

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

As of 2024/05/31

Inception Date: 4 February 2011, Fund Currency: USD
Investment Advisor: Cinnabar Investment Management (Pty) Ltd
Morningstar Category: EAA Fund USD Moderate Allocation
Class A - ISIN: GG00BMVVDW81, SEDOL: BMVVDW8, BLOOMBERG: CINGLFF GU
Class B - ISIN: GG00B5742R02, SEDOL: B5742R0, BLOOMBERG: GCIGLFF GU

Minimum Disclosure Document (MDD)

Risk Level

1 2 3 4 5 6 **7** 8 9 10

Fund Information

AUM Class A	7 314 236
AUM Class B	20 142 924
NAV	1.0803
Pricing Frequency	Daily
Domicile	Guernsey
Initial Subscription Amount (\$)	15 000
Additional Subscription Amount (\$)	2 000
Annual Management Fee - Class A (%)	0.75
Annual Management Fee - Class B (%)	1.5
Total Expense Ratio (TER) - Class A (%)	1.65
Total Investment Cost (TIC) - Class A (%)	1.68
Total Expense Ratio (TER) - Class B (%)	2.94
Total Investment Cost (TIC) - Class B (%)	2.98

Administrator JTC Fund Solutions (Guernsey) Limited, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT

Custodian BNP Paribas Securities Services SCA – Guernsey Branch

Auditors BDO LLP

Benchmark EAA Fund USD Moderate Allocation
(This benchmark came into effect on the 6th August 2020)

Performance Fee The Fund's performance and benchmark performance will be measured over a rolling 12 month period. Should the Fund's performance exceed the benchmark performance, over the same rolling 12 month period, then a performance fee will become payable. The performance fee will be calculated as 20% of any performance above the benchmark. The performance fee (if any) will be crystallised at each Valuation Point and will normally be paid monthly in arrears.

Portfolio Holdings

	%
PortfolioMetrix Global Equity	38.3
Vanguard Global Stock Index	29.9
iShares Core US Agg Bond	11.7
iShares Glb Corp Bond UCITS	7.6
PIMCO Divs Inc	5.9
Coronation Global Strategic Income	5.5
USD Cash	1.2
Total	100.0

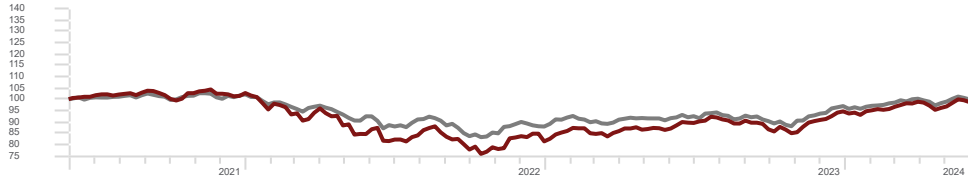
Top 10 Equity Holdings (%)

	Portfolio Weighting %
Microsoft Corp	1.58
Apple Inc	1.51
NVIDIA Corp	0.98
Amazon.com Inc	0.94
Meta Platforms Inc Class A	0.67
Alphabet Inc Class A	0.47
Berkshire Hathaway Inc Class B	0.46
Alphabet Inc Class C	0.42
JPMorgan Chase & Co	0.41
Broadcom Inc	0.34

Cumulative 3 Year Performance Graph

Time Period: 2021/06/01 to 2024/05/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 98.81 — EAA Fund USD Moderate Allocation 99.99

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	2.49	2.23	8.80	13.56	-0.40	3.85	0.58
EAA Fund USD Moderate Allocation	1.77	1.91	7.14	10.24	0.00	3.93	3.42

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

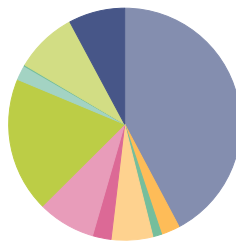
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	11.98	-27.31	-0.23	-0.29	58.06
EAA Fund USD Moderate Allocation	8.14	-18.94	-0.33	-0.45	52.26

Asset Allocation

Portfolio Date: 2024/03/31



US Equity	42.24
UK Equity	2.61
China Equity	1.24
Asia Equity	5.79
Japan Equity	2.59
EU Equity	8.07
US Bond	18.76
China Bond	2.05
UK Bond	0.16
Other	8.66
Cash	7.83
Total	100.00

Equity Sectors (%)

Cyclical	33.77
Basic Materials	3.67
Consumer Cyclical	10.65
Financial Services	15.38
Real Estate	4.07
Sensitive	46.04
Communication Services	7.43
Energy	4.27
Industrials	11.37
Technology	22.96
Defensive	20.20
Consumer Defensive	6.21
Healthcare	11.55
Utilities	2.44

World Equity Regions (%)

North America	68.02
Latin America	0.63
United Kingdom	4.11
Europe Developed	13.50
Europe Emerging	0.55
Middle East	0.10
Africa	0.00
Japan	5.85
Australasia	2.13
Asia Developed	2.15
Asia Emerging	2.97
Developed Markets	95.86
Emerging Markets	4.14

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As of 2024/05/31 Published Date: 2024/06/20

Source: Morningstar Direct

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Fund Objective and Strategy

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.

Contact Details

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Disclosures

The Cinnabar Global Balanced Funds of Funds USD (the "Fund") is a cell of The Offshore Mutual Fund PCC Limited (the "Manager") Registration Number 51900. The Company is an open-ended investment company, which was registered with limited liability in Guernsey on 20 May 2010. The Company is an umbrella company constituted as a Protected Cell Company under the Companies Law. The provisions of the Companies Law enable a company to which it applies to create one or more cells for the purpose of segregating and protecting the assets within those cells so that, on the basis that the company complies with the conditions laid down by the Companies Law, liabilities of the company attributable to one cell can only be satisfied out of the assets of that cell and even if those assets are insufficient, recourse cannot be had to the assets of any other cell. The Company is registered with Limited Liability in Guernsey and authorized by the Guernsey Financial Services Commission as a Collective Investment Scheme of Class B. The Fund is approved by the Financial Sector Conduct Authority (FSCA) under the Collective Investment Schemes Control Act, 2002. Cinnabar Investment Management (Pty) Ltd, the Investment Advisor is licensed by the South African Financial Sector Conduct Authority as a financial services provider and its licence number is 45402. By an investment Advisory agreement dated 21 April 2021, between the Company, the Manager and Cinnabar Investment Management (Pty) Ltd (the "Investment Advisory Agreement") the Investment Advisor was appointed as investment advisor of the Fund with effect from 12 March 2021. Investments into the Fund should be a medium to long-term investment. The value of the shares may go down as well as up and past performance is not necessarily a guide to the future. The Fund is traded at ruling prices and can engage in borrowing and scrip lending. Short term borrowing will be allowed to the amount of 10% of the value of the cell and will only be permitted for purposes of the redemption of Participating Shares. The Fund is permitted to invest in foreign securities which, within portfolios, may have additional material risks, such as: Potential constraints on liquidity and the repatriation of funds; Macroeconomic risks; Political risks; Foreign Exchange Risks; Tax Risks; Settlement Risks; and Potential limitations on the availability of market information. The Fund may enter into hedging transactions where it has acquired investments not denominated in its base currency. Currency risk may be hedged, at the discretion of the Manager. The margins and premiums payable for such transactions shall not exceed the Net Asset Value of the Fund. As the Fund is a Fund of Funds, the Fund invests in other funds that levy their own charges, this could result in a higher fee structure for a Fund of Funds. A schedule of fees and charges and maximum commissions is available on request from the Manager. The cell is valued weekly at 23h00, on the business day preceding dealing day. The latest prices may be viewed at www.cinnabarim.com. Instructions must reach the Manager before 10h00 of the first business day of the week. The Manager does not provide any guarantee, either with respect to the capital or the return of this cell. Additional information on the portfolio can be obtained, free of charge from www.cinnabarim.com or may be requested from the Manager. The cell complies and is managed within the investment restrictions and guidelines for Foreign Collective Investment Schemes. The Cinnabar Global Balanced Fund of Funds (USD) is approved in terms of Section 65 of the Collective Investment Schemes Control Act, No 45 of 2002 ("the Act"); Notice 2076 of 2003 as amended by notice 1502 of 2005 ("the conditions"). The Total Expense Ratio (TER) is disclosed as the percentage of the average NET Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER is calculated quarterly. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment or income and withholding tax. Annualized returns, also known as Compound Annualized Growth Rates, are calculated from cumulative returns; they provide an indication of the average annual return achieved from an investment that was held for the stated time period. Actual annual figures are available from the Manager on request. Performance figures quoted are from Morningstar, for a lump sum investment, using NAV-NAV prices with income distributions reinvested. The performance is calculated for the portfolio and individual performance may differ. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing in this fund.

Fund Manager Commentary

The Cinnabar Global Balanced Fund of Fund USD ended the month ahead of its peers, gaining 2.49% for the month. The EAA USD Moderate Allocation peer group ended the month higher gaining 1.77% in May. The major contributors for the month were Vanguard Global Stock Index, PIMCO and iShares Core US Aggregate.

SA Market Drivers

South African (SA) asset classes had a very muted response during the month of May, choosing a holding pattern after a very strong leadup into the election month. Uncertainty prevailed as the ANC has evidently lost its 30-year majority rule. What is important to recognize is that the elections appear to have been free and fair, and whilst turn-out of all eligible voters has been quite low we have observed a peaceful democratic process. All eyes now turn to the coalition phase of our democracy, a very important tone will be set by which parties form coalitions at both national and provincial levels. Given the cheaper valuations of South African asset classes we remain optimistic of good forward returns should some uncertainty settle.

Initial voting results indicate a weak performance from the historically dominant ANC. The ANC will likely need to form coalitions in order to form a bloc of more than 50% in the national legislature, concerns around the shape and form of this coalition have resulted in increased market volatility. Parliament will sit and elect a new president in the middle of June, likely confirming any coalitions just prior to that.

In what seemed to be a last-ditch electioneering ploy from the ANC, Cyril Ramaphosa signed the NHI Bill into law two weeks before elections. This has started a long-term battle between government, medical aid schemes, civil society and various other bodies. It seems the form and manner in which NHI may eventually come to being will likely be very different to what is currently proposed. Funding for one has not been considered by Treasury at all and the practicalities of this remains a mystery to most.

Inflation in South Africa cooled to 5.2% y/y, in April from 5.3% the month before. Although slowing down, it remains above the mid-point of the SARB's inflation target. Given this, the reserve bank kept interest rates on hold at 8.25%.

Global Market Drivers

Inflation in US continues on its downward trend, just at a slower pace than originally anticipated by the markets. This has led the US Fed to maintain rates at a higher level. Other central bankers however face slightly different challenges and as such have begun cutting rates in their economies. Despite the higher US rates and increased geopolitical risks markets continue to reward the A.I. themed rally benefitting the mega-cap US tech stocks such as NVIDIA and Microsoft. Global equities led returns in this environment.

Elsewhere, Chinese optimism has lifted ever so slightly in the midst of a confidence crisis and the UK heats up as they enter the runup to their elections in July. The Labour party lead the Conservative party in the polls.

The Fed has kept the Federal Funds Target Interest Rate unchanged at 5.25%-5.50%. The "higher for longer" mantra remains in the US, and markets now price in less than 100% probability of even a single rate cut in the remainder of 2024. US Interest rates, however, remain important as the global risk-free rate despite other central bankers cutting rates in their own economies. This possibly provides further impetus for a strong US Dollar as US rates remain attractive relative to the rest of the world.

Data showed that inflation remained even more sticky in the US. Headline inflation rose to 3.4% in April, marginally down from 3.5% the prior month. Core inflation eased to 3.6% in April, in-line with expectations. Most disappointingly, the Federal Reserve's preferred inflation measure (Core PCE – which has a lower weight to housing costs) has printed at 2.8% for the past three months, higher than the expected 2.6% and above the 2% US Fed target.

Emerging markets, broadly speaking, have benefitted from an increase in global risk sentiment, however, a broader improvement in Chinese confidence could be a big tailwind for EM should it reverse. Whilst difficult to immediately see where this rise in confidence will come from in a year of US elections it is worth taking note of policy steps taken by the Chinese Government to address the real estate and economic challenges in that economy.

Emerging Markets outperformed developed markets with Emerging Europe the strongest performing equity region, more than recovering its losses from last month, whilst Latin America was the weakest EM region. Japan performed the worst in DM after what had been a very strong start to the year for the region. UK equities were the only developed market to offer positive returns for the month.

Bond performance across the board was negative, driven by sticky inflation data coming out of the US and expectations of rates being higher for longer being priced in. High yield and emerging markets delivered better returns with high yield bonds the best performing asset class, and the only asset class to deliver positive performance for the year. Government bonds were the worst performing fixed income asset class during April.

Global Property had a very difficult month and was the worst performing real asset class, whilst Commodities had a strong month through higher energy and record gold prices, delivering positive returns for the month.

Sources: PortfolioMetrix, Cinnabar Investment Management

Benefits of Multi-Managed Portfolios (Fund of Funds)

In-depth research: Research team spends hundreds of hours researching managers, ensuring that a thorough due diligence is conducted before any investment into a fund is undertaken.

Lower risk through diversification: Different styles of funds with low correlations to each other, which reduces volatility and other risks and hence helps protect investors from capital loss and produces more consistent performance.

Best of breed: Investors have access to the best managers in the industry no matter the size of the investment.