

Cinnabar SCI* Balanced Fund of Funds

Minimum Disclosure Document

As of 31/10/2023



CINNABAR
INVESTMENT MANAGEMENT

MDD Issue Date: 16/11/2023

Fund Objective

The objective of the portfolio is to provide investors with low volatility moderate long term capital growth.

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 net equity exposure will range between 0% and 60% 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	MGBF
Portfolio Manager	Cinnabar Investment Management Team
ASISA Fund Classification	South African - Multi Asset - Medium Equity
Risk Profile	Moderate
Benchmark	ASISA Category Avg: SA - Multi Asset - Med Equity
Fund Size	R 479,897,592
Portfolio Launch Date*	09/09/2005
Fee Class Launch Date*	09/09/2005
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	1.83
Transaction Cost	0.12
Total Investment Charges	1.95
Performance Fee	—
TER Measurement Period	01 July 2020 - 30 June 2023

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.

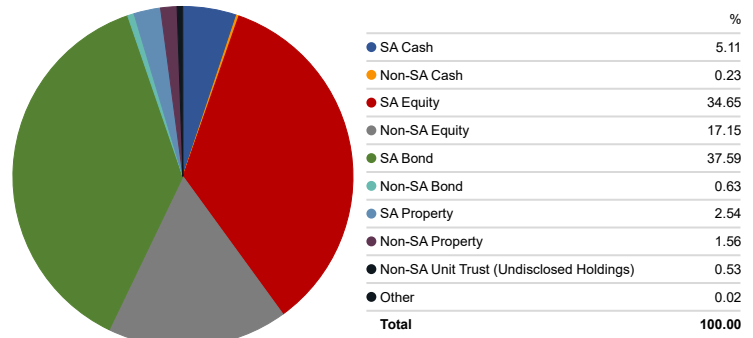
*The Cinnabar Sanlam Collective Investments Balanced Fund of Funds transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 02 December 2017.

Top Ten Holdings

	(%)
PortfolioMetrix BCI SA Bond Fund	31.31
Satrix Top 40 Index Fund	18.85
Satrix MSCI World ETF	14.76
PortfolioMetrix BCI Equity Fund	10.49
Centaur BCI Flexible Fund	8.23
PortfolioMetrix BCI Dynamic Income Fund	3.70
Satrix MSCI Emerging Markets	3.32
Portfoliomatrix BCI SA Property Fund	2.98
PortfolioMetrix BCI Global Property Fund of Funds	2.79
Miplan IP Enhanced Income Fund	1.24

Asset Allocation

Portfolio Date: 30/09/2023



Annualised Performance (%)

	Fund	Benchmark
1 Year	6.42	6.20
3 Years	8.78	9.12
5 Years	6.37	6.75
10 Years	5.75	6.17
Since Inception	7.68	8.29

Cumulative Performance (%)

	Fund	Benchmark
1 Year	6.42	6.20
3 Years	28.72	29.94
5 Years	36.19	38.63
10 Years	74.91	82.01
Since Inception	281.10	322.21

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2022

Highest Annual %	22.46
Lowest Annual %	-0.96

Risk Statistics (3 Year Rolling)

Standard Deviation (Volatility)	8.16
Maximum Drawdown	-6.30
Sharpe Ratio	0.42
Information Ratio	-0.15

Distribution History (Cents Per Unit)

30/06/2023	4.46 cpu	30/06/2021	2.02 cpu	30/06/2019	4.28 cpu
31/12/2022	2.84 cpu	31/12/2020	1.52 cpu	31/12/2018	4.04 cpu
30/06/2022	3.87 cpu	30/06/2020	3.97 cpu	30/06/2018	2.48 cpu
31/12/2021	2.87 cpu	31/12/2019	3.81 cpu	01/12/2017	3.48 cpu

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Risk Profile

Moderate

You want to protect yourself from the ups and downs as much as possible and, in so doing, have as smooth a ride as is possible. But you know you need to take some risk to grow your capital. You have a medium to long-term investment horizon; you are looking for a diversified portfolio (ie, a portfolio that invests in a number of different asset classes to spread your risk), and one that offers real (after inflation) returns but with lower volatility. This fund would appeal to anyone nearing retirement (in the capital accumulation phase) and as well as after retirement (in the de-accumulation or capital preservation phase).

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

(FSP) License No. 45402

Physical Address: 346 Ontdekkers Road, Florida, Roodepoort, 1709

Postal Address: 346 Ontdekkers Road, Florida, Roodepoort, 1709

Tel: +27 (10) 025 9931

Email: info@cinnabarim.com

Website: www.cinnabarim.com

Manager Information

Sanlam Collective Investments (RF) (Pty) Ltd

Physical Address: 2 Strand Road, Bellville, 7530

Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532

Tel: +27 (21) 916 1800

Email: service@sanlaminvestments.com

Website: www.sanlamunittrusts.co.za

Trustee Information

Standard Bank of South Africa Ltd

Tel: +27 (21) 441 4100

Email: compliance-sanlam@standardbank.co.za

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Portfolio Manager Comment

Cinnabar Market Update: October 2023

SA Market Drivers

Local investment returns continued to underperform amid a challenging macroeconomic landscape characterized by elevated interest rates. Notably, in the latter part of the month, local bond yields and the domestic currency exhibited resilience, thereby bolstering local bond returns while exerting a dampening effect on global asset class returns. Local equities faced a challenging month, mirroring the broader trend of weakening global equity markets. Furthermore, global property performed the worst, primarily attributable to the appreciation of the South African rand and a decline in hard currency asset prices.

The local inflation rate rose to a three-month high of 5.4% in September from 4.8% in August on the back of higher food and energy prices. The stubbornness of inflation locally and globally leaves risks to the upside and the likelihood of the SARB maintaining borrowing costs higher for longer.

SA bonds had a surprisingly strong month ahead of such an important update as the MTBPS. The numbers did not look good, but it would appear that the Finance Minister's realism, and his willingness to push back against his critics have investors optimistic that he has enough political capital to push through certain policy reforms. With so much bad news priced in, SA has enjoyed a relief rally despite deteriorating fiscal metrics. Local yields were no doubt supported by a late rally in US yields and additional stimulus out of China.

The IMF raised its growth projections for South Africa for 2023 and 2024 to 0.9% and 1.8% respectively. The international body generally expects developing economies to fare better than developed markets due to lower debt ratios. More specifically the IMF raised forecasts on better energy accessibility in the country, a large drag on growth in SA. That said, growth in SA is expected to lag that of Sub-Saharan Africa due to energy and logistical constraints and other broader structural issues.

Global Market Drivers

It's been a turbulent time in markets over the last few weeks, with both bonds and equities falling in October. At the beginning of the month, Hamas militants launched a surprise attack on Israel which drew out a strong response from Israeli defence forces. The Israeli Prime Minister, Benjamin Netanyahu, referred to the attack as an act of war. This had an impact on financial markets as uncertainty rose, bringing about volatility as well as a temporary rise in oil prices around concerns the conflict could widen to larger oil exporting nations. Elsewhere, in a similar fashion to September, broadly stronger economic news in the US translated into weaker financial market performance globally. The strong growth and employment data releases reinforced market participants' view of interest rates being higher for longer. This caused bond yields to rise slightly (and hence bond prices to fall) as well as depressing equity markets.

October was a negative month for most asset classes. Emerging Markets underperformed Developed Markets led by Latin American and Asian equities. UK equities were the worst performing developed equity region, closely followed by Japan and Pacific ex-Japan. US equities were the most resilient within developed equity markets.

Bonds sold-off yet again in October, with Emerging Market bonds worst hit, suffering both from higher bond rates in general, as well as nervousness around emerging market issuers.

Commodities were the best performing real asset class, driven by uncertainty in relation to the Middle East conflict aiding traditional safe haven, gold, with energy prices also proving resilient. Real assets (property and infrastructure) continued to struggle under an environment of bond yields selling off (rising). Real estate had a particularly bad month once again. Infrastructure companies which typically sit in the utilities sector continued to struggle as the sector generally has higher debt levels than other sectors.

Sources: *PortfolioMetrix*

Portfolio Manager

Cinnabar Investment Management Team

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