported by supply constraints and new-build land and construction cost
- GREAT QUALITY AND GREAT VALUE AT A 10% DISCOUNT TO TANGIBLE NAV

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Conclusion



- Ongoing negative headlines
- Markets ignoring fundamentals
- Rapidly declining inflation
- Approaching bottom of credit cycle
- Liquidity in global financial sector improving
- Great quality property companies offering exceptional value



Legal Disclaimer

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