

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

30 September 2021

Minimum Disclosure Document (MDD)

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

Risk Level

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

Fund Information

Fund Size - Class A (\$)	2 438 843
Fund Size - Class B (\$)	20 850 329
NAV	1.0945
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	14.5
Artisan Developing World	8.7
Fundsmith Equity Fund	8.7
Pinebridge Global Dynamic	7.0
Fidelity Global Dividend	6.9
Coronation Global Strategic Income	6.2
iShares Core US Agg Bond	6.1
PIMCO Divs Inc	6.1
iShares Glb Corp Bond UCITS	6.0
BlackRock World Technology Fund	5.7
Orbis SICAV Global Balanced	5.6
BlackRock Sustainable Energy	2.5
Foreign Cash and Money Market	1.4
Total	100.0

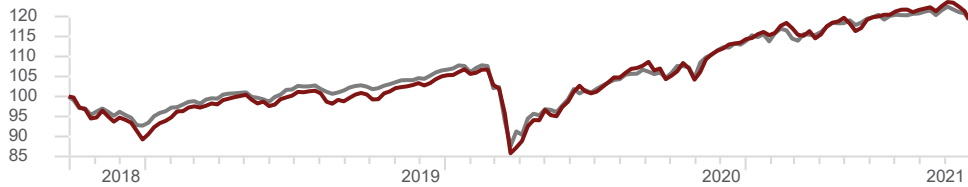
Top 10 Equity Holdings (%)

Microsoft Corp	2.48
Apple Inc	1.89
Amazon.com Inc	1.12
Facebook Inc	1.09
Visa Inc	1.09
PayPal Holdings In	1.08
Nvidia Corp	0.78
Alphabet Inc	0.74
The Estee Lauder Companies Inc	0.59
Unilever PLC	0.60

Cumulative 3 Year Performance Graph

Time Period: 2018/10/01 to 2021/09/30

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 119.42 — GIFS USD Moderate Allocation 119.32

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	-2.68	-1.62	3.30	13.49	6.09	5.48	0.85
GIFS USD Moderate Allocation	-2.27	-0.74	3.19	12.78	6.06	5.71	3.88

Highest Annual Return (2021) 32.66

Lowest Annual Return (2012) -11.08

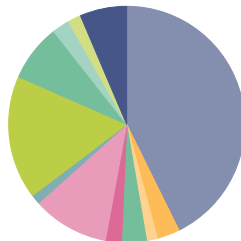
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	11.08	-19.76	0.56	0.69	68.39
GIFS USD Moderate Allocation	10.06	-18.86	0.61	0.78	61.94

Asset Allocation

Portfolio Date: 2021/09/30



US Equity	42.70
UK Equity	3.10
Asia Equity	1.50
China Equity	3.40
Japan Equity	2.20
EU Equity	10.50
Equity Other	1.30
US Bond	16.90
Non-US Bond	7.80
China Bond	2.40
Other	1.80
Cash	6.40
Total	100.00

Equity Sectors (%)

Basic Materials	29.40
Consumer Cyclical	2.67
Financial Services	11.59
Real Estate	13.38
	1.75
Sensitive	44.47
Communication Services	11.26
Energy	2.36
Industrials	8.39
Technology	22.46

Defensive	26.13
Consumer Defensive	10.48
Healthcare	12.72
Utilities	

World Equity Regions (%)

North America	62.62
Latin America	1.38
United Kingdom	5.94
Europe Developed	14.95
Europe Emerging	0.26
Africa/Middle East	0.21
Japan	3.45
Australasia	0.75
Asia Developed	3.89
Asia emerging	6.57
Developed Markets	89.25
Emerging Markets	10.75

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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

The stock market saw investors turning cautious amid the Delta variant infections, slowing economic growth and ongoing policy debate in Washington. The Dow Jones Industrial lost 4.29%, the S&P 500 fell 4.76% and the Nasdaq dropped 5.31%

In international markets, the MSCI-EAFE index slipped 3.18%. Germany's DAX index fell 3.63% and France's CAC 40 dipped 2.40%. Great Britain's FTSE index edged down 0.47%. On the far East China's Hang Seng index ended the month down 5.04% whilst on the Pacific Rim, Japan's Nikkei gained 4.85% and Australia's ASX ended the month 2.69% lower.

The Cinnabar Global Balanced Fund of Fund USD ended the month below its peers, contracting 2.68%. The EAA USD Moderate Allocation peer group ended the month down 2.27%. The major detractors for September were the Vanguard funds, Fidelity and Fundsmith.

United States of America

Fiscal support in the US is cooling. The Federal Reserve (Fed) announced it would soon begin to slow the pace of its asset purchases, intending to wrap them up around the middle of next year. The Fed also released its forecast for interest rates over the next few years; the expectation is for US interest rates to increase to 1.75% by the end of 2024. Manufacturing PMI in the United States increased to 61.1 in September, personal income and spending rose 0.2% and 0.8%, respectively, in August. The monthly inflation rate in the US eased to 0.3% in August from 0.5% in July, taking the annual inflation rate to 5.3% for August. The Fed reiterated inflation is elevated and will likely remain so in the coming months before moderating. The Fed expects growth to continue at a robust pace in the second half of this year and will do all it can to support the economy for as long as it takes to complete the recovery. In political news, the US government is approaching another debt ceiling deadline, a period that has historically seen Treasury yields decline. Janet Yellen, America's treasury secretary, warned Congress that the government would run out of money in October unless the federal debt ceiling is raised.

UK

Figures show that the British economy grew by 5.5% in Q2, rebounding from a 1.4% contraction in the previous period. GDP is now just 3.3% below its pre-pandemic level, however, September's Manufacturing PMI dipped to 57.1 from 60.3, signalling the weakest pace of expansion in the sector since February. The UK trade deficit widened to GBP 3.1 billion in July from GBP 2.5 billion in the previous month, and consumer confidence declined to -13 in September from -8 in August. More positively, the unemployment rate fell to 4.6% in the three months to July but is still 0.6% points higher than before the pandemic. The annual inflation rate jumped to 3.2% in August from 2% in July, with a 0.7% move on the month. A low base effect from last year had the most significant impact. The Bank of England (BoE) delivered a hawkish shift, suggesting that it could put interest rates up before the end of the year. The BoE kept interest rates at a historic low of 0.1% and stuck to its £895bn asset purchase target.

Europe

In Europe, the high vaccination rates have successfully kept deaths low even while cases have sometimes been high; furthermore the high vaccination rates have helped economic growth. The Eurozone quarterly economic growth showed the economy expanded by 2.2% in Q2. Manufacturing PMI stood at 58.6 in September, a significant step down from 61.4 seen in August. On the positive side, consumers are more optimistic about the general economic situation. The unemployment rate edged down to 7.5% in August. The eurozone's annual inflation rate jumped to 3% in August, from 2.2% in July. In Germany, inflation hit 3.9%, the highest rate since December 1993. The European Central Bank (ECB) thinks the pressure on prices from the reopening of economies will ease next year. Furthermore, they kept their key interest rate at 0% but opted to slow the pace of net purchases under its pandemic emergency purchase programme. ECB President Christine Lagarde said, "the lady isn't tapering", just recalibrating.

Japan

The Japanese economy advanced 0.5% for Q2. Manufacturing PMI was revised higher to 51.5 in September from a preliminary reading of 51.2. Household consumption grew 0.9%, and fixed investment rose 2.3%. Japan posted a trade deficit of JPY 635.36 billion in August as exports rose by 26.2% YoY, while imports rose at a steeper 44.7%. The unemployment rate unexpectedly hit 2.8% in August, unchanged from the previous month, and consumer confidence ended the month up 1.1 points to 37.8. Japan's consumer prices declined by 0.4% YoY in August 2021, after a 0.3% drop a month earlier. The Bank of Japan left its key short-term interest rate unchanged at -0.1% and kept the 10-year government bond yield target at around 0% during its September meeting. On the political front, Prime Minister Suga announced his resignation without contesting the LDP leadership election. Mr Kishida was ultimately elected as LDP party leader and became Japan's 100th prime minister. There is unlikely to be a change in the direction of monetary or fiscal policy as a result, and the likely shape of the following major stimulus package should emerge over the coming weeks.

China

China's economy jumped 1.3% in the last quarter compared to a year earlier. Manufacturing PMI rose to 50 in September 2021 from 49.2 in the prior month, beating market estimates of 49.5. China's trade surplus hit USD 58.34 billion in August amid surging commodity prices. Exports grew by 26% and its imports by 33% in August, both well above expectations. There was no change to China's unemployment rate, which stood at 5.1% in August. Inflation came in at 0.8%, below market expectations of 1%. China's central bank announced that "virtual currency-related business activities are illegal financial activities", effectively banning digital tokens. China's total debt of local government financing vehicles (LGFVs) rose to around 53 trillion yuan at the end of last year, approximately 52% of China's GDP, according to economists at Goldman Sachs. The LGFVs are a tool for governments to borrow money without appearing on their balance sheets, but it is seen as a government liability by financial markets.

South Africa

The South African economy grew by 1.2% in Q2, above market expectations of 0.7% and following a 1% expansion in the previous period. According to Dr Thabi Leoka, founder of Naha Investments, if you compare this to pre-Covid-19 levels, the economy is 1.4% smaller than what it was then. South Africa needs to introduce fundamental economic reform policies and focus on getting the basics right. Manufacturing PMI fell to 56.8 in September from 57.9 in the previous month, highlighting that business conditions in the manufacturing sector are still strong after the rioting and looting in July. Consumer confidence rose slightly to -10 in Q3 from -13, whilst the business confidence index fell by 7 points in Q3 to 43. Annual inflation rose to 4.9% from 4.6% in August, slightly above market expectations of 4.8%, but still within the South African Reserve Bank's (SARB) monetary policy target range of 3-6%. During its September meeting, the SARB unanimously voted to keep its benchmark repo rate unchanged at a record low of 3.5%.

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.