

# Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR  
INVESTMENTS

31 October 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 (\$)	2 727 755
Fund Size - Class B (\$)	21 340 667
NAV	1.1223
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	15.0
Vanguard Global Stock Index	14.9
Fundsmith Equity Fund	9.1
Artisan Developing World	8.7
Fidelity Global Dividend	7.0
Pinebridge Global Dynamic	6.9
Coronation Global Strategic Income	5.9
iShares Core US Agg Bond	5.8
PIMCO Divs Inc	5.8
iShares Glb Corp Bond UCITS	5.8
BlackRock World Technology Fund	5.7
Orbis SICAV Global Balanced	5.4
BlackRock Sustainable Energy	2.5
Foreign Cash and Money Market	1.6
<b>Total</b>	<b>100.0</b>

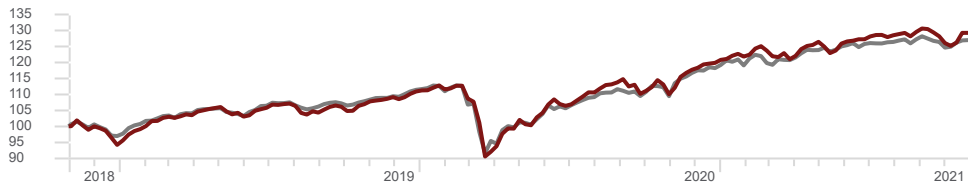
## Top 10 Equity Holdings (%)

Microsoft Corp	2.45
Apple Inc	1.82
Amazon.com Inc	1.13
Visa Inc	1.12
PayPal Holdings Inc	1.07
Meta Platforms Inc	1.03
Nvidia Corp	0.75
Alphabet Inc	0.72
The Estee Lauder Companies Inc	0.67
Unilever PLC	0.60

## Cumulative 3 Year Performance Graph

Time Period: 2018/11/01 to 2021/10/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 129.28 — GIFS USD Moderate Allocation 127.00

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	2.54	0.59	2.23	17.49	8.93	6.76	1.08
GIFS USD Moderate Allocation	1.78	0.46	2.52	16.07	8.29	6.29	4.02

Highest Annual Return (2021) 32.66

Lowest Annual Return (2012) -11.08

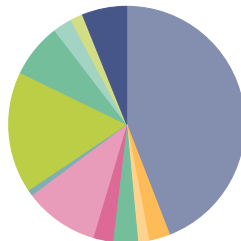
## Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	10.97	-19.76	0.75	0.93	69.23
GIFS USD Moderate Allocation	9.94	-18.86	0.73	0.94	63.46

## Asset Allocation

Portfolio Date: 2021/09/30



US Equity	44.10
UK Equity	2.90
Asia Equity	1.50
China Equity	3.40
Japan Equity	2.70
EU Equity	10.20
Equity Other	0.80
US Bond	16.60
Non-US Bond	7.40
China Bond	2.60
Other	1.70
Cash	6.10
<b>Total</b>	<b>100.00</b>

## Equity Sectors (%)

<b>Cyclical</b>	<b>29.40</b>
Basic Materials	2.67
Consumer Cyclical	11.59
Financial Services	13.38
Real Estate	1.75
<b>Sensitive</b>	<b>44.47</b>
Communication Services	11.26
Energy	2.36
Industrials	8.39
Technology	22.46
<b>Defensive</b>	<b>26.13</b>
Consumer Defensive	10.48
Healthcare	12.72
Utilities	2.93

## 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
<b>Developed Markets</b>	<b>89.25</b>
<b>Emerging Markets</b>	<b>10.75</b>

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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](http://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](http://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 reinvestment, 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 2.54%. The EAA USD Moderate Allocation peer group ended added 1.78%. The major contributors for October were the Vanguard funds, Artisan and BlackRock World tech.

### United States of America

US GDP growth slowed to an annualised 2% in the third quarter, hurt by a combination of adverse effects from Hurricane Ida and persistent supply-side distortions, to the fast-spreading Delta variant of coronavirus dampening consumer spending. Looking at the indicators, manufacturing PMI came in lower at 58.4 in October from September's 60.7, consumer sentiment improved to a higher 71.7 in October, unemployment dropped to 4.8% in September from 5.2% a month earlier, and the annual inflation rate edged up to a 13-year high of 5.4% in September. Overall, the US recovery is solid. On the 3rd of November, the US Federal Open Market Committee decided to leave the Federal Funds target interest rate unchanged at a range of 0% to 0.25% but decided to begin reducing the monthly pace of its net asset purchases by \$10 billion for Treasury securities and \$5 billion for agency mortgage-backed securities starting later in the month. In politics, Congress managed to avert a debt ceiling crisis, kicking the can down the road to a new deadline in December.

### UK

In the UK, GDP expanded by 6.9% y/y in August, easing from a revised 8.8% growth in the previous month. Manufacturing PMI saw a minor change at 57.8 in October, up from 57.1 in September. The labour market remains strong, with the unemployment rate declining further to 4.5% in the three months to August. Meanwhile, consumer confidence has fallen for a third straight month to -17 in October. Growth in annual housing prices eased slightly to 9.9% in October, increasing 0.7% for the month. The UK trade deficit widened to GBP 3.7 billion in August as exports fell 2% and imports declined by a lower 0.5%. The annual inflation rate in the UK edged down to 3.1% in September, but the Bank of England is growing increasingly wary of rising wage pressures, and a first interest rate hike this year looks very feasible.

### Europe

Economic growth in Europe is still suffering from a loss in momentum; a preliminary estimate shows the Euro economy is expected to expand by 2.2% for the third quarter. Strong domestic demand and exports look set to support growth, whilst supply chain disruptions, shortages of raw materials, and rising consumer prices weigh on the recovery. Manufacturing PMI remained steady at 58.3 in October, slightly down from 58.6 in September. Households are less optimistic about their past and future financial situations, as confidence for October was lower at -4.8, down from -4 in the previous month. The annual inflation rate in the Euro Area jumped to 4.1% in October from 3.4% in September, increasing 0.8% for October as the Euro Area battles surging energy costs while supply shortages persist. At its October meeting, the European Central Bank reiterated that it expected the current rise in inflation to be transitory. A decision on how to conduct asset purchases following the end of the Pandemic Emergency Purchase Programme was postponed until December.

### Japan

The Japanese Government reduced some restrictions on activity as Covid-19 infections have started to decline and vaccinations are progressing well. As a result, economic growth is expected to accelerate in the coming quarters thanks to a boom in services consumption and a rise in capital expenditure. Factory activity continued its expansion for the ninth straight month as Manufacturing PMI increased to 53.2 in October from 51.5 a month earlier. Consumer confidence was up 1.4 in October from 39.2 a month earlier. Japan's trade deficit continued for the second straight month as exports rose by 13% and imports increased by a steeper 38.6%. Inflation posted its first annual gain since August 2020, rising by 0.2% y/y in September and rebounding from a 0.4% drop a month earlier. Looking ahead, the index of leading economic indicators in Japan, which is a gauge of the economy a few months earlier and is compiled using data such as job offers and consumer sentiment, was lower at 101.3 in August following a 104.1 reading a month earlier.

### China

China's real GDP grew by 0.2% in the third quarter and decelerated to 4.9% y/y after easing sharply from a 7.9% growth in the second quarter. Manufacturing PMI was at a four-month high of 50.6 in October compared to September's figure of 50. Retail sales rose by 4.4% y/y in September, following a 2.5% increase in the previous month, still below the pre-pandemic average. On the positive side, exports rose by 28.1% y/y, thanks to rebounding demand from developed markets and Southeast Asia. Imports rose at a softer pace, leading to China widening its trade surplus to USD 66.76 billion in September, from USD 35.34 billion in the same month a year earlier. The annual inflation rate edged lower to 0.7% in September from 0.8% in August, and unemployment declined to 4.9% in September, the lowest level since December 2018. The goal of a 6% annual growth rate, set by the Chinese Government at the beginning of the year, still seems achievable thanks to the solid start for 2021.

### South Africa

South Africa's manufacturing PMI index decreased to 53.6 in October from 54.7 in September as the manufacturing sector remains constrained by load-shedding. The trade surplus narrowed to ZAR 22.2 billion in September as exports declined by 1% and imports surged 15.9%. Unemployment is at its record high of 34% as Government looks to create the 600 000 jobs per year needed to reduce unemployment. Business confidence fell to 91 in September from 91.9 in the previous month, amid a decline in retail sales and manufacturing output. Inflation remains above the 4.5% midpoint target from the South African Reserve Bank, increasing to 5% for September from 4.9% in the previous month. The main drivers of inflation came from prices of transport, particularly fuels, whilst producer prices (PPI) continue to increase steadily, notching up 0.9% in September after a 0.8% increase in August and jumping by 7.8% from a year earlier. Overall, South Africa's economy remains challenged as we wait and see the outcome of these local government elections.

Sources: *Trading Economics, Businesstech, 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.