

Cinnabar Global Equity Fund of Funds (USD)



CINNABAR
INVESTMENTS

As of 2024/08/31

Inception Date: 17 July 2024, Fund Currency: USD
Investment Advisor: Cinnabar Investments Limited.
Category Average: EAA Fund Global Large-Cap Blend Equity
Class A - ISIN: GG00BN6LF575, SEDOL: BN6LF57, BLOOMBERG: CIGLEFA GU
Class B - ISIN: GG00BN6LF682, SEDOL: BN6LF68, BLOOMBERG: CIGLEFB GU

Minimum Disclosure Document (MDD)

Risk Level

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

Fund Information

Fund Size (USD)	22 464 988
NAV	1.0388
Pricing Frequency	Daily
Domicile	Guernsey
Initial Subscription Amount (\$)	15 000
Additional Subscription Amount (\$)	2 000
Annual Management Fee - Class A (%) *	1.50
Total Expense Ratio (TER) - Class A (%)	-
Total Investment Cost (TIC) - Class A (%)	-
Annual Management Fee - Class B (%) **	0.75
Total Expense Ratio (TER) - Class B (%)	-
Total Investment Cost (TIC) - Class B (%)	-

* Class A is available directly

** Class B is available through selected platforms

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 MSCI ACWI NR USD

Performance Fee The Fund's performance and benchmark performance will be measured over a rolling 24 month period. Should the Fund's performance exceed the benchmark performance, over the same rolling 24 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

	%
PortfolioMetrix Global Equity	51.22
Vanguard Global Stock Index	41.15
Vanguard Total World Stock ETF	6.30
Cash	1.33
Total	100.00

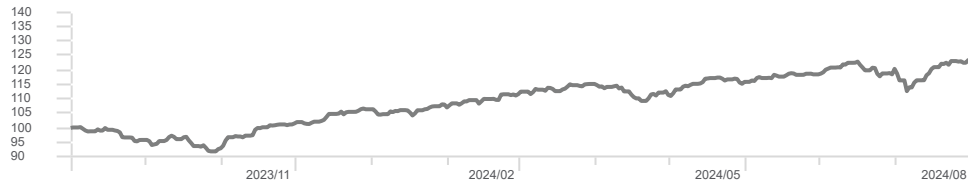
Top 10 Equity Holdings (%)

	Portfolio Weighting %
Microsoft Corp	4.21
NVIDIA Corp	3.46
Apple Inc	2.92
Meta Platforms Inc Class	1.87
Visa Inc Class	1.44
Novo Nordisk /S Class B	1.35
Amazon.com Inc	1.28
Ultra US Treasury Bond Future Sept 24	1.06
Alphabet Inc Class	1.05
Lvmh Moet Hennessy Louis Vuitton SE	1.00

Annual Performance Graph ***

Time Period: 2023/09/01 to 2024/08/31

Currency: US Dollar



– MSCI ACWI NR USD (Benchmark)

123.44

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
MSCI ACWI NR USD (Benchmark)	2.32	6.61	9.67	31.76	8.09	12.18	9.03

*** According to Board Notice 92 of 2014, the fund's Performance and Risk Measures will be published on the funds 1st year anniversary.

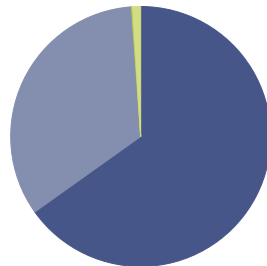
Risk Measures ***

Time Period: 2023/09/03 to 2024/08/31 Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
MSCI ACWI NR USD (Benchmark)	11.69	-8.23	1.38	2.34	67.31

Asset Allocation

Portfolio Date: 2024/06/30



	%
US Stock	65.15
Non US Stock	33.72
Other	0.16
Cash	0.97
Total	100.00

Equity Sectors (%)

Cyclical	27.66
Basic Materials	2.06
Consumer Cyclical	11.37
Financial Services	12.67
Real Estate	1.57
Sensitive	48.53
Communication Services	7.34
Energy	2.24
Industrials	9.75
Technology	29.19
Defensive	23.81
Consumer Defensive	8.77
Healthcare	11.84
Utilities	3.21

World Equity Regions (%)

North America	63.78
Latin America	1.64
United Kingdom	4.45
Europe Developed	15.96
Europe Emerging	0.08
Middle East	0.05
Africa	0.00
Japan	4.98
Australasia	0.35
Asia Developed	3.39
Asia Emerging	5.32
Developed Markets	92.96
Emerging Markets	7.04

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As of 2024/08/31 Published Date: 2024/10/03

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 will seek to outperform the MSCI ACWI Index, through investing into equity markets around the world. The Fund is aimed at investors with a medium to long term investment horizon.

Contact Details

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Disclosures

The Cinnabar Global Equity 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 Investments Limited, the Investment Advisor registered in Guernsey with registration number 69434. 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 trades 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 daily at 23h00, on the business day preceding dealing day. The latest prices may be viewed at www.cinnabarim.com. Investors wishing to purchase or redeem Shares on any Dealing Day must notify the Manager at least 1 Business Day prior to the Dealing Day. 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 Equity 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

Portfolio Commentary

The Cinnabar Global Equity Fund of Fund USD gained 2.55% in the past month, closely matching its benchmark, the MSCI ACWI NR, which returned 2.54%. The fund's performance was supported by its holdings in the Vanguard Global Stock Index and PortfolioMetrix Global Equity Fund, both of which contributed positively to overall returns.

SA Market Drivers

South African asset classes performed strongly in August, continuing the recent positive trend and outperforming many of their emerging market peers. This performance was buoyed by favourable global sentiment and continued optimism around the formation of the Government of National Unity (GNU) after the recent election. This optimism, coupled with positive macroeconomic developments, drove strong gains in the FTSE/JSE All Share Index, particularly in the Industrials and Financials sectors. Shares categorized as "SA Inc.", such as Retailers, Banks, and Insurers, saw robust returns, maintaining their upward momentum. However, the Resources sector struggled in August, posting a double-digit loss due to price pressures on certain commodities, which weighed on overall market performance.

South African bonds also delivered strong returns in August. Yields continued to fall as investors grew increasingly confident that the GNU will be able to implement its policy agenda, and foreign investors were net buyers of South African bonds for the second consecutive month. This demand for local bonds pushed yields lower across the curve, boosting bond prices. The SA property sector similarly posted strong results, with counters like Growthpoint and Redefine leading the charge, continuing a strong run for SA-focused property stocks. The rand also strengthened against major developed market currencies, supported by improved sentiment and a weaker US dollar.

Inflation provided further positive news, with South Africa's annual inflation rate falling for the second month to 4.6% (year-on-year to the end of July 2024), the lowest level in three years and down from 5.1% in the prior month. Core inflation, which excludes volatile items such as food, fuel, and energy, also eased to a two-year low of 4.3%. These lower inflation prints increase the likelihood of the South African Reserve Bank (SARB) starting its rate-cutting cycle as early as September, with many market participants expecting a 25-basis point reduction.

Business sentiment also showed signs of recovery in August. The South African Chamber of Commerce and Industry (SACCI) business confidence index rose to a four-month high of 109.1 in July 2024. This improvement reflects a growing sense of optimism post-election, particularly as the power supply has significantly improved, with South Africa experiencing over 150 days without loadshedding. The consistent power supply has been a significant driver of renewed confidence across industries.

Despite these positive trends, challenges remain. South Africa's unemployment rate increased to 33.5% at the end of Q2 2024, the highest in two years and up from 32.9% in the previous quarter. This marks the third consecutive rise in unemployment, with the expanded definition (which includes discouraged jobseekers) hitting 42.6%. Youth unemployment also worsened, climbing to 60.8% in Q2 2024, reflecting the continued difficulties faced by younger job seekers in the labour market.

Global Market Drivers

Global equity markets posted strong gains in August 2024, but these headline numbers masked the volatility experienced throughout the month. A sharp sell-off occurred in the first week due to weaker-than-expected US jobs data, which caused declines across risk assets. The US labour market showed signs of softening, with the July ISM manufacturing index coming in below expectations and payroll growth stalling at 114k – the smallest increase in over three years. This fuelled concerns about a potential US recession, especially as the unemployment rate ticked up to 4.3%, triggering the Sahm Rule, which predicts a recession when unemployment increases over a three-month period.

The global market rout was exacerbated by the Bank of Japan's unexpected decision to raise interest rates by 25 basis points (bps). This hawkish move led to the unwinding of carry trade positions that had relied on cheap borrowing in yen, causing further stress in global markets. Despite these initial setbacks, risk sentiment improved toward the middle of the month as global inflation readings came in better than expected. In the US, headline inflation dropped to 2.9% in July, marking the fourth consecutive month of decline, while inflation in the euro area fell to 2.2%, increasing expectations of easing monetary policies in the months ahead.

Comments from US Federal Reserve Chair Jerome Powell at the Jackson Hole summit on August 23 sparked a renewed risk-on sentiment, as investors began pricing in a higher probability of larger interest rate cuts from the Fed. This led to a sharp rebound in global markets, with many risk assets recovering to post strong returns by the end of the month. US equity markets were buoyed by this shift in sentiment, with the S&P 500 delivering a 2.4% return for August, supported by gains in defensive sectors such as Financials, Consumer Staples, and Healthcare. The more tech-heavy NASDAQ 100 also ended the month higher (+1.2%) but lagged the broader US market, as some of the larger tech stocks, including Microsoft and Alphabet, weighed on performance.

In the UK, the FTSE 100 rose 3.2%, helped by positive global sentiment and a weaker US dollar, while inflation in the country remained elevated at 2.2%. The Bank of England responded by cutting interest rates to 5% from 5.25% earlier in the month, in an effort to stimulate growth. Europe's equity markets followed suit, with the DAX in Germany climbing 4.5% on the back of strong earnings reports and further expectations of monetary easing from the European Central Bank (ECB). Despite the positive performance across most developed markets, China's equity market continued to struggle, with the Shanghai Composite Index falling 1.4%. Concerns over weak earnings, a slowing economy, and ongoing challenges in the real estate sector weighed on investor sentiment.

Emerging markets delivered mixed results, with certain regions such as Brazil and Taiwan benefiting from stronger equity markets and a weaker US dollar. The MSCI Emerging Markets Index rose 1.7%, supported by dovish commentary from the Fed and lower inflation expectations. However, China and South Korea struggled to keep pace, as economic challenges in these countries offset broader gains in the emerging markets basket. The divergence in performance across emerging markets reflects the varying levels of exposure to global growth concerns and the sensitivity to shifts in US monetary policy.

Sources: Schroders, Morningstar, JP Morgan Asset 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.