

Cinnabar SCI* Global Balanced Feeder Fund

Minimum Disclosure Document

As of 28/02/2022



CINNABAR
INVESTMENT MANAGEMENT

MDD Issue Date: 18/03/2022

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 60,994,140
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****	0.70
Transaction Cost****	0.13
Total Investment Charges****	0.83
Performance Fee	—
TER Measurement Period	01 February 2021 - 31 December 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.

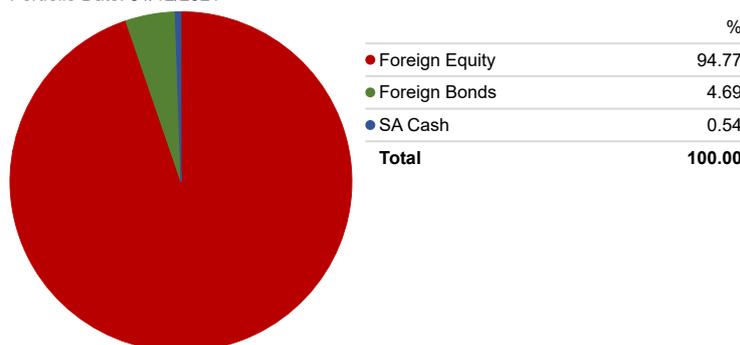
**** As the fund's track record is shorter than a year, the TER and TC cannot be accurately determined. Calculations are based on actual data where possible, and on best estimates where data is not available.

Top Ten Holdings

	(%)
Microsoft Corp	2.65
Apple Inc	2.08
Visa Inc	1.08
Amazon.com Inc	1.05
Meta Platforms Inc	0.95
Nvidia Corp	0.86
PayPal Holdings Inc	0.81
Intuit Inc	0.74
Tesla Inc	0.73
Alphabet Inc	0.72

Asset Allocation

Portfolio Date: 31/12/2021



Annualised Performance (%)**

	Fund	Benchmark
1 Year	-0.19	3.21
3 Years	—	—
5 Years	—	—
Since Inception	3.44	4.52

Cumulative Performance (%)**

	Fund	Benchmark
1 Year	-0.19	3.21
3 Years	—	—
5 Years	—	—
Since Inception	3.69	4.85

Highest and Lowest Annual Returns**

Time Period: Since Inception to 31/12/2021

Highest Annual %	—
Lowest Annual %	—

Risk Statistics (3 Year Rolling)***

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

Distribution History (Cents Per Unit)

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

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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.

Cinnabar Investment Management (Pty) Ltd

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Portfolio Manager Comment

Cinnabar Market Update: February 2022

United States of America

Retail sales in the US beat expectations, jumping 3.8% month-on-month in January, rebounding from a 2.5% drop in December and suggesting US consumers had delayed spending because of Omicron. This rebound in consumer spending translated into an upside surprise in inflation. The annual inflation rate in the US accelerated to 7.5% in January, attributed to soaring energy costs, labour shortages, and supply disruptions. Looking abroad, Russia is a significant exporter of commodities, accounting for 13% of global Brent crude oil production. The Russia – Ukraine conflict is likely to impact energy prices, fuel higher inflation and eat into household incomes. During Congressional testimony, Fed Chair Jerome Powell made clear that the central bank would begin raising interest rates in its March meeting to restrain surging inflation. February's consumer sentiment is at 62.8, still the lowest level of consumer confidence in the past decade, amid inflationary declines in personal finances and a near-universal awareness of rising interest rates. Manufacturing PMI rose for a second straight month to 58.6 in February from 57.6 in January.

UK

On the 3rd of February, the Bank of England raised rates by 25bps to 0.5%, in line with expectations. The Committee also voted to begin to reduce the stock of UK government bond purchases by ceasing to reinvest maturing assets. Headline annual inflation for January edged higher to 5.5%, while core inflation rose to 4.4% year-on-year. With a significant household energy bill increase coming in April, the inflation readings are likely to climb higher before they come down. The persistently high inflation hurt consumer confidence, which dropped to -26 in February, its lowest level in 13 months. The unemployment rate came in at 4.1% in the fourth quarter, staying at the lowest level since the second quarter of 2020. The UK trade deficit narrowed in December as exports exceeded imports. Exports increased by 1.5%, while imports increased at a softer pace of 0.9%.

Europe

Eurozone Manufacturing PMI was slightly lower at 58.2 in February when compared with January's 58.7, however still above the 50-point mark, showing continued economic momentum. Rising energy prices and a weaker euro contributed to a widening trade deficit in December, as imports jumped 36.7% on the year whilst exports rose at a slower 14.1%. The labour market is improving in the eurozone. The unemployment rate fell to 7%, a record low since the euro's inception. The annual inflation rate rose to a record high of 5.8% in February, from 5.1% in January, with more than 50% of that number coming from energy inflation. More inflation would be expected as the Eurozone imports around a quarter of its crude oil and 40% of its natural gas from Russia. If Russian commodity exports are disrupted, it could significantly impact the European Union. The European Central Bank (ECB) maintained key interest rates at record low levels in February and suggested a calm and gradual approach to rate hikes. The ECB pledged to reduce its bond purchases this year, despite a record rise in inflation.

Japan

Japan's consumer prices rose by 0.5% year-on-year in January, easing from a 0.8% gain a month earlier. Russia's invasion of Ukraine has further worsened the global inflation outlook. The further rise in energy costs is expected to hurt the Japanese economy as companies look to pass the extra costs on to consumers. Analysts at the Bank of America Securities are expecting the Bank of Japan to scrap its negative interest rate policy and double its ceiling on its bond yield target in October as support for aggressive stimulus weakens. However, the Bank of Japan (BOJ) has no immediate plans to roll back its massive stimulus, said Gov. Haruhiko Kuroda. The BOJ will look past the cost-push inflation and keep monetary policy loose until sustained wage increases accompany those price rises. In trade, Japan's deficit jumped sharply in January, with imports jumping 39.6% year-on-year amid robust domestic demand and soaring commodity prices.

China

As developed economies push for tighter monetary policy, China moves in the opposite direction. December saw Q4 GDP growth at 4%, resulting in the People's Bank of China cutting several policy rates to stabilise economic momentum. A recent report by JP Morgan suggests China will deploy more fiscal and monetary support this year to lift economic growth back to around 5% to 5.5%. The World Bank projects growth this year will be 5.1%. China's manufacturing activity and new orders expanded last month, despite the interruptions caused by the Lunar New Year holiday and Winter Olympics. Still, analysts have warned of lingering supply shortages, inflation, and disruptions to services sector activities. In February, the official manufacturing purchasing managers' index rose to 50.2, from 50.1 in January.

South Africa

In December, manufacturing production in South Africa declined 0.1% as supply issues continued to linger. More positively, retail trade advanced by 3.1% from a year earlier in December, up from a 2.7% rise in the previous month. South African businesses felt more optimistic on the back of an increase in retail sales and external trade. The business confidence index rose to a three-month high of 94.1 in January. The annual inflation rate in South Africa eased to 5.7% in January, from a near five-year high of 5.9% in December,

but remaining close to the top of South African Reserve bank's target range of 3-6%. As such, the consensus is for another 25-basis point hike of the repo rate to 4.25% at the Reserve Bank's March meeting.

Sources: Trading Economics, Moneyweb, JP Morgan, Cinnabar Investment Management

Portfolio Manager

Cinnabar Investment Management Team

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