

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

30 September 2022

Minimum Disclosure Document (MDD)

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

Risk Level

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

Fund Information

AUM Class A	3573803
AUM Class B	15557847
NAV	0.8497
Pricing Frequency	Weekly
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 (%)	1.45
Total Expense Ratio (TER) - Class B (%)	3.26
Total Investment Cost (TIC) - Class A (%)	1.46
Total Investment Cost (TIC) - Class B (%)	3.28

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 Global Stock Index	14.4
• Vanguard U.S. 500 Stock Index	14.3
• Artisan Developing World	9.4
• Fundsmith Equity Fund	8.9
• Pinebridge Global Dynamic	7.1
• Fidelity Global Dividend	7.0
• Coronation Global Strategic Income	6.3
• iShares Core US Agg Bond	6.2
• PIMCO Divs Inc	6.0
• iShares Glb Corp Bond UCITS	6.0
• BlackRock World Technology Fund	5.4
• Orbis SICAV Global Balanced	5.2
• BlackRock Sustainable Energy	2.5
• Foreign Cash and Money Market	1.3
Total	100.0

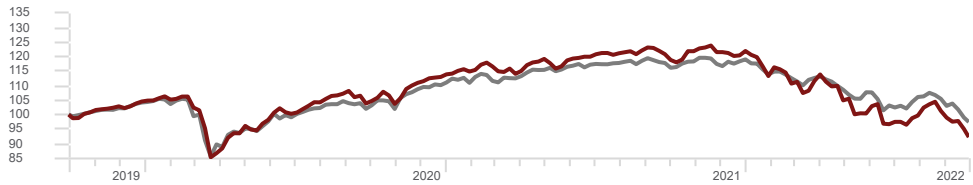
Top 10 Equity Holdings (%)

Microsoft Corp	2.69
Apple Inc	2.27
Amazon.com Inc	1.15
Visa Inc	1.12
Nvidia Corp	0.83
Tesla Inc	0.77
Alphabet Inc	0.70
The Estee Lauder Companies Inc	0.67
LVMH Moët Hennessy Louis Vuitton SE	0.67
Meta Platforms Inc	0.62

Cumulative 3 Year Performance Graph

Time Period: 2019/10/01 to 2022/09/30

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 92.24 — EAA Fund USD Moderate Allocation 97.44

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	-6.79	-5.39	-18.97	-22.37	-2.66	-0.60	-1.39
EAA Fund USD Moderate Allocation	-5.98	-4.72	-14.06	-16.18	-0.86	0.68	2.34

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

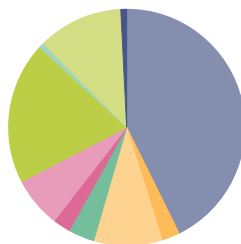
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	13.34	-23.20	-0.07	-0.08	65.81
EAA Fund USD Moderate Allocation	11.24	-18.85	0.00	-0.01	54.84

Asset Allocation

Portfolio Date: 2022/09/30



	%
• US Equity	42.69
• UK Equity	2.47
• Asia Equity	9.36
• China Equity	3.57
• Japan Equity	2.41
• EU Equity	6.91
• US Bond	19.45
• China Bond	0.69
• Other	11.66
• Cash	0.79
Total	100.00

Equity Sectors (%)

Cyclical	29.40
Basic Materials	2.67
Consumer Cyclical	11.59
Financial Services	13.38
Real Estate	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

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

Cinnabar Investment Management (Pty) Ltd

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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 behind its peers, contracting 6.79% for the month. The EAA USD Moderate Allocation peer group ended 5.98% down in September. The major detractors for the month were the two Vanguard funds and Fundsmith Equity.

United States of America

The US economy contracted an annualized 0.6% in Q2 the second consecutive quarter of negative growth implying the economy has entered a technical recession. Economic data published in September showed a minor change in Manufacturing PMI which remained steady at 52, similar to the previous month 51.5 in August. The US struggled to create jobs during September as the labour force participation rate remained steady at 62.3% in September, and similarly the unemployment rate was only 0.2% down at 3.5%. August data showed the US trade deficit continued to narrow by a further \$3 billion to a 10-month low of \$67.4 billion with total exports down slightly by 0.2% and a decrease in total imports by 1.1%. Inflation seems to have passed its peak as CPI increased 8.2% year-on-year in October, down from 9.1% in June and the annual producer inflation slowing to 7.2% during the same time. On the monetary front the Federal Reserve's (the Fed's) rate-setting committee remains committed to curbing inflation, with the Fed policy reinforcing an intended continuation of the restrictive path to bring inflation down meaningfully keeping successive 75bps hikes on the table.

UK

In the UK, the economy's annual GDP growth rate was 4.4% in June, down from 10.9%. The central bank expects a recession to start in the fourth quarter. Over the month of August, the trade deficit increased by GBP 1.6 billion to GBP 7.1 billion. British economy contracted by 0.6% in June following growth of 0.4% in May. Business confidence improved in September from -34 to -21 points, but remained negative. Linked to this retail sales in the United Kingdom decreased and were down 1.6% in August with consumer confidence dropping from -44 to -49 points, with UK consumers find themselves more pessimistic on the state of the economy, exceeding the previous months record low. Manufacturing PMI was stable but remained below 50 (the key level separating expansion and contraction) at 48.4 points from 47.3 points in August. Inflation continues to persist, improving slightly in August (9.9%) compared to the previous month of 10.1% year on year in July, its highest level in 40 years. The Bank of England raised its policy rate further from 1.75% to 2.25% in September and warned of further tightening to contain inflation.

Europe

Eurozone second-quarter GDP surprised on the upside, growing 0.7% quarter on quarter and 4.1% year-on-year in Q2. The unemployment rates remained constant at 6.6%, while the inflation rate crept higher from 9.1% to 10% in September despite ECB attempt to manage inflation through interest rate hikes, which moved from 0.5% to 1.25% in September. With an imminent recession looming, triggered by a further squeeze higher in natural gas prices and declining Russian supply, the ECB must choose between fulfilling its inflation mandate and imposing an additional economic cost to the eurozone. Producer prices jumped a further 5% in August. Trade deficits increased significantly from Euro 33.9 bn to Euro 50.9 bn. Understandable manufacturing and services PMI levels remained contractionary with levels dropping slightly in September to 48.4 and 48.8 points respectively. Business confidence remained positive (albeit only slightly) at 0.81 points, while consumer confidence remained negative and declined from -25 to -28.8 points in September. The growth outlook looks timid for the coming year on the back of persistent inflation, rising interest rates and stubbornly high energy prices.

Japan

Japan's economy expanded more than initially estimated in the three months through June, recovering the ground it lost during the pandemic. Gross domestic product grew 0.9% quarter-on-quarter and at an annualized 3.5% for Q2. The au Jibun Bank Japan Manufacturing PMI continued to decrease slightly to 50.8 from 51.5 in August and 52.1 in July. The Japan trade balance shifted to a deficit from a year earlier. The latest result marked the 13th straight month of trade shortfall. Inflation increased further from 2.6% to 3% in August (12th straight month marking an increase), with the BOJ leaving interest rates remaining unchanged and negative (-0.1%), the lone example globally of an unchanged interest rate in light of increasing inflation. Nonetheless, business confidence remained positive (8 points, from 9 points in August), manufacturing and services PMI levels remained expansionary at 50.8 and 52.2 points respectively. Consumer confidence remained positive, but declined slightly from 32.5 in August to 30.8 in September and aligned to this retail sales improved both month on month and year on year by 1.4% and 4.1% respectively (both improvements from previous data points of 0.8% and 2.4%).

China

From its zero-Covid policy and heavy-handed regulations to deteriorating international relations in a weakened global environment, China faces significant headwinds. China's economy continues to struggle, with GDP falling to negative levels in June at -2.6%, with the annual growth rate just remaining positive at 0.4%. China's General Manufacturing PMI declined further to 48.1 in September confirming its first contraction since May after the August PMI dropped to 49.5. Services PMI also declined from 55 points to 49.3 in September. China's trade surplus unexpectedly dropped to a three-month low in August (USD 79.4 bn from USD 101 bn) while retail sales turned negative from 2.7% year-on-year in July to -0.05% in August. Consumer confidence remained stable at 87 points in August (87.9 points in July), mostly on the back of the government lifting COVID-19 pandemic restrictions. China's annual inflation rate rose further to 2.8% in August from 2.5% in June, the fastest rise in consumer prices since July 2020. In August China cut a key policy interest rate by 10 basis points, the first cut since January, in an attempt to give the economy some stimulus. Interest rates remain at 3.65% as at October 2022.

South Africa

In South Africa, we face the usual opposing forces of constraints relating to energy supply and infrastructure, but the benefits of a stable monetary policy and well managed inflation risks. Unfortunately GDP shrank by 0.7% over the second quarter in the three months to June. Year-on-year, however the economy expanded by a mere 0.2% in the second quarter. Unemployment remains a persistent issue and remains stable around 34% (33.9% in Q2, down from 34.5% in Q1 and a record high of 35.3% in Q4 of 2021). The seasonally adjusted Absa Purchasing Managers' Index declined from 52.1 points in August to 48.2 in September, with the re-introduction of load-shedding. Consumers confidence remains negative, with a slight improvement of 5 points to -20 in Q3. Business confidence remained positive, but took a slightly more pessimistic stance with the index falling to 39 in Q3 from 42. The annual inflation rate improved slightly dropping from a 13-year high of 7.8% in July to 7.6% in August. This does remain above the upper limit of the South African Reserve Bank's target range of 3%-6% and thus an interest rate increase from 5.55 to 6.25% was effected in September.

Sources: Trading Economics, Bloomberg, BER, JP Morgan, Moneyweb, Cinnabar Investment Management

Portfolio Manager
Cinnabar Investment Management Team
Administered

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.