

Cinnabar SCI* Balanced Plus Fund of Funds

Minimum Disclosure Document

As of 30/06/2022



CINNABAR
INVESTMENT MANAGEMENT

MDD Issue Date: 21/07/2022

Fund Objective

The objective of the portfolio is to provide investors with a moderate long term total return.

Fund Strategy

Investments to be included in the portfolio will, apart from assets in liquid form, consist solely of participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa. The portfolio will consist of a mix of collective investment scheme portfolios investing in equity, bonds and property and money market instruments. The portfolio's equity exposure will range between 0% and 75% of the portfolio's net asset value. The Fund is Regulation 28 compliant. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Fund Information

| | |
|-----------------------------|--|
| Ticker | GCBFA |
| Portfolio Manager | Cinnabar Investment Management Team |
| ASISA Fund Classification | South African - Multi Asset - High Equity |
| Risk Profile | Moderate Aggressive |
| Benchmark | ASISA Category Avg: SA - Multi Asset - High Equity |
| Fund Size | R 511,676,430 |
| Portfolio Launch Date* | 29/07/2014 |
| Fee Class Launch Date* | 29/07/2014 |
| Minimum Lump Sum Investment | R 10,000 |
| Minimum Monthly Investment | R 500 |
| Income Declaration Date | June & December |
| Income Payment Date | 1st business day of July & 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 | — |
| Manager Annual Fee | 1.15 |
| Total Expense Ratio | 1.92 |
| Transaction Cost | 0.18 |
| Total Investment Charges | 2.10 |
| Performance Fee | 0.01 |
| TER Measurement Period | 01 April 2019 - 31 March 2022 |

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.

The historic total TER above is calculated based on 3 years of historic data, and includes Performance Fees until 30 June 2020. No performance fees have been charged since 1 July 2020 so the historic total TER will fall into line with the current effective TER as the historic data is removed from the calculation over time.

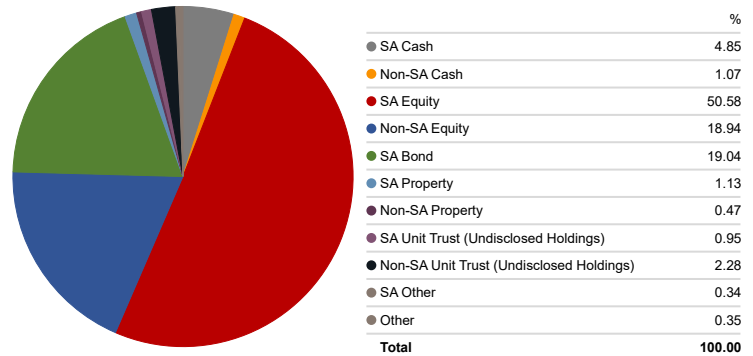
*The Cinnabar Sanlam Collective Investments Balanced Plus Fund of Funds transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 02 December 2017.

Top Ten Holdings

| | (%) |
|---------------------------------|-------|
| Satrix Top 40 Index Fund | 15.09 |
| Laurium Flexible Prescient Fund | 11.68 |
| Kagiso Balanced Fund | 11.57 |
| Coronation Balanced Plus Fund | 11.53 |
| Centaur BCI Flexible Fund | 11.33 |
| Satrix MSCI World ETF | 10.07 |
| Satrix Bond Index Fund | 9.55 |
| Northstar SCI Managed Fund | 5.89 |
| Ninety One Opportunity Fund | 5.82 |
| Ninety One Commodity Fund | 2.54 |

Asset Allocation

Portfolio Date: 30/06/2022



Annualised Performance (%)

| | Fund | Benchmark |
|-----------------|------|-----------|
| 1 Year | 1.98 | 2.83 |
| 3 Years | 5.69 | 6.62 |
| 5 Years | 5.11 | 6.07 |
| Since Inception | 4.93 | 5.61 |

Cumulative Performance (%)

| | Fund | Benchmark |
|-----------------|-------|-----------|
| 1 Year | 1.98 | 2.83 |
| 3 Years | 18.06 | 21.21 |
| 5 Years | 28.31 | 34.26 |
| Since Inception | 46.35 | 54.12 |

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2021

| | |
|------------------|-------|
| Highest Annual % | 20.09 |
| Lowest Annual % | -3.48 |

Risk Statistics (3 Year Rolling)

| | |
|---------------------------------|--------|
| Standard Deviation (Volatility) | 10.89 |
| Maximum Drawdown | -12.87 |
| Sharpe Ratio | 0.11 |
| Information Ratio | -0.44 |

Distribution History (Cents Per Unit)

| | | | | | |
|------------|----------|------------|----------|------------|----------|
| 30/06/2022 | 1.73 cpu | 30/06/2020 | 2.33 cpu | 30/06/2018 | 0.58 cpu |
| 31/12/2021 | 1.22 cpu | 31/12/2019 | 1.73 cpu | 01/12/2017 | 1.22 cpu |
| 30/06/2021 | 0.77 cpu | 30/06/2019 | 1.92 cpu | 30/06/2017 | 0.25 cpu |
| 31/12/2020 | 0.57 cpu | 31/12/2018 | 1.77 cpu | 30/04/2016 | 0.96 cpu |

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INVESTMENT MANAGEMENT

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.

Derivatives

Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

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.

Fund Strategy

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.

LISP (Linked Investment Service Provider)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust investments.

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.

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

The standard deviation is a widely used risk measure of the return dispersion relative to the mean. It is also referred to as volatility.

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. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees, and may result in a higher fee structure for our portfolio. 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 from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. A fund of funds portfolio is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. 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: June 2022

United States of America

During the ECB's annual forum, Federal Reserve (Fed) Chair Jerome Powell, noted the US economy is in a good shape and well positioned to withstand tighter monetary policy. The S&P Global US Manufacturing PMI, which reflects activity in the broader economy, stood at 52.7 for June pointing to the slowest growth in factory activity since July 2020. Retail Sales fell by 0.3% in May for the first time this year as high inflation, gasoline prices, and borrowing costs hurt spending on non-essential goods. Consumer prices jumped 1% month-to-month in May with the annual US inflation rate increasing to 8.6% as energy prices rose 34.6%. The annual producer inflation rate edged lower to 10.8%, with producer prices marginally up month-on-month in May. The Fed is committed to control inflation, with the median Fed member now expecting to raise interest rates to 3.8% by next year to combat inflation. US unemployment remains low at 3.6% for May. The Fed forecasts unemployment will need to rise to just above 4% to bring inflation down.

UK

The UK economy continues to expand, albeit at a slower pace. UK Manufacturing PMI fell to a two-year low of 52.8 in June, from 54.6 in May. Consumer confidence remains low as consumers are clearly feeling the squeeze from a negative real wage growth. Consumer confidence fell from -40 in May to -41 in June. Retail sales decreased 0.5% month-on-month and 4.7% year-on-year in May. Consumer prices increased by 0.7% month-on-month while the annual inflation rate was marginally up to 9.1% from 9% in May. The central bank now expects inflation to be over 9% during the next few months and to rise to slightly above 11% in October. Further to this, the central bank raised its commitment to bring inflation back to the 2% target and 'act forcefully' if necessary. A tighter monetary policy to combat the rise in inflation saw the Bank of England raise its main Bank Rate by 25bps to 1.25% during its June meeting. The rise in interest rates will see households having to deal with higher mortgage costs, as about 17% of households have floating rate mortgages, and for those on fixed rate mortgages, about a third are only fixed for two years. So as interest rates rise and some fixed rate mortgage deals expire, mortgage costs are increasing.

Europe

In Europe, June saw Manufacturing PMI fall to 52.1 from 54.6 in May, and consumer confidence decreasing to -23.6, its lowest since April 2020. Meanwhile May figures saw unemployment fall to 6.6% and retail sales increase by 0.2%. The biggest risk to the European economy is the reduction in gas supplies coming from Russia, which has driven prices up significantly. Consumer prices have increased by 0.8% month-on-month for June with the annual inflation rate reaching 8.6%. European Central Bank (ECB) President Christine Lagarde said the ECB will continue its policy normalisation path and will go as far as necessary to bring inflation back to the 2% target. Lagarde confirmed that interest rates will be raised by 25bps during July, the first-rate hike in 11 years. The difference between the rate at which the Italian and German governments can borrow has widened materially, and in response the ECB will come up with an antifragementation tool to limit the rise in Italian borrowing costs. This will allow for an even transmission of its desired monetary policy across the eurozone.

Japan

In Japan, Manufacturing PMI declined to 52.7 in June from 53.3 a month earlier. Retail Sales increased by 3.6% year-on-year and 0.60% over the previous month in May, boosted by a strength in consumption as the government lifted all COVID-19 restrictions. Japan's trade deficit surged to JPY 2,384.7 billion in May as imports surged. Japan imports about 90% of its energy, mostly priced in US dollars. The average cost to import a ton of liquefied natural gas in JPY was almost 120% higher in May than a year earlier. On the monetary side, the Bank of Japan left its key short-term interest rate unchanged at -0.1%, and that for 10-year bond yields around 0% during its June meeting. Consumer prices increased by 0.20% in May, with the annual inflation rate increasing at 2.5% as food inflation hit its highest in 7 years.

China

In China, local governments sold a record 1.94 trillion-yuan worth of bonds last month, representing a year-on-year increase of 143.27%, according to Great Wall Securities, but analysts still believe Beijing's hopes of meeting its economic growth target of "around 5.5%" this year could still be hampered by the growing burden of its zero-Covid policy. In the indicators, manufacturing PMI climbed to 51.7 in June from 48.1 in May, as COVID-19 lockdown and control measures eased. China's trade surplus jumped to USD 78.76 billion in May as exports increased by 16.9% year-on-year, with imports rising by 4.1% year-on-year. Retail trade declined by 6.7% year-on-year in May while the Consumer Price Index in China decreased 0.20% in the month, leaving the China's annual inflation rate unchanged at 2.1% in May. China's inflation rate is relatively benign compared to Western countries, but there are fears that rising prices for pork, a staple meat that has the heaviest weighting among foodstuffs in China's consumer price index, may drive up inflation.

South Africa

South Africa's local economy bounced back in May after some moderation in the previous month, however the intensified load shedding from Eskom, higher fuel prices, rising inflation and interest rates are some of the negative forces that will play on South Africa's

economy. The recent relaxation of the Covid-19 restrictions on gatherings, helped cushion South Africa's economy from these negative forces. More positively, the S&P Global South Africa PMI, which reflects activity in the broader economy, also recovered marginally in May, from 50.3 in April to 50.7, while new car sales rose by 13.8% year-on-year in May. In other indicators, retail sales for April decreased to 0.20% while advancing by 3.4% for the year in April. South Africa's trade surplus broadened to ZAR 28.35 billion in May as exports advanced 17.8% and imports increased at a softer 10.9%. The annual inflation rate broke through the upper limit of the South African Reserve Bank's (SARB) target range of 3%-6%, increasing to 6.5% in May, from 5.9% in April. This is likely to encourage the SARB to increase interest rates when it meets on the 21st of July.

Sources: Trading Economics, Bloomberg, Fidelity, JP Morgan, Office for National Statistics, Cinnabar Investment Management

Portfolio Manager

Cinnabar Investment Management Team

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