

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

Share code: OAS

ISIN: ZAE000074332

("OCPF" or "the Fund")



SHORT-FORM ANNOUNCEMENT: RESULTS FOR THE YEAR ENDED 31 MARCH 2020 AND DISTRIBUTION DECLARATION

OASIS CRESCENT PROPERTY FUND PHILOSOPHY & STRATEGY

The Oasis Crescent Property 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 owns a direct property portfolio which is focused on the Western Cape with prime locations in and around Cape Town and the key industrial and logistic nodes serving the area. There is only 1 property in the direct property portfolio that is located outside the Western Cape.

Our focus over the past 15 years in managing this portfolio has been on excellence in the execution of 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, with the aim of delivering sustainable income into perpetuity.

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, such as those we are currently experiencing.

1. THE PERIOD IN BRIEF

Unitholder return of 12.0% per annum since inception compared to inflation of 5.6% per annum and 7.5% annualised return for the SA listed property index ("**SAPY**") over the same period.

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. 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.

During the past year, the Fund made good progress with the ongoing enhancement of its 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.

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 no 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 cents per unit or 4.7% due to strategic vacancy for property enhancement and property disposal and by 1.7 cents per unit 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%.

Tough environment, but key differentiator is that the Fund has no debt and instead has substantial cash and liquid reserves to take advantage of opportunities. The Fund remains focused on excellence in the execution of property basics and Management is confident in the strategy of the Fund.

2. KEY FINANCIAL HIGHLIGHTS

Revenue decreased by 1.4% to R114.6 million, from R116.2 million in the prior corresponding period.

Distributable income decreased by 6.4% to R64.3 million, from R68.7 million in the prior corresponding period.

Distribution per unit decreased by 9.7% to 101.0 cents per unit, from 111.9 cents per unit in the prior corresponding period.

Net asset value per unit decreased by 1.2% to 2 172 cents per unit, from 2 198 cents per unit in the prior corresponding period.

Headline earnings per unit decreased by 85.0% to 30.9 cents per unit, from 205.9 cents per unit in the prior corresponding period.

Earnings per unit decreased by 70.1% to 75.6 cents per unit, from 252.9 cents per unit in the prior corresponding period.

3. 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 COVID-19 State of Disaster on 15 March and at midnight on 26 March 2020, South Africa commenced its COVID-19 nation-wide lockdown which has recently been extended to 30 April 2020. The lockdown measures are impacting all role-players 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.

4. DECLARATION ANNOUNCEMENT IN RESPECT OF THE 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 to unitholders recorded in the register of OCPF at close of business on Friday, 5 June 2020, from income. 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.

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 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.

The publication of this announcement and/or applicable 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.

In respect of the distribution, unitholders who will receive the distribution are hereby informed 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 out 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

The salient dates of the dividend declaration are:

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

Announcement of the results of the distribution on SENS	Monday, 8 June
Unit certificates posted and CSDP/broker accounts updated with units	Wednesday, 10 June
Adjustment of number of new units listed on or about	Friday, 12 June

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.

5. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement (“**Full Announcement**”) and does not contain full or complete details. The Full Announcement can be found at:

<https://senspdf.jse.co.za/documents/2020/JSE/ISSE/OAS/FY2020.pdf>

Copies of the Full Announcement are also available for viewing on the Company’s website at <https://www.oasis.co.za/default/content.aspx?initial=true&moveto=704>. In addition, electronic copies of the Full Announcement may be requested and obtained, at no charge, from the Fund at Property@oasiscrest.com and from the Fund’s designated advisor, PSG Capital.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

These annual results for the year ended 31 March 2020 have been audited by the Company’s auditors, PricewaterhouseCoopers Inc. who expressed an unmodified audit opinion thereon. The audit opinion also includes communication of key audit matters. The audit opinion is available, along with the annual financial statements, and the summary financial results, on the Company’s website at <https://www.oasis.co.za/default/content.aspx?initial=true&moveto=704>.

Cape Town
30 April 2020

Designated Adviser

PSG Capital



PSG CAPITAL