

Cinnabar SCI* Global Balanced Feeder Fund

Minimum Disclosure Document

As of 31/07/2021



CINNABAR
INVESTMENT MANAGEMENT

MDD Issue Date: 20/08/2021

Fund Objective

The primary investment objective of the Fund is to achieve enhanced growth of capital over the longer term at the risk of moderate short-term volatility of capital values. The Fund is aimed at investors with medium to long term investment horizon.

Investment Policy

The portfolio will apart from assets in liquid form invest in participatory interest of the Cinnabar Global Balanced Fund of Funds established under the Offshore Mutual Fund PCC Limited approved by the Guernsey Financial Services Commission in 20 May 2010. The Cinnabar Global Balanced Fund of Funds is a flexible funds designed to maximise returns. It will ideally be well diversified across asset classes. The fund will, apart from assets in liquid form, consist of participatory interests in collective investment schemes including exchange traded funds and regulated fund of funds basis. The asset allocation will be varied in such a manner as is deemed appropriate and shall not be precluded from continually varying the exposure to equity securities, non-equity securities and money market portfolios and assets in liquid form to achieve the investment. The manager may utilise exchange rate swaps or any other instrument permissible, subject to the conditions and limits as stipulated under the Act and its regulations for the exclusive purpose of hedging exchange rate risk.

Fund Information

Ticker	CISFFA
Portfolio Manager	Cinnabar Investment Management Team
ASISA Fund Classification	Global: Multi Asset : Flexible
Risk Profile	Moderate Aggressive
Benchmark	Average ASISA Global Multi Asset Flexible
Fund Size	R 30,555,539
Portfolio Launch Date*	01/02/2021
Fee Class Launch Date*	01/02/2021
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Distribution Date	Annually
Income Payment Date	1st business day of January
Portfolio Valuation Time	17:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media & www.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.29
Total Expense Ratio	1.58
Transaction Cost	0.38
Total Investment Charges	1.96
Performance Fee	—
TER Measurement Period	01 February 2021 - 31 March 2021

Total Expense Ratio (TER) is the percentage value of the Financial Product that was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's.

Transaction Cost (TC) is the percentage value of the Financial Product that was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

Please note that the legal registered name of Cinnabar SCI Global Balanced Feeder Fund is Cinnabar Sanlam Collective Investments Global Balanced Feeder Fund. SCI is an abbreviation for Sanlam Collective Investments.

**Returns and expense measures (excluding the annual manager fee) are only published from the fund's first 12-month anniversary.

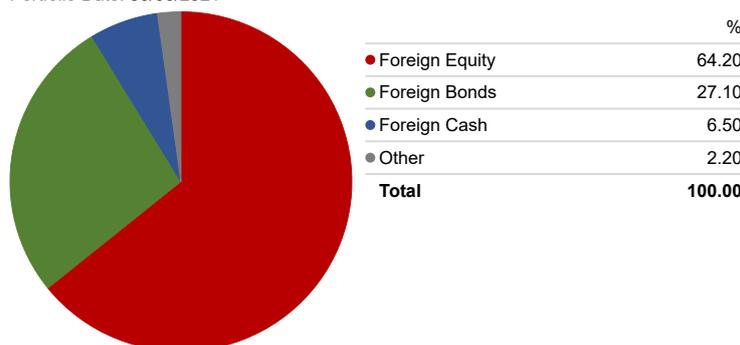
*** Risk statistics will be published from the fund's first 3 year anniversary.

Top Ten Holdings

	(%)
Microsoft Corp	2.24
Apple Inc	1.68
Amazon.com Inc	1.11
Visa Inc	1.02
PayPal Holdings Inc	1.02
Facebook Inc	1.01
The Estee Lauder Companies Inc	0.74
Nvidia Corp	0.68
Alphabet Inc	0.64
LVMH Moet Mennessy Louis Vuitton	0.61

Asset Allocation

Portfolio Date: 30/06/2021



Annualised Performance (%)**

	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

Cumulative Performance (%)**

	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

Highest and Lowest Annual Returns**

Time Period: Since Inception to 31/12/2020

Highest Annual %	—
Lowest Annual %	—

Risk Statistics (3 Year Rolling)***

Standard Deviation (Volatility)	—
Maximum Drawdown	—
Sharpe Ratio	—
Information Ratio	—

Distribution History (Cents Per Unit)

—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—

Administered by





Risk Profile

Moderate Aggressive

Your primary aim is to achieve the required capital growth necessary to realise your long-term goals and objectives. You are prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

Glossary Terms

Annualised Returns

Annualised return is the weighted average compound growth rate over the period measured.

Asset Allocation

Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Capital Volatility

Volatility is a measure of 'risk' and refers to the extent to which the price of an investment or capital value fluctuates over a certain period of time. Funds with high volatility usually offer the potential for higher returns over the longer-term than low volatility funds.

Cumulative Returns

Cumulative return is the total growth experienced over the period measured.

Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, biannual or annual distribution pay-outs.

Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction at the same time. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

Financial Instruments

Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

Fund Objective

The fund objective is the portfolio's core goal.

Investment Policy

The fund strategy is the way that the fund is managed to achieve the fund objective.

Information Ratio

The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

Collective Investment Schemes

Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Market Capitalization

Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Participatory Interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Performance Fee

Performance fees are incentive fees earned by the manager for performance in excess of the benchmark.

Sharpe Ratio

The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard Deviation

Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

Additional Information

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available on request from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained on request from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for a feeder fund. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Cinnabar Investment Management (Pty) Ltd, (FSP) Licence No. 45402, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

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Portfolio Manager Comment

Cinnabar Market Update: July 2021

United States of America

US second-quarter GDP accelerated by a less-than-expected 6.5%, though consumer spending remained strong. Households accumulated at least \$2.5 trillion in excess savings during the lockdown, which is expected to drive a double-digit increase in consumer spending this year and contribute significantly to GDP growth. Manufacturing PMI came in at 63.4 in July, supported by more substantial expansions in output and new orders. The IMF released its World Economic Outlook update for July, revising up its forecasts for advanced economies. US growth is forecasted at 7% and 4.9% for 2021, 2022 respectively. Retail sales rose 0.6% in June, and personal consumption expenditures grew 11.8%, as vaccinated Americans travel and engage in activities that were restricted before. US inflation surprised to the upside for the fourth consecutive month, accelerating to 5.4% in June. The Fed left the target range for its federal fund's rate unchanged at 0-0.25% and bond-buying at the current \$120 billion monthly pace but hinted that asset purchases could start being reduced soon.

UK

The British economy expanded 24.6% year-on-year in May. Manufacturing PMI came in at 60.4 for July, well above the 50-point mark and suggesting the growth outlook will remain strong. UK Prime Minister Boris Johnson lifted most of the remaining Covid restrictions during July, a real test case for the world. So far, data suggests that the vaccines are still effective against new variants in preventing severe illness. If cases continue to decline and hospitalisation rates stay low, this would likely be a significant boost to market sentiment. In other indicators, inflation increased to 2.5% in June, slightly up from 2.1% in May, with transport making the most significant upward impact. Unemployment edged up to 4.8% in the three months to May, with the labour force participation rate declining to 78.7% from 79%; despite this, households are showing signs of confidence as consumer confidence rose to -7 in July from -9 in the previous month.

Europe

Preliminary estimates show the European economy expanding by 13.7% year-on-year in the second quarter, rebounding from two consecutive periods of contraction and beating market expectations. The eurozone Manufacturing PMI offered further encouragement at 62.8 for July, showing signs the eurozone recovery is on track, despite decreasing from 63.4 in June. The number of unemployed decreased by 423 000, edging the unemployment rate down to 7.7% in June, the lowest level since May 2020. Flash estimates show inflation increasing to 2.2% in July, above market forecasts of 2%. The main event in the eurozone during July was the European Central Bank (ECB)'s strategic review. The inflation was adjusted to a more symmetric 2% target (versus the previous target of "below, but close to 2%"). At the same time, housing costs will also be incorporated into the calculation of inflation over time. With interest rates already in negative territory and asset purchase programs in place, it appears that fiscal policy rather than the monetary policy will need to do the bulk of the heavy lifting if the eurozone is to break out of the low-growth low-inflation environment.

Japan

As the games come to an end, chances are looking good the Olympics themselves will be considered an achievement. COVID-related disruptions have been minimal, while Japan's athletes have already taken home a record haul of gold medals. Turning our attention to the indicators, consumer prices unexpectedly rose by 0.2% year-on-year for the first time in a year, another sign of recovering inflation. Last month, the Bank of Japan (BOJ) reiterated that it sees prices drifting up once economic activity improves, but it still doesn't expect inflation to reach its 2% target anytime before 2024. The BOJ left its key short-term interest rate unchanged at -0.1% and kept the 10-year Japanese government bond yield target at around 0%. The IMF has downgraded Japan's growth forecast for 2021, reflecting tighter restrictions in the first half of the year as caseloads picked up. Vaccination rates are expected to proceed, and the economy to reopen in full later this year, improving the growth outlook for 2022. Growth is forecasted at 2.8% and 3% for 2021, 2022 respectively.

China

China's economy expanded 1.3% over Q2, advancing 7.9% year-on-year and slowing sharply from a record 18.3% growth in Q1. Second-quarter growth came from growth in manufacturing, retail sales and investment. Retail trade rose by 12.1% year-on-year in June, after a 12.4% gain in May and below market expectations of 11%. Manufacturing PMI slowed to 50.3 in July from 51.3 in June, amid the Delta variant of the COVID-19 outbreak in Nanjing, higher material costs, and extreme weather. The IMF has revised its 2021 forecast for China down 0.3%, resulting from the scaling back of public investment and overall fiscal support. Growth projections for 2021, 2022 are at 8.1% and 5.7%, respectively. China's trade surplus, in dollar terms, widened from \$45.3 billion in May to \$51.53 billion in June. Exports rose by 32% on the year, whilst import growth slowed to 36.7%. With a sharp decline in the cost of food, more noticeably the drop in price of pork, inflation fell to 1.1% in June, down from May's eight-month high and below market expectations.

South Africa

The IMF updated South Africa's 2021 growth forecast in its latest World Economic Outlook, following a big positive surprise in the first quarter. Growth projections are at 4% for 2021,

and 2.4 % for 2022 as the worsening pandemic developments in South Africa are expected to weigh on its recovery. Manufacturing PMI fell sharply to 43.5 in July from 57.4 in June, signalling the steepest deterioration in business conditions since May 2020. The composite leading business cycle indicator rose by 2.3% month-on-month in May, easing from April's 8-month high of 3.7%. South Africa has enjoyed the recent highs in commodity prices. The trade surplus widened to a record high of ZAR 57.68 billion in June, well above market forecasts of ZAR 52 billion. Exports were up 2% to ZAR 166.5 billion. The consumer price inflation rate eased to 4.9% year-on-year in June, from a two-and-a-half-year high of 5.2% in May, coming in above market expectations of 4.8%. It was no surprise when the South African Reserve Bank unanimously voted to keep its benchmark repo rate unchanged at a record low of 3.5% during its July meeting.

Sources: *Trading Economics, Economy.com, IMF, Japan Times, Cinnabar Investment Management*

Portfolio Manager

Cinnabar Investment Management Team