

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

31 January 2023

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	3 868 947
AUM Class B	17 745 703
NAV	0.9395
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

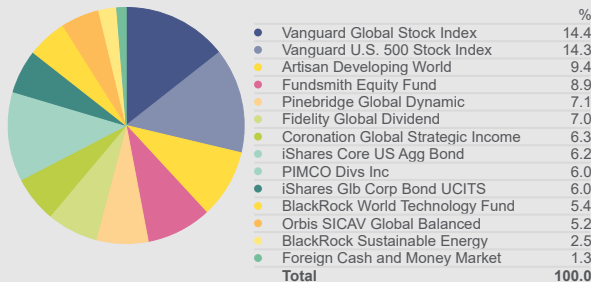
Custodian BNP Paribas Securities Services SCA – Guernsey Branch

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



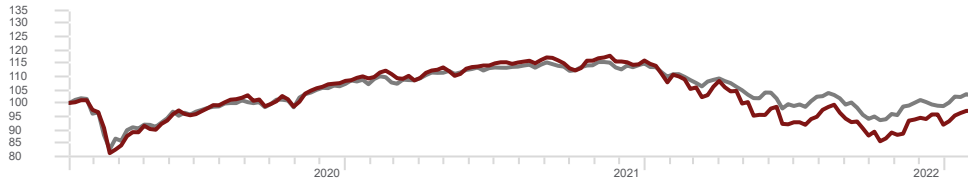
Top 10 Equity Holdings (%)

Microsoft Corp	2.62
Apple Inc	1.99
Visa Inc	1.22
Amazon.com Inc	0.86
Alphabet Inc Class A	0.83
Nvidia Corp	0.80
LVMH Moet Hennessy Louis Vuitton SE	0.72
The Estee Lauder Companies Inc	0.71
Novo Nordisk A/S Class B	0.67
Philip Morris International Inc	0.63

Cumulative 3 Year Performance Graph

Time Period: 2020/02/01 to 2023/01/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 97.01 — EAA Fund USD Moderate Allocation 103.01

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	5.66	9.17	2.33	-9.96	-1.01	0.14	-0.52
EAA Fund USD Moderate Allocation	4.23	7.49	0.64	-6.98	0.99	1.53	3.06

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

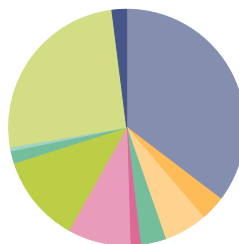
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	14.38	-27.31	-0.05	-0.07	64.10
EAA Fund USD Moderate Allocation	11.61	-18.94	0.08	0.11	52.56

Asset Allocation

Portfolio Date: 2023/01/31



Asset	%
US Equity	35.36
UK Equity	3.41
Asia Equity	5.91
China Equity	3.46
Japan Equity	1.39
EU Equity	8.61
US Bond	11.95
UK Bond	1.71
China Bond	0.52
Other	25.68
Cash	2.00
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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Website: www.cinnabarim.com

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

Global markets continued their recovery in January after December's losses. Risk assets were again in favour, with global equities outperforming global bonds and emerging market equities outperforming developed market equities. 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 contributors for the month were the Vanguard funds and Artisan Developing World.

United States of America

The US economy expanded by an annualized 2.9% on quarter in Q4, following a 3.2% jump in Q3 and beating forecasts of 2.6%. Retail sales in the US declined 1.1% m/m in December worse than analyst forecasts of a 0.8% fall. US imports rose 1.3% whilst exports declined 0.9% causing a widening of the US trade deficit during December. Despite more people entering the job market and actively looking for work, the unemployment rate in the US inched lower to 3.4% in January, the lowest level since May 1969, as the US economy continues to create jobs. Annual inflation continued on its downward trajectory decreasing to 6.5% in December. Inflation was dragged lower by falling energy and vehicle prices, lower health insurance rates and lower airline fares. This was partly offset by a 0.8% increase in shelter inflation, which accounts for almost 33% of the consumer price index. Fed Chair Jerome Powell reiterated that the disinflationary process has begun, particularly in the goods sector, and that the Fed has the tools to bring down inflation to its 2% target. The Federal Reserve raised the target range for the fed funds rate by 25bps to 4.5%-4.75% in its February meeting.

UK

The UK economy expanded 0.1% m/m and 0.2% y/y in November its smallest growth since the contraction in early 2021, and below market forecasts of a 0.3% rise. Although showing signs of slight improvement, the manufacturing PMI index still remains below the 50 level mark, the differentiator between an expanding and contracting economy. The unemployment rate in the UK was unchanged at 3.7% in the three months to November and retail sales sank 1% m/m in December. Inflation dropped to 10.5% y/y in December from 10.7% y/y in November. The Bank of England voted by a majority of 7-2 to raise interest rates by 50 basis points to 4.0 percent during its February meeting. Unlike in the US and Europe where most people are on long term fixed rate mortgages, the UK has a higher proportion of people on tracker or short-term fixed rate mortgages that will continue to squeeze spending as interest rates rise and some people have to refinance throughout the year. Looking ahead, Bank Rate is seen rising to around 4.50% in mid-2023 and falls back to just over 3.25% in three years' time. CPI inflation was projected to fall to around 8.0% by mid-2023.

Europe

Indicators of economic activity in the eurozone surprised to the upside in January. Manufacturing PMI increased to 48.8 in January, up from 47.8 in the previous month, signalling an improvement in sentiment and that the region might avoid a winter recession thanks to warm weather and government energy support measures. Consumer sentiment echoed this development with consumer confidence reaching its highest since February last year. The annual inflation rate fell to an eight-month low of 8.5% in January from 9.2% in December, whilst the unemployment rate remained at 6.6% in December. Imports climbed by 20.2% while exports rose at a softer 17.2% widening the eurozone's trade deficit. The European Central Bank (ECB) raised the interest rate by 50 bps to 3.0% during its February meeting. The ECB pledges to deliver another 50 bps rate hike at its next monetary policy meeting in March. The ECB has also reaffirmed it would stay the course in raising rates significantly at a steady pace and in keeping them at levels that are sufficiently restrictive to ensure a timely return of inflation to its 2% medium-term target.

Japan

Japan's manufacturing PMI held at 48.9 in January as factory activity continues to decrease. There was no improvement to unemployment which remains at 2.5% for December. Retail sales increased to 3.8% in December from a year earlier, exceeding forecasts of 3%. Consumers are more optimistic with confidence increasing to 31 in January beating market forecasts of 30.5. Imports climbed 20.6% y/y whilst exports grew at a softer pace of 11.5% and increasing Japan's trade deficit. In monetary policy, the inflation rate accelerated to 4% y/y, the highest reading in 31 years amid a rise in prices of imported raw commodities and yen weakness. The Bank of Japan (BoJ) loosened its yield curve control, widening the band for 10-year government bonds from around 0.25% to around 0.50%. The BoJ maintained its key short-term interest rate at -0.1% in its February meeting.

China

Disrupted by the zero-Covid policy and mass infections, China's real GDP growth expanded 2.9% Y/Y in Q4, easing from a 3.9% growth in Q3 but above market estimates of a 1.8% rise. In December, cyclical indicators deteriorated as infections peaked after lockdown measures were relaxed across the country. Retail trade dropped by 1.8% y/y in December, this was the third straight month of decrease in retail trade, dragged lower by labour shortages. Despite the weakness, December might be the bottom for Chinese growth. Analysts are keeping an eye on high-frequency indicators which suggest a quick recovery in economic activity as infections peak. In trade, exports plunged 9.9%, the largest decline in nearly three years, while imports fell at a softer 7.5%, reducing China's trade surplus to USD 78.01 billion in December. The unemployment rate declined to 5.5% in December from November's six-month high of 5.7% amid easing zero-COVID policy restrictions. Inflation remains low at 1.8% in December, up from 1.6% in November.

South Africa

The South African Reserve Bank (SARB) highlighted risks to the inflation outlook are to the upside and, given the Eskom tariff increase granted by NERSA and the persistent load shedding, this remains a concern going forward for growth and inflation. In the State of the Nation Address on the 9th of February, President Cyril Ramaphosa declared a National State of Disaster as load shedding related challenges continue to weaken the local economy. Annual inflation rate was at 7.2% in December, down from 7.4% in the prior month as prices continued to slow down primarily for transportation. This encouraged the SARB to hike its benchmark repo rate by 25 bps to 7.25% at its January meeting. Unemployment was at 32.9% in Q3, down from 33.9%, however the labour force fell by 66 thousand. Exports slumped by 5.1% in December whilst imports fell at a softer 4.2%, however South Africa still recorded a trade surplus of R5.4 billion in December. China's reopening supported South Africa as a commodity-rich country, despite the fundamental challenges facing South Africa.

Sources: Trading Economics, Bloomberg, BER, JP Morgan, The Guardian, 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.