Cinnabar Sanlam Collective Investments Balanced Plus Fund of Funds

Minimum Disclosure Document

As of 31/08/2024

CINNABAR
INVESTMENT MANAGEMENT

MDD Issue Date: **16/09/2024**

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 1,319,924,453
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.sanlamunittrusts.co.za
Repurchase Period	2-3 business days

Fees (Incl. VAT)

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	—
Manager Annual Fee	1.15
Total Expense Ratio	1.82
Transaction Cost	0.14
Total Investment Charges	1.96
Performance Fee	—
TER Measurement Period	01 July 2021 - 30 June 2024

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.

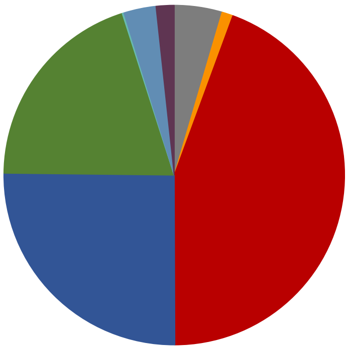
Effective 1 October 2024, Sanlam Collective Investments will charge a monthly administration fee of R20 excluding VAT on retail investors whose total investment value is less than R50,000.

Top Ten Holdings

Top Ten Holdings	(%)
Satrix MSCI World ETF	22.05
PortfolioMetrix BCI Equity Fund	20.57
PortfolioMetrix BCI SA Bond Fund	18.18
Satrix Top 40 Index Fund	17.95
Centaur BCI Flexible Fund	10.27
Portfoliometrix BCI SA Property Fund	3.11
PortfolioMetrix BCI Global Property Fund of Funds	3.00
Satrix MSCI Emerging Markets	2.95

Asset Allocation

Portfolio Date: 30/06/2024



	%
SA Cash	4.54
Non-SA Cash	1.06
SA Equity	44.34
Non-SA Equity	25.24
SA Bond	19.88
Non-SA Bond	0.17
SA Property	3.06
Non-SA Property	1.71
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	15.32	13.21
3 Years	10.19	9.28
5 Years	10.18	9.89
Since Inception	7.03	7.20

Cumulative Performance (%)

	Fund	Benchmark
1 Year	15.32	13.21
3 Years	33.79	30.52
5 Years	62.43	60.31
Since Inception	98.43	101.80

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2023

Highest Annual %	20.09
Lowest Annual %	-3.48

Risk Statistics (3 Year Rolling)

Standard Deviation (Volatility)	10.16
Maximum Drawdown	-8.03
Sharpe Ratio	0.37
Information Ratio	0.30

Distribution History (Cents Per Unit)

30/06/2024	2.16 cpu	30/06/2022	1.73 cpu	30/06/2020	2.33 cpu
31/12/2023	2.03 cpu	31/12/2021	1.22 cpu	31/12/2019	1.73 cpu
30/06/2023	1.97 cpu	30/06/2021	0.77 cpu	30/06/2019	1.92 cpu
31/12/2022	1.07 cpu	31/12/2020	0.57 cpu	31/12/2018	1.77 cpu

Administered by

Sanlam

Cinnabar Sanlam Collective Investments Balanced Plus Fund of Funds

Minimum Disclosure Document

As of 31/08/2024

CINNABAR
INVESTMENT MANAGEMENT

Risk Profile

Moderate Aggressive
Your primary aim is to achieve the required capital growth necessary to realise your longterm goals and objectives. You are prepared to tolerate fluctuations in your returns, as the long-term growth potential outweighs short-term volatility, 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 buyunits. 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 ofprofessional 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

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: 55 Willie van Schoor Avenue, Bellville, South Africa, 7530
Postal Address: Private Bag X8, Tygervalley, 7536
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

Administered by

Sanlam

Cinnabar Sanlam Collective Investments Balanced Plus Fund of Funds

Minimum Disclosure Document

As of 31/08/2024

CINNABAR
INVESTMENT MANAGEMENT

Portfolio Manager Comment

Cinnabar Market Update: August 2024

SA Market Drivers

South African asset classes performed strongly in August, continuing the recent positive trend and outperforming many of their emerging market peers. This performance was buoyed by favourable global sentiment and continued optimism around the formation of the Government of National Unity (GNU) after the recent election. This optimism, coupled with positive macroeconomic developments, drove strong gains in the FTSE/JSE All Share Index, particularly in the Industrials and Financials sectors. Shares categorized as "SA Inc.", such as Retailers, Banks, and Insurers, saw robust returns, maintaining their upward momentum. However, the Resources sector struggled in August, posting a double-digit loss due to price pressures on certain commodities, which weighed on overall market performance.

South African bonds also delivered strong returns in August. Yields continued to fall as investors grew increasingly confident that the GNU will be able to implement its policy agenda, and foreign investors were net buyers of South African bonds for the second consecutive month. This demand for local bonds pushed yields lower across the curve, boosting bond prices. The SA property sector similarly posted strong results, with counters like Growthpoint and Redefine leading the charge, continuing a strong run for SA-focused property stocks. The rand also strengthened against major developed market currencies, supported by improved sentiment and a weaker US dollar.

Inflation provided further positive news, with South Africa's annual inflation rate falling for the second month to 4.6% (year-on-year to the end of July 2024), the lowest level in three years and down from 5.1% in the prior month. Core inflation, which excludes volatile items such as food, fuel, and energy, also eased to a two-year low of 4.3%. These lower inflation prints increase the likelihood of the South African Reserve Bank (SARB) starting its rate-cutting cycle as early as September, with many market participants expecting a 25-basis point reduction.

Business sentiment also showed signs of recovery in August. The South African Chamber of Commerce and Industry (SACCI) business confidence index rose to a four-month high of 109.1 in July 2024. This improvement reflects a growing sense of optimism post-election, particularly as the power supply has significantly improved, with South Africa experiencing over 150 days without loadshedding. The consistent power supply has been a significant driver of renewed confidence across industries.

Despite these positive trends, challenges remain. South Africa's unemployment rate increased to 33.5% at the end of Q2 2024, the highest in two years and up from 32.9% in the previous quarter. This marks the third consecutive rise in unemployment, with the expanded definition (which includes discouraged jobseekers) hitting 42.6%. Youth unemployment also worsened, climbing to 60.8% in Q2 2024, reflecting the continued difficulties faced by younger job seekers in the labour market.

Global Market Drivers

Global equity markets posted strong gains in August 2024, but these headline numbers masked the volatility experienced throughout the month. A sharp sell-off occurred in the first week due to weaker-than-expected US jobs data, which caused declines across risk assets. The US labour market showed signs of softening, with the July ISM manufacturing index coming in below expectations and payroll growth stalling at 114k – the smallest increase in over three years. This fuelled concerns about a potential US recession, especially as the unemployment rate ticked up to 4.3%, triggering the Sahm Rule, which predicts a recession when unemployment increases over a three-month period.

The global market rout was exacerbated by the Bank of Japan's unexpected decision to raise interest rates by 25 basis points (bps). This hawkish move led to the unwinding of carry trade positions that had relied on cheap borrowing in yen, causing further stress in global markets. Despite these initial setbacks, risk sentiment improved toward the middle of the month as global inflation readings came in better than expected. In the US, headline inflation dropped to 2.9% in July, marking the fourth consecutive month of decline, while inflation in the euro area fell to 2.2%, increasing expectations of easing monetary policies in the months ahead.

Comments from US Federal Reserve Chair Jerome Powell at the Jackson Hole summit on August 23 sparked a renewed risk-on sentiment, as investors began pricing in a higher probability of larger interest rate cuts from the Fed. This led to a sharp rebound in global markets, with many risk assets recovering to post strong returns by the end of the month. US equity markets were buoyed by this shift in sentiment, with the S&P 500 delivering a 2.4% return for August, supported by gains in defensive sectors such as Financials, Consumer Staples, and Healthcare. The more tech-heavy NASDAQ 100 also ended the month higher (+1.2%) but lagged the broader US market, as some of the larger tech stocks, including Microsoft and Alphabet, weighed on performance.

In the UK, the FTSE 100 rose 3.2%, helped by positive global sentiment and a weaker US dollar, while inflation in the country remained elevated at 2.2%. The Bank of England responded by cutting interest rates to 5% from 5.25% earlier in the month, in an effort to stimulate growth. Europe's equity markets followed suit, with the DAX in Germany climbing 4.5% on the back of strong earnings reports and further expectations of monetary easing from the European Central Bank (ECB). Despite the positive performance across most developed markets, China's equity market continued to struggle, with the Shanghai Composite Index falling 1.4%. Concerns over weak earnings, a slowing economy, and ongoing challenges in the real estate sector weighed on investor sentiment.

Emerging markets delivered mixed results, with certain regions such as Brazil and Taiwan benefiting from stronger equity markets and a weaker US dollar. The MSCI Emerging Markets Index rose 1.7%, supported by dovish commentary from the Fed and lower inflation expectations. However, China and South Korea struggled to keep pace, as economic challenges in these countries offset broader gains in the emerging markets basket. The divergence in performance across emerging markets reflects the varying levels of exposure to global growth concerns and the sensitivity to shifts in US monetary policy.

Sources: Schroders, Morningstar, JP Morgan Asset Management

Portfolio Manager

Cinnabar Investment Management Team