

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

31 December 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	3 602 624
AUM Class B	16 217 739
NAV	0.8893
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 EAA Fund 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

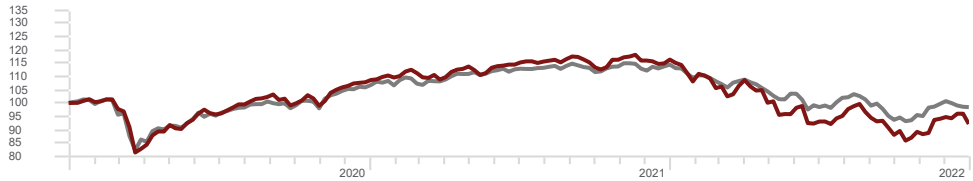
Top 10 Equity Holdings (%)

Microsoft Corp	2.66
Apple Inc	2.10
Visa Inc	1.20
Alphabet Inc Class A	0.87
Amazon.com Inc	0.87
Nvidia Corp	0.86
The Estee Lauder Companies Inc	0.71
LVMH Moët Hennessy Louis Vuitton SE	0.69
Philip Morris International Inc	0.65
Novo Nordisk A/S Class B	0.65

Cumulative 3 Year Performance Graph

Time Period: 2020/01/01 to 2022/12/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 92.10 — EAA Fund USD Moderate Allocation 98.42

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	-2.74	4.66	-0.98	-20.81	-2.71	-0.39	-0.98
EAA Fund USD Moderate Allocation	-1.26	5.10	0.13	-13.97	-0.53	1.14	2.72

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

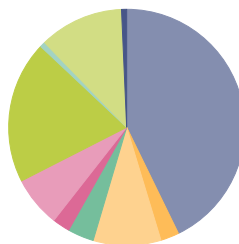
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	14.30	-27.31	-0.18	-0.22	63.46
EAA Fund USD Moderate Allocation	11.54	-18.94	-0.07	-0.09	51.92

Asset Allocation

Portfolio Date: 2022/11/30



	%
US Equity	42.78
UK Equity	2.53
Asia Equity	9.28
China Equity	3.59
Japan Equity	2.39
EU Equity	6.93
US Bond	19.51
China Bond	0.74
Other	11.55
Cash	0.70
Total	100.00

Equity Sectors (%)

Cyclical	29.41
Basic Materials	2.67
Consumer Cyclical	11.59
Financial Services	13.38
Real Estate	1.76
Sensitive	44.47
Communication Services	11.26
Energy	2.36
Industrials	8.39
Technology	22.46
Defensive	26.12
Consumer Defensive	10.48
Healthcare	12.72
Utilities	2.92

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 -2.74% for the month. The EAA USD Moderate Allocation peer group ended -1.26 lower in December. The major contributor for the month was Fundsmith Equity. Detractors for the month were, the two Vanguard funds, Artisan Developing World and Blackrock World Technology fund.

United States of America

US inflation slowed to 7.1% in November, and together with the annual producer price inflation easing to 7.4%, should help to reduce uncertainty over the path of interest rates as we move into 2023. However, the Federal Reserve (Fed) raised the fed funds rate by 50bps to 4.25%-4.5% during its latest monetary policy meeting. Minutes from December's meeting showed Fed policymakers continued to expect that ongoing increases in the federal funds rate would be appropriate and that a restrictive policy stance would need to be maintained until the incoming data provided confidence that inflation was on a sustained downward path to 2%. The US trade deficit narrowed to \$61.5 billion in November as exports declined at a slower pace than imports, exports were down 2% vs the 6.4% decline in imports. Manufacturing PMI for the US fell to 48.4 in December, pointing to the 2nd month of contraction in factory activity as Americans are shifting spending away from goods to services. Retail sales slowed by 0.6% m/m in November, however increasing 6.5% y/y.

UK

The British economy expanded 0.5% in October from September, the biggest increase in nearly a year. In its December MPC meeting, the Bank of England voted by a majority of 6-3 to raise interest rates by 50 basis points to 3.5%. Looking forward, the MPC agreed that, if the outlook suggested more persistent inflationary pressures, it would continue to tighten policy as necessary. Annual inflation eased to 10.7% in November from 11.1% in October but remaining well above the central bank's target at 2%. Economic activity in the UK remains at depressed levels. Retail sales declined 0.4% m/m and 5.9% y/y in November. Manufacturing PMI declined to 45.3 in December from 46.5 in November and unemployment edged higher to 3.6% in the three months to September from 3.5% in the previous period. Consumers are still pessimistic with high inflation continuing to erode household income as the country braces for prolonged recession.

Europe

During its December monetary policy meeting, the European Central Bank raised all policy interest rates by 50 basis points. This brings the deposit facility rate to 2%, the refinancing rate to 2.5% and the marginal lending rate to 2.75%. In addition, the bank announced it would begin to shrink its Asset Purchase Programme portfolio in March, in line with expectations. Consumer prices fell 0.3% m/m in December, whilst the annual inflation rate for December is estimated at 9.2%. Producer prices eased further to 27.1% y/y in November, a sign that inflationary pressures from input prices are easing. The eurozone manufacturing PMI improved slightly to 47.8 in December from 47.1 in the previous month. Consumer confidence improved to -22.2 in December from -23.9 in November. The unemployment rate in the eurozone stood at 6.5% in November, down from 7.1% in the same month last year.

Japan

The annual inflation rate in Japan edged up to 3.8% in November from 3.7% a month earlier. Upward pressure came from all components: food, housing, fuel, light, and water charges. The Bank of Japan surprised markets in December by announcing a change to its yield curve control program: it will now target a 0.5% ceiling for 10y bond yields, rather than the previous 0.25%. Governor Haruhiko Kuroda said this is a move to "continue the implementation of a sustainable monetary easing" and was "absolutely not a first step" towards an exit from ultra-loose monetary policy. Manufacturing PMI fell to 48.9 in December from 49 in November. Imports climbed 30.3% y/y whilst exports managed a mere 20% y/y increase, leading to a surge in the trade deficit to JPY 2,027.4 billion in November. Consumers have taken a more optimistic view on Japan's economy with consumer confidence increasing to 30.3 in December, amid waning COVID disruptions as the government already lifted all pandemic restrictions. Retail sales decreased 1.10% in November over the previous month but increased 2.6% in November from a year earlier. Unemployment fell to 2.5% in November after standing at 2.6% in the past two months.

China

The recent relaxation of Covid rules has seen a rise in Covid cases. The Chinese government has shifted focus from prevention of cases to prevention of severe cases. December manufacturing PMI came in at 49 as the increase in Covid cases disrupted production, whilst November retail sales declined 5.5% y/y, all continuing to signal a slowdown in growth. The urban unemployment rate increased to a six-month high of 5.7% in November. China's annual inflation fell to 1.6% y/y in November from 2.1% in the prior month, largely due to a sharp slowdown in cost of food pork prices which eased further after authorities released national reserves. During its December meeting, the People's Bank of China left its key lending rates unchanged for the fourth straight month. The one-year loan prime rate (corporate and household loans) was unchanged at 3.65%, while the five-year rate was maintained at 4.3%.

South Africa

In South Africa, the high inflation and interest rates will lead to low growth prospects going into 2023. Manufacturing PMI remained unchanged at 50.20 points in December. Business moral improved as indicated by the business confidence index rising to 110.9 in November, up from 109.4 in the previous month. However, continuing power outages will weigh heavily on businesses and consumers going into 2023. More positively, South Africa recorded a trade surplus of ZAR 7.98 billion as exports comfortably exceed imports in November. Exports rose by 8.2% m/m, whilst imports decreased 0.1%. Annual inflation eased marginally to 7.4% in November from 7.6% in October, led by a slowdown in prices of transportation and further interest rate increases are expected to moderate, broadly following the lead of the US. The annual producer inflation eased for the fourth straight month to 15% in November, however the SARB only sees inflation returning to the 4.5% midpoint of its 3%-6% target range in the second quarter of 2024.

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.