GCI Global Fund of Funds (USD)

CINNABAR
BUILDING WEALTH LEGACIES

31 January 2020

Minimum Disclosure Document (MDD)

Inception Date: 4 February 2011, Fund Currency: USD
Investment Advisor: Cinnabar Investments
ISIN: GG00B5742R02, SEDOL: B5742R0, BLOOMBERG: GCIGLFF GU
Morningstar Category: GIFS USD Moderate Allocation

Risk Level

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

Fund Information

Fund Size	11 233 208
NAV	0.9685
Minimum Additional Subscription Amount	2 000
Domicile	Guernsey
My Minimum Monthly Investment	2 000
Annual Service Fee (%)	1.5
Total Expense Ratio (TER)	2.55
Pricing Frequency	Weekly

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	1/3 USD Libor 1 Month 1/3 MSCI World Index USD TR 1/3 BofAML Gbl Govt Bond II 1-3 TR USD
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	16.6
Coronation Global Strategic Income	16.4
Vanguard U.S. 500 Stock Index	12.5
Fidelity Global Dividend	10.4
Orbis SICAV Global Balanced	10.2
Pinebridge Global Dynamic	10.2
Fundsmith Equity Fund	6.3
iShares Glb Property Secs Eq	4.2
iShares Glb Corp Bond UCITS	4.2
iShares Core US Agg Bond	4.1
Other	4.9
Total	**100.0**

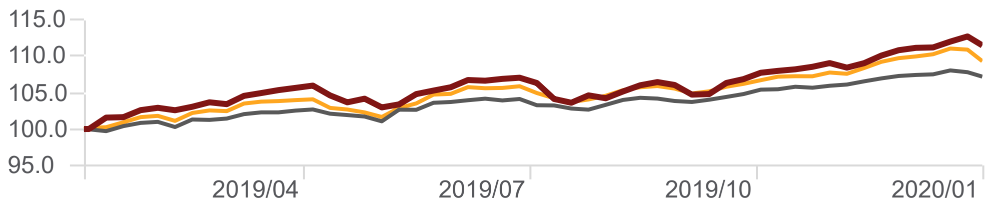
Top 10 Equity Holdings (%)

Microsoft Corp	1.64
Apple Inc	1.30
Amazon.com Inc	0.79
Facebook Inc A	0.78
Alphabet Inc Class C	0.71
Johnson & Johnson	0.71
AbbVie Inc	0.68
Taiwan Semiconductor Manufacturing Co	0.64
Procter & Gamble Co	0.61
Visa Inc Class A	0.58

Cumulative 1 Year Performance Graph

Time Period: 2019/02/01 to 2020/01/31

Currency: US Dollar



GCI Global Fund of Funds USD 111.51 Benchmark 107.22 GIFS USD Moderate Allocation 109.34

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
GCI Global Fund of Funds USD	0.30	3.50	4.87	11.51	5.00	2.32	-0.36
Benchmark	-0.13	1.98	3.39	7.22	5.20	4.02	3.28
GIFS USD Moderate Allocation	-0.36	2.55	3.54	9.34	5.15	3.29	3.26
Highest Annual Return					18.12	18.12	18.12
Lowest Annual Return					-9.88	-10.87	-14.03

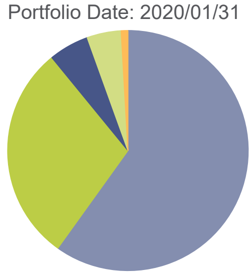
Risk Measures (Last 12 Months)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
GCI Global Fund of Funds USD	5.24	-3.22	1.93	2.90	74.51
Benchmark	3.18	-1.59	1.77	3.22	64.71
GIFS USD Moderate Allocation	3.84	-2.34	2.14	3.64	70.59

Asset Allocation

Portfolio Date: 2020/01/31



	%
Equities	59.90
Bonds	29.20
Cash	5.40
Property	4.60
Other	0.90
Total	**100.00**

Equity Sectors (%)

Cyclical	**33.53**
Basic Materials	3.15
Consumer Cyclical	7.05
Financial Services	14.76
Real Estate	8.57
Sensitive	**40.56**
Communication Services	6.58
Energy	5.10
Industrials	10.22
Technology	18.67
Defensive	**25.91**
Consumer Defensive	9.95
Healthcare	12.93
Utilities	3.39

World Equity Regions (%)

North America	61.04
Latin America	0.62
United Kingdom	9.11
Europe Developed	15.10
Europe Emerging	0.15
Africa/Middle East	0.27
Japan	5.94
Australasia	1.61
Asia Developed	4.15
Asia emerging	2.01
Developed Markets	**97.01**
Emerging Markets	**2.99**

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.

Fund Exposure

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 GCI Global Fund of Funds (USD) 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 GCI Global Fund of Funds (USD) is approved by the Financial Services Board under the Collective Investment Schemes Control Act, 2002. Cinnabar Investments, the Investment Advisor is licensed by the Financial Services Commission (FSC) in Mauritius with a Global Business Licence (Category 1 - authorised to conduct business outside Mauritious) and its licence number is C112011454 is responsible for managing the assets of this portfolio. Investments into the GCI Global Fund of Funds (USD) 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. 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 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. 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.cinnabar.mu. 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.cinnabar.mu 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 GCI Global 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 induction 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. 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

January was a tale of both confidence and caution. On January 15th, the "Phase One" trade agreement between the US and China was signed, lifting some of the uncertainty from the market and boosting investor confidence. With investors confident this agreement would accelerate economic growth and with strong economic data, stocks rose to record highs. But the momentum was derailed by the spread of the coronavirus, which stoked fears of an economic slowdown. The Nasdaq gained 1.99%, with the S&P 500 contracting 0.16%. Concerns over the coronavirus outbreak dragged international markets lower, resulting in a loss of 1.86 percent in the MSCI-EAFE Index. European stocks were lower with losses in all major markets. Germany's DAX index decreased 2.02% and France's CAC 40 down 2.87%. Great Britain's FTSE index decreased by 3.51%. On the far East China's Hang Seng index contacted by 6.67 whilst on the Pacific Rim, Japan's Nikki lost 1.91% and Australia's ASX gained 4.98%

The GCI Global Fund of Fund USD ended the month gaining 0.30% whilst the GIFS USD Moderate Allocation Category contracted by 0.38%. Top performers for the Global fund were: Fundsmith I Acc up 2.71%, iShares Global Property Secs increasing by 2.41% and iShares Global Corporate Bond gaining 1.52%. The reminder of the underlying funds contracted marginally. The top detractors for the month were: Orbis SICAV Global Balanced edging down 0.68% and Vanguard Global Stock Index down 0.63

United States of America

Economic growth remained steady in the fourth quarter at 2.1 percent, unchanged from the third quarter and matching forecasts. Net trade made the biggest contribution to growth while detractions came from private inventory investment and non-residential fixed investment. Looking back on 2019, overall economic growth came in at 2.3 percent, missing Trump administration's 3 percent target for the second year. Other indicators were favourable, with retail sales showing an increase of 0.3 percent month-over-month in December, and consumer price inflation rate climbing to 2.3 percent year-on-year in December from 2.1 percent in November and meeting market consensus. On the 29th of January, the Federal Reserve left the target range for its federal funds rate unchanged at 1.5-1.75 percent. The FED signalled that the current stance of monetary policy is appropriate to support sustained expansion of economic activity, strong labour market conditions, and an inflation increase to the 2% target. No further changes to the funds rate is expected in 2020. Looking to January, ISM Manufacturing PMI for the US jumped to 50.9 from 47.8 in December, beating market forecasts of 48.5. On the political front, U.S. and China signed a "phase one" deal on January 15th, covering areas such as exchange-rate policies, intellectual property protections, and additional Chinese purchases of U.S. goods and services.

UK

2019 was a difficult year for the UK as the economy and investors struggled with the high degree of uncertainty that the political deadlock on Brexit had generated. The government lost a prime minister and its majority, all while threatening to leave the EU without any deal at all. On 31 January, the UK formally left the EU, ending its 47-year membership of the world's biggest trading block. Turning our attention to the economic data, consumer price inflation in the UK slowed to 1.3 percent year-on-year in December, the lowest reading since November 2016. Unemployment rate stood at 3.8 percent in the three months ending November 2019, the lowest level since early 1975. The Bank of England's MPC voted by a majority of 7-2 to hold the Bank Rate at 0.75% during its January meeting. Consumer confidence increased by 2 points to -9 in January, climbing for the second consecutive month. Much like consumers, businesses are also feeling more optimistic with the CBI's quarterly gauge of manufacturing optimism in the UK increasing to +23 in the first quarter. Positive numbers coming out of Manufacturing as the latest PMI numbers were revised higher to 50.0 in January from a preliminary estimate of 49.8 and an uptick from the previous month's figure of 47.5.

Europe

The 28 countries in the European Union grew only 0.1 percent during the last three months of 2019. By the end of the year, the eurozone countries grew just 1.2 percent in 2019, according to a preliminary estimate by Eurostat. Factors which contributed towards poor growth were the widespread strikes in France, political confusion in Italy, and slumping world trade. Among the bloc's largest economies, Germany avoided entering a recession in the third quarter 2019, largely driven by public and private consumption, while GDP growth rates remained unchanged in France, Italy and Spain. Looking ahead, the coronavirus is a big source of growth uncertainty as China is a major customer of European products, most notably German cars, so that a slowdown in China would spill over to the eurozone. The consumer confidence indicator was confirmed at -8.1 in January, unchanged from the previous month, whereas business confidence increased 0.09 points to -0.23 in January. The seasonally-adjusted unemployment rate fell to 7.4 percent in December from 7.5 percent in the previous month, below market expectations of 7.5 percent. Preliminary estimates show the inflation rate is expected to edge up to 1.4 percent in January from 1.3 percent in the previous month, in line with market expectations. The European Parliament backed Britain's departure from the European Union, with negotiations now turning to trade talks.

China

Not so long-ago markets were upbeat on the news that China and America had struck a trade deal. Now China's grim new reality is that everything, even economic policy, revolves around beating the coronavirus. The Chinese stock market has fallen, factories and offices that were supposed to reopen in recent days after the new-year holiday remain closed and most provinces have ordered them to stay shut until at least February 10th. Analysts have rushed to lower their economic forecasts. Consensus had been that GDP would expand about by 6% year-on-year in the first quarter, but now several expect numbers around 4%, the slowest since China began publishing quarterly figures in 1992. Three unknowns cloud China's outlook over the next couple of months: the time it takes to contain the virus; the timing for when the government will relax its heavy-handed restrictions on daily life; and how long it will take people to resume activity that normally makes the Chinese economy so vibrant. Recent economic data released shows China's economy advancing 6.0 percent year-on-year in December. Annual inflation rate unexpectedly steadied at 4.5 percent in December, the same as in the previous month. Foreign direct investment (FDI) into China rose 5.8 percent year-on-year. China's trade surplus widened to USD 39.16 billion in January from USD 38.41 billion in the same month a year earlier. Year-on-year, exports soared 9 percent, while imports fell 1.5 percent.

South Africa

South Africa's economic woes continue as the economy finds itself in its longest downward cycle since 1945, having not expanded by more than 2% p.a. since 2013. All the while debt levels continue to rise. The financial troubles of State-Owned Enterprises dominated headlines in 2019, with SAA placed under voluntary business rescue, while Eskom continued on its course of rolling blackouts. Quarter four economic data will likely prove how damaging this has been for economic growth and job creation. The SA SACCI business confidence index declined to 92.2 in January from 93.1 in December which was the highest reading in six months. Consumer confidence index stood at -7 in the fourth quarter of 2019, staying at the lowest level since the fourth quarter of 2017, as households have been experiencing tighter income squeeze amid slow wage growth, high tax rates, and soaring electricity prices. Manufacturing PMI dropped to 45.2 in January from 47.1 in the previous month. The reading pointed to the fifth consecutive month of contraction in factory activity. The annual inflation rate in South Africa rose to 4 percent in December 2019 from 3.6 percent in the previous month, matching market expectations. More positively, the South African Reserve Bank voted unanimously to trim its benchmark repo rate by 25bps to 6.25 percent during its January meeting.

Sources: New York Times, Trading Economics, Bloomberg, Financial Times, Cinnabar Investment Management, Capital Economics, The Economist, Eurostat

Benefits of Multi-Managed Portfolios (FoFs)

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.

Source: Morningstar Direct