

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

As of 2023/09/30

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

Minimum Disclosure Document (MDD)

Risk Level

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

Fund Information

AUM Class A	4 684 703
AUM Class B	17 545 369
NAV	0.9475
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	22.4
PortfolioMetrix Global Equity	20.6
Vanguard U.S. 500 Stock Index	15.4
iShares Core US Agg Bond	11.1
iShares Glb Corp Bond UCITS	7.6
PIMCO Divs Inc	5.8
Coronation Global Strategic Income	5.4
Artisan Developing World	3.0
BlackRock World Technology Fund	1.7
USD Cash	7.0
Total	100.0

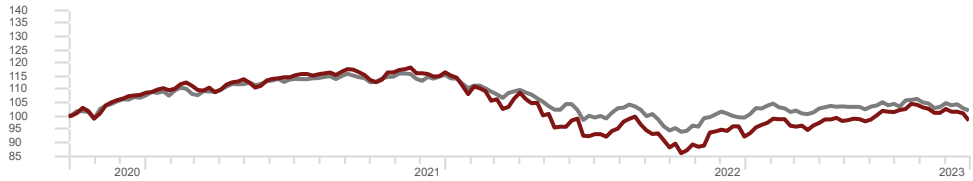
Top 10 Equity Holdings (%)

Apple Inc	2.60
Microsoft Corp	2.19
NVIDIA Corp	1.33
Amazon.com Inc	1.11
Alphabet Inc Class A	0.75
Meta Platforms Inc Class A	0.64
Tesla Inc	0.64
Alphabet Inc Class C	0.63
Berkshire Hathaway Inc Class B	0.57
Visa Inc Class A	0.48

Cumulative 3 Year Performance Graph

Time Period: 2020/10/01 to 2023/09/30

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 98.25 — EAA Fund USD Moderate Allocation 102.04

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	-4.26	-3.15	0.92	11.52	-0.59	0.67	-0.43
EAA Fund USD Moderate Allocation	-2.67	-2.37	-0.73	7.95	0.68	1.69	2.77

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

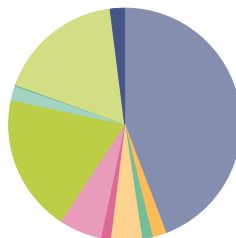
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	11.97	-27.31	-0.16	-0.20	59.62
EAA Fund USD Moderate Allocation	8.29	-18.94	-0.13	-0.18	50.00

Asset Allocation

Portfolio Date: 2023/09/30



	%
US Equity	44.23
UK Equity	1.93
China Equity	1.48
Asia Equity	4.33
Japan Equity	1.35
EU Equity	5.94
US Bond	19.10
China Bond	1.99
UK Bond	0.19
Other	17.46
Cash	2.00
Total	100.00

Equity Sectors (%)

Cyclical	32.06
Basic Materials	3.33
Consumer Cyclical	11.18
Financial Services	13.81
Real Estate	3.74
Sensitive	46.67
Communication Services	7.70
Energy	4.48
Industrials	9.77
Technology	24.72
Defensive	21.27
Consumer Defensive	6.63
Healthcare	12.17
Utilities	2.47

World Equity Regions (%)

North America	75.08
Latin America	0.86
United Kingdom	3.10
Europe Developed	10.34
Europe Emerging	0.43
Middle East	0.06
Africa	0.00
Japan	3.17
Australasia	1.60
Asia Developed	2.09
Asia Emerging	3.28
Developed Markets	95.43
Emerging Markets	4.57

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Source: Morningstar Direct

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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 (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 4.26% for the month. The EAA USD Moderate Allocation peer group ended the month down 2.67. The major detractors were the two Vanguard funds and the two iShares funds.

SA Market Drivers

Global volatility and weakness reverberated throughout South African markets, resulting in negative returns for local investors across all asset classes except for local cash. The past month proved to be a formidable challenge for investors across various fronts. The adverse performance in domestic and global equity, bonds, and property markets underscores the escalating uncertainty and economic headwinds confronting investors. Heightened inflation concerns and extended higher interest rates in the United States have created a less favourable environment for a small emerging economy like South Africa.

SA grew by 0.6% in the second quarter and 1.6% year-on-year at the end of June. Despite this being relatively tepid growth, it actually surprised to the upside with analysts expecting worse growth numbers due to continued load-shedding amongst other issues. Better than expected growth illustrates the resilience of corporate SA in the face of a less than conducive operating environment. Business confidence also increased but remains well below the neutral level of 50, where it has remained since 2015.

Falling government revenues, influenced by adverse commodity prices (previously a tailwind), necessitate spending reductions. The Treasury warned government of this over the course of the month. However, senior ANC officials, Cosatu and SACP members have already pushed back on these potential cost containment measures as they look to woo voters for the 2024 elections. The Finance Minister once again finds himself in quite the bind for this month's medium term budget speech.

The South African Reserve Bank (SARB) held rates steady at 8.25% for the second meeting in a row as inflation hovered just above the inflation target mid-point of 4.5% in August (4.8% reading). The hawkish tone of the governor left no doubt that the MPC still feels that upside risks to inflation remain even though the sources are largely out of their control. The primary mandate of the SARB is to protect the value of the currency and therefore the local interest rate environment is very much tied to the global environment.

Global Market Drivers

September saw a pause in developed market central bank rate hikes, but also higher longer-term bond yields as investors priced in longer delays before rate cuts began. Bond prices consequently fell over the month, particularly in the US. The 'higher interest rates for longer' narrative also hit equities, with most regional markets falling in local currency terms. Oil prices continued to rise as Saudi Arabia and Russia agreed to extend their production cuts to the end of 2023. Greater uncertainty and higher US yields helped the US dollar to appreciate further against most other currencies.

In the US, expectations of rate cuts in 2024 reduced as there was a sense of 'good news is bad news'. Broadly positive data points released during the month resulted in expectations that the Federal Reserve would need to keep rates higher for longer on the back of continued economic strength. Against this backdrop, the Federal Reserve held rates flat but the committee member's forecast for future rates ('dot-plot') confirmed members anticipate rates remaining higher for longer.

Saudi Arabia and Russia extended oil supply cuts until the end of the year. This pushed oil prices to peak just below \$95 per barrel at the end of the month posing a risk to inflationary pressure globally.

China, the emerging markets' economic powerhouse, continued to disappoint on the data front. Very low inflation persisted, with prices rising 0.1% year-on-year in August, below expectations. Composite PMI continued to trickle down, falling to 50.9 in September, its lowest level since January 2023.

Equity markets continued their negative trajectory in September with all regions losing value. Emerging market equities performed better developed market equities with US and Europe ex UK equities the worst performing regions. The UK and Japan performed relatively well over the month. Bonds sold off again in September, with Emerging Market bonds worst hit, suffering both from higher bond rates in general, as well as nervousness around emerging market issuers. Real assets struggled under an environment of bond yields selling off (rising). Real estate had a particularly bad month given concerns of future economic growth slowing, debt levels and funding costs. Infrastructure companies which typically sit in the utilities sector also struggled as the sector generally has higher debt levels than other sectors.

Sources: PortfolioMetrix Asset Management SA (Pty) Ltd

Portfolio Manager: Cinnabar Investment Management Team

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.

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Source: Morningstar Direct