

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

As of 2024/07/31

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	9 243 158
AUM Class B	22 039 598
NAV	1.1017
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 (%)	1.76
Total Investment Cost (TIC) - Class A (%)	1.79
Total Expense Ratio (TER) - Class B (%)	2.93
Total Investment Cost (TIC) - Class B (%)	2.96

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

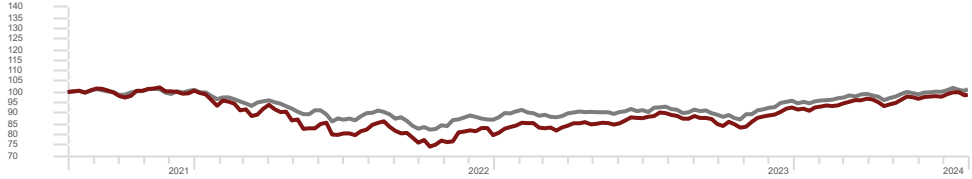
Top 10 Equity Holdings (%)

	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: 2021/08/01 to 2024/07/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 98.74 — EAA Fund USD Moderate Allocation 101.43

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	0.97	4.53	5.99	9.63	-0.42	3.59	0.72
EAA Fund USD Moderate Allocation	1.31	4.37	5.77	8.75	0.47	3.64	3.57

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

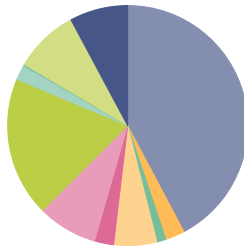
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	12.00	-27.31	-0.26	-0.33	57.05
EAA Fund USD Moderate Allocation	8.16	-18.94	-0.35	-0.48	51.92

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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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 slightly behind its peers, gaining 0.97% for the month. The EAA USD Moderate Allocation peer group ended the month higher gaining 1.31% in July. The major contributors for the month were Vanguard Global Stock Index and the PortfolioMetrix Global Equity fund.

SA Market Drivers

The local stock market locked in another strong month of gains as upward momentum, following the outcome of the recent election, continued to support flows from local and offshore participants. SA bonds followed the same trend, continuing a strong rally as foreigners bought R19.7bn worth of SA debt instruments in July. The Monetary Policy Committee (MPC) decided to hold the repo rate unchanged at 8.25% at its July meeting. The decision was not unanimous, however, and two of the six members voted for a cut of 25bps, indicating that the start of a rate cutting cycle may be sooner than previously expected. Market expectations are for a 25bp cut in September as inflation slowly ticks towards the central bank's midpoint target.

The SARB left rates unchanged in the month and remained relatively cautious in their communication, stating that any future decisions would be data dependent. Perhaps it was the acknowledgement that two members of the MPC had opted for a rate cut that tilted the scales because there was a steady slide in the ZAR that began shortly after the MPC announcement. However, most central banks are talking about easing monetary policy, and some EM's in LATAM have already started cutting.

The SARB's leading business cycle indicator fell to 111.9 points in May from 113.0 points in April. On a year-to-year basis, the leading indicator increased by +2.0 % y/y in May compared to +1.8% y/y in April. The largest positive contributor was the increase in South Africa's 'US dollar-denominated export commodity price index' as well as the improvement in the 'RMB/BER Business Confidence Index'. The SARB's leading indicator is valuable for estimating shifts in South Africa's economic cycles. The high level of election uncertainty likely contributed to the drop in the leading indicator in May, suggesting we should see an improvement in the index going forward following the formation of the GNU.

The IMF reaffirmed their growth forecast for SA of 0.9% for 2024, and 1.2% for 2025. The assumptions they have used for these forecasts have not changed and will only be tweaked once the IMF sees whether the GNU can implement the reforms it has targeted. It will, of course, take time for the new government to be able to pick the low-hanging fruit and extract more dynamism from the economy. These things are not achieved through one decision or a flick of a switch. Policies are implemented, and the effects manifest over time.

Global Market Drivers

In July, markets delivered mixed results across different asset classes. Global bonds performed well as yields fell, driven by softer-than-expected economic data from the US, including a decline in the Consumer Price Index (CPI), which measures inflation. These lower-than-expected inflation figures led investors to anticipate that the US Federal Reserve might cut interest rates sooner than expected. Equities showed regional variation in performance: UK stocks surged, bolstered by the positive market response to the Labour party's general election victory, while US stocks dipped slightly due to disappointing earnings from large tech companies. However, smaller US companies fared better, buoyed by the expectation of rate cuts. Meanwhile, real assets, such as property and infrastructure, demonstrated strong returns as they are viewed as more stable investments that benefit from lower interest rates, which reduce borrowing costs and increase asset values.

US President Joe Biden took the unprecedented step of withdrawing from the presidential race, marking the first time in over 50 years that a sitting president has not sought re-election. Biden's decision to exit the 2024 race and endorse Vice President Kamala Harris just 106 days before the vote has been met with relief by Democratic insiders and a new sense of optimism around Harris's chances of beating Donald Trump.

Keir Starmer's Labour Party won a large majority in the UK parliamentary election, ending 14 years of Conservative rule. Labour's victory reflects widespread public discontent with the Conservatives over issues like the cost-of-living crisis and failing public services. Notably, turnout for the election dropped to a 100-year low, pointing to a rejection of the traditional duopoly in British politics. The market doesn't seem too worried about a political change, with Labour's spending plans fiscally neutral.

The big central bank story this month was the decision by the BoJ to raise interest rates to 0.25%, and projected inflation would remain around the 2.0% target. It furthermore indicated that it would seek to steadily unwind its massive monetary stimulus. The move leaves plenty of scope for yen volatility ahead, which will affect higher-risk currencies that have benefitted from carry trades.

Developed markets outperformed emerging markets with Japan and UK equities the strongest performing equity regions, more than recovering their losses from last month, whilst EM Asia was the weakest performer, being the only region delivering negative returns. The US performed the worst in DM, albeit slightly and with a respectable positive performance.

Bond performance was strong across the board, driven by better-than-expected inflation data in the US and a weaker labour market, leaving the Fed with room to start cutting rates. Other DM central banks such as the Bank of England already started their cutting cycle during the month in a boost for the asset class. Government bonds benefitted the most from the news cycle, outperforming all other asset classes in the month.

Real asset performance was again mixed, with exceptional returns from listed real estate and infrastructure, while commodities moved strongly in the opposite direction as oil prices dropped sharply over 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.

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As of 2024/07/31 Published Date: 2024/08/19

Source: Morningstar Direct