

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

31 July 2021

Inception Date: 4 February 2011, Fund Currency: USD
Investment Advisor: Cinnabar Investments
Morningstar Category: GIFS 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

Fund Size - Class A (\$)	2 028 580
Fund Size - Class B (\$)	20 952 970
NAV	1.1157
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 B (%)	2.81
Pricing Frequency	Weekly

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 GIFS 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

	%
Vanguard U.S. 500 Stock Index	14.6
Vanguard Global Stock Index	14.6
Fundsmith Equity Fund	9.1
Artisan Developing World	8.6
Fidelity Global Dividend	6.9
Pinebridge Global Dynamic	6.9
iShares Core US Agg Bond	5.9
iShares Glb Corp Bond UCITS	5.9
PIMCO Divs Inc	5.9
Coronation Global Strategic Income	5.9
BlackRock World Technology Fund	5.8
Orbis SICAV Global Balanced	5.0
BlackRock Sustainable Energy	2.5
Foreign Cash and Money Market	2.3
Total	100.0

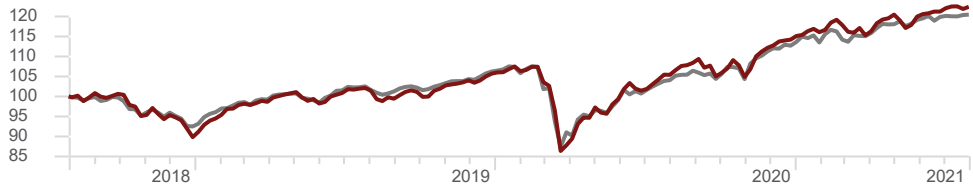
Top 10 Equity Holdings (%)

Microsoft Corp	2.32
Apple Inc	1.77
Amazon.com Inc	1.15
Visa Inc	1.11
PayPal Holdings Inc	1.04
Facebook Inc	1.03
Nvidia Corp	0.75
The Estee Lauder Companies Inc	0.71
Alphabet Inc	0.65
Unilever PLC	0.59

Cumulative 3 Year Performance Graph

Time Period: 2018/08/01 to 2021/07/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 122.55 — GIFS USD Moderate Allocation 120.59

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	0.29	1.63	5.48	16.23	7.01	6.13	1.05
GIFS USD Moderate Allocation	0.56	2.05	6.17	15.84	6.44	6.12	4.07

Highest Annual Return

18.12 18.12 18.12

Lowest Annual Return

-11.08 -11.08 -14.03

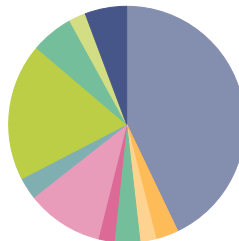
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	11.06	-19.76	0.57	0.70	68.59
GIFS USD Moderate Allocation	10.03	-18.86	0.56	0.72	61.54

Asset Allocation

Portfolio Date: 2021/07/31



US Equity	42.90
UK Equity	3.10
Asia Equity	2.20
China Equity	3.50
Japan Equity	2.20
EU Equity	10.50
Equity Other	3.00
US Bond	18.80
Non-US Bond	5.80
Other	2.30
Cash	5.70
Total	100.00

Equity Sectors (%)

Cyclical	2.68
Basic Materials	11.46
Consumer Cyclical	14.15
Financial Services	1.82
Real Estate	
Sensitive	42.25
Communication Services	10.75
Energy	2.48
Industrials	8.78
Technology	20.23
Defensive	27.64
Consumer Defensive	10.74
Healthcare	13.73
	3.17

World Equity Regions (%)

North America	60.33
Latin America	1.33
United Kingdom	6.49
Europe Developed	15.87
Europe Emerging	0.22
Africa/Middle East	0.22
Japan	3.92
Australasia	0.75
Asia Developed	3.94
Asia emerging	6.96
Developed Markets	91.35
Emerging Markets	8.65

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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) 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 Cinnabar Global Balanced Fund of Funds (USD) is approved by the Financial Services Board under the Collective Investment Schemes Control Act, 2002. Cinnabar Investments, the Investment Advisor is licensed by the Financial Services Commission (FSC) in Mauritius with a Global Business Licence (Category 1 - authorised to conduct business outside Mauritius) and its licence number is C112011454 is responsible for managing the assets of this portfolio. Investments into the Cinnabar Global Balanced Fund of Funds (USD) 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. 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 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. 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.cinnabar.mu. 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.cinnabar.mu 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

During July, the US stock market posted a solid gain, overcoming investors' fears of higher inflation and an increase in COVID-19 cases. The Dow Jones Industrial gained 1.25%, the S&P 500 added 2.27% and the Nasdaq rose 1.16%. In international markets, the MSCI-EAFE index trended higher, gaining 1.60%. Germany's DAX index climbed 0.09% and France's CAC 40 lost 1.59%. Great Britain's FTSE index edged down 0.07%. On the far East China's Hang Seng index ended the month down 9.94% whilst on the Pacific Rim, Japan's Nikkei lost 5.24% and Australia's ASX ended the month 1.09% higher.

The Cinnabar Global Balanced Fund of Fund USD ended the month marginally behind its peers, gaining 0.53%. The EAA USD Moderate Allocation peer group ended the month up 0.56%. The major contributors for the month were Vanguard US 500 and Fundsmith, whilst Artisan ended the month in negative territory.

United States of America

US second-quarter GDP accelerated by a less-than-expected 6.5%, though consumer spending remained strong. Households accumulated at least \$2.5 trillion in excess savings during the lockdown, which is expected to drive a double-digit increase in consumer spending this year and contribute significantly to GDP growth. Manufacturing PMI came in at 63.4 in July, supported by more substantial expansions in output and new orders. The IMF released its World Economic Outlook update for July, revising up its forecasts for advanced economies. US growth is forecasted at 7% and 4.9% for 2021, 2022 respectively. Retail sales rose 0.6% in June, and personal consumption expenditures grew 11.8%, as vaccinated Americans travel and engage in activities that were restricted before. US inflation surprised to the upside for the fourth consecutive month, accelerating to 5.4% in June. The Fed left the target range for its federal funds rate unchanged at 0-0.25% and bond-buying at the current \$120 billion monthly pace but hinted that asset purchases could start being reduced soon.

UK

The British economy expanded 24.6% year-on-year in May. Manufacturing PMI came in at 60.4 for July, well above the 50-point mark and suggesting the growth outlook will remain strong. UK Prime Minister Boris Johnson lifted most of the remaining Covid restrictions during July, a real test case for the world. So far, data suggests that the vaccines are still effective against new variants in preventing severe illness. If cases continue to decline and hospitalisation rates stay low, this would likely be a significant boost to market sentiment. In other indicators, inflation increased to 2.5% in June, slightly up from 2.1% in May, with transport making the most significant upward impact. Unemployment edged up to 4.8% in the three months to May, with the labour force participation rate declining to 78.7% from 79%; despite this, households are showing signs of confidence as consumer confidence rose to -7 in July from -9 in the previous month.

Europe

Preliminary estimates show the European economy expanding by 13.7% year-on-year in the second quarter, rebounding from two consecutive periods of contraction and beating market expectations. The eurozone Manufacturing PMI offered further encouragement at 62.8 for July, showing signs the eurozone recovery is on track, despite decreasing from 63.4 in June. The number of unemployed decreased by 423 000, edging the unemployment rate down to 7.7% in June, the lowest level since May 2020. Flash estimates show inflation increasing to 2.2% in July, above market forecasts of 2%. The main event in the eurozone during July was the European Central Bank (ECB) 's strategic review. The inflation was adjusted to a more symmetric 2% target (versus the previous target of "below, but close to 2%"). At the same time, housing costs will also be incorporated into the calculation of inflation over time. With interest rates already in negative territory and asset purchase programs in place, it appears that fiscal policy rather than the monetary policy will need to do the bulk of the heavy lifting if the eurozone is to break out of the low-growth low-inflation environment.

Japan

As the games come to an end, chances are looking good the Olympics themselves will be considered an achievement. COVID-related disruptions have been minimal, while Japan's athletes have already taken home a record haul of gold medals. Turning our attention to the indicators, consumer prices unexpectedly rose by 0.2% year-on-year for the first time in a year, another sign of recovering inflation. Last month, the Bank of Japan (BOJ) reiterated that it sees prices drifting up once economic activity improves, but it still doesn't expect inflation to reach its 2% target anytime before 2024. The BOJ left its key short-term interest rate unchanged at -0.1% and kept the 10-year Japanese government bond yield target at around 0%. The IMF has downgraded Japan's growth forecast for 2021, reflecting tighter restrictions in the first half of the year as caseloads picked up. Vaccination rates are expected to proceed, and the economy to reopen in full later this year, improving the growth outlook for 2022. Growth is forecasted at 2.8% and 3% for 2021, 2022 respectively.

China

China's economy expanded 1.3% over Q2, advancing 7.9% year-on-year and slowing sharply from a record 18.3% growth in Q1. Second-quarter growth came from growth in manufacturing, retail sales and investment. Retail trade rose by 12.1% year-on-year in June, after a 12.4% gain in May and below market expectations of 11%. Manufacturing PMI slowed to 50.3 in July from 51.3 in June, amid the Delta variant of the COVID-19 outbreak in Nanjing, higher material costs, and extreme weather. The IMF has revised its 2021 forecast for China down 0.3%, resulting from the scaling back of public investment and overall fiscal support. Growth projections for 2021, 2022 are at 8.1% and 5.7%, respectively. China's trade surplus, in dollar terms, widened from \$45.3 billion in May to \$51.53 billion in June. Exports rose by 32% on the year, whilst import growth slowed to 36.7%. With a sharp decline in the cost of food, more noticeably the drop in price of pork, inflation fell to 1.1% in June, down from May's eight-month high and below market expectations.

South Africa

The IMF updated South Africa's 2021 growth forecast in its latest World Economic Outlook, following a big positive surprise in the first quarter. Growth projections are at 4% for 2021, and 2.4 % for 2022 as the worsening pandemic developments in South Africa are expected to weigh on its recovery. Manufacturing PMI fell sharply to 43.5 in July from 57.4 in June, signalling the steepest deterioration in business conditions since May 2020. The composite leading business cycle indicator rose by 2.3% month-on-month in May, easing from April's 8-month high of 3.7%. South Africa has enjoyed the recent highs in commodity prices. The trade surplus widened to a record high of ZAR 57.68 billion in June, well above market forecasts of ZAR 52 billion. Exports were up 2% to ZAR 166.5 billion. The consumer price inflation rate eased to 4.9% year-on-year in June, from a two-and-a-half-year high of 5.2% in May, coming in above market expectations of 4.8%. It was no surprise when the South African Reserve Bank unanimously voted to keep its benchmark repo rate unchanged at a record low of 3.5% during its July meeting.

Sources: Trading Economics, Economy.com, IMF, Japan Times, 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.