

GCI Global Fund of Funds (USD)



CINNABAR
BUILDING WEALTH LEGACIES

30 June 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	11 696 790.33
NAV	0.9237
Minimum Additional Subscription Amount	2 000
Domicile	Guernsey
My Minimum Monthly Investment	2 000
Annual Service Fee (%)	1.5
Total Expense Ratio (TER)	2.54
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

	%
Coronation Global Strategic Income	16.0
Vanguard Global Stock Index	16.9
Vanguard U.S. 500 Stock Index	14.2
Pinebridge Global Dynamic	10.1
Fidelity Global Dividend	10.2
Orbis SICAV Global Balanced	9.3
Fundsmith Equity Fund	6.3
iShares Core US Agg Bond	5.4
iShares Gbl Corp Bond UCITS	5.1
Nedgroup Global Cautious Fund	4.2
Other	2.3
Total	100.0

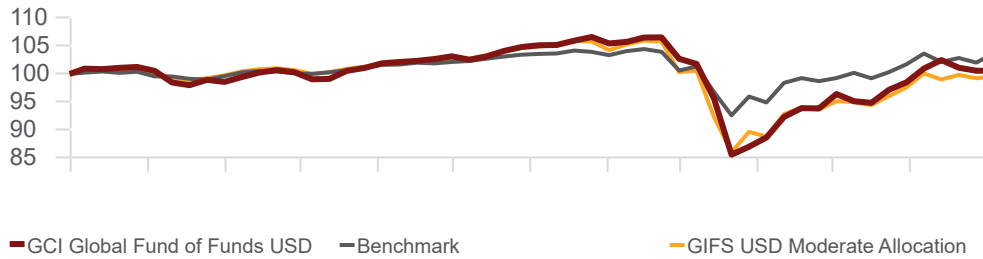
Top 10 Equity Holdings (%)

Microsoft Corp	1.96
Apple Inc	1.45
Amazon.com Inc	1.19
Facebook Inc A	0.86
Johnson & Johnson	0.80
AbbVie Inc	0.75
Cisco Systems Inc	0.65
Unilever PLC	0.65
Intel Corp	0.64
Visa Inc Class A	0.61

Cumulative 1 Year Performance Graph

Time Period: 2019/07/01 to 2020/06/30

Currency: US Dollar



	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
GCI Global Fund of Funds USD	2.12	15.65	-4.34	0.57	1.91	1.12	-0.84
Benchmark	1.00	6.63	-0.73	2.74	3.83	3.61	3.07
GIFS USD Moderate Allocation	1.82	10.18	-5.06	-0.64	1.91	2.04	2.59

Highest Annual Return

18.12 18.12 18.12

Lowest Annual Return

-11.08 -11.08 -14.03

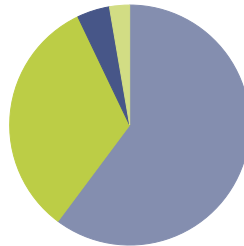
Risk Measures (Last 12 Months)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
GCI Global Fund of Funds USD	15.58	-19.76	-0.03	-0.03	64.71
Benchmark	9.97	-11.34	0.10	0.14	60.78
GIFS USD Moderate Allocation	14.78	-18.86	-0.12	-0.15	60.78

Asset Allocation

Portfolio Date: 2020/06/30



	%
Equities	60.20
Bonds	32.70
Cash	4.40
Other	2.70
Total	100.00

Equity Sectors (%)

Cyclical	35.03
Basic Materials	2.76
Consumer Cyclical	8.67
Financial Services	14.77
Real Estate	8.83
Sensitive	37.29
Communication Services	2.75
Energy	6.59
Industrials	9.24
Technology	18.71
Defensive	27.69
Consumer Defensive	9.22
Healthcare	14.95
Utilities	3.52

World Equity Regions (%)

North America	65.77
Latin America	0.31
United Kingdom	9.01
Europe Developed	13.89
Europe Emerging	0.02
Africa/Middle East	0.24
Japan	5.53
Australasia	1.39
Asia Developed	3.02
Asia emerging	0.82
Developed Markets	98.61
Emerging Markets	1.39

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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 Investments

Tel: +61 (0) 3 8376 6284 or +27 (0) 11 768 1022

Fax: +61 (0) 3 8376 6284 or +27 (0) 86 634 6177

Email: info@cinnabar.mu

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 Mauritius) 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 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. 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 GCI Global Fund of Fund USD ended the month positively returning 2.12% vs the benchmark return of 1% and the GIFS USD Moderate Allocation peer group average returning 1.82%. The fund is ahead of peers over 1 year and in line with peers over 3 years. Performance for the month was driven by Vanguard Global Stock Index Inv, Fidelity Global Dividend, PineBridge and Orbis Sicav Global. World markets posted solid gains on the back of economic reopening and supportive central bank policies, with the MSCI-EAFE Index rising 5.15%. The Nasdaq ended the month up 5.99%, with the S&P 500 up 1.84%. European markets responded to a general easing of economic lockdown and fresh central bank support, with gains in Germany and France. Germany's DAX index increased 6.25% and France's CAC 40 gaining 5.12%. Great Britain's FTSE index ended the month up 2.16%. On the far East China's Hang Seng index gained 6.38% whilst on the Pacific Rim, Japan's Nikkei was up 1.88% and Australia's ASX ended the month positive up 1.35%.

United States of America

Q2 2020 has seen reopenings around the globe, but unfortunately for the US has also caused a second wave of COVID-19, and the end of the quarter saw virus numbers passing 2.5 million in the US alone. A GDP estimate made by the Atlanta Fed shows the US economy falling by -32.5% in Q2. The US dollar likewise weakened over 5% from a March high to end 97.34 on June 30th, where a 100 reading would indicate equal value as measured against a basket of currencies. The US Manufacturing PMI, however, saw much better news, increasing over 25% to end June at 49.80, just below the level which marks an expansion of manufacturing activity. Unemployment also looked favourable in June, with 4.8 million jobs added, but the unemployment rate still sits at 11.1% - higher than any previous period since WWII. The S&P 500 saw a rally in Q2 of over 25%, its biggest quarterly gain since 1998, riding a wave of momentum from the market low of \$2,237 on March 23rd to hit \$3,100 on June 30th. Stimulus measures have to investors convinced that this is not the last of the market's gains for the year.

UK

Revised GDP estimates for Q1 saw GDP sinking 2.2%, the most significant drop since Q3 1979. Earlier estimates had underestimated the negative drag that imports and exports experienced, as well as worse readings than expected for household (-2.9% down from est -1.7%) and government consumption (-4.1% down from est -2.6%). Rebound in the manufacturing sector saw June's reading rising to 50.1, reflecting the first expansion in manufacturing activity since February. Consumer confidence increased slightly to March's reading of -34, the lowest reading since the financial crisis. The UK stock market did not experience the same rebound as other developed markets, coming back only 23% from its March low, and rising only 13% during the second quarter. Headwinds to the market rally include rocky Brexit talks and the makeup of the UK's stock market, with a significant allocation to the heavily hit financial and energy sectors.

Europe

Even though Europe's GDP saw only a 0.1% growth in Q4 2019, the EU was one of the few areas that saw an upwardly revised Q1 2020 reading, confirmed at -3.6% from an original estimate of -3.8%. The EU's manufacturing PMI has also seen favourable movement, increasing in June to a reading of 47.30. Unemployment remains relatively close to March's record low of 7.1%, coming in at 7.4% in May, although the youth unemployment rate spiked to 16%. The inflation rate in the EU area had hit a four year low of 0.1% in May, and June estimates show improvement at 0.3%. A significant 750 billion Euro stimulus package has buoyed investors' sentiments about the area recently, even though the package still has to go through negotiations among all 27 EU leader members. The is one of the smaller announced relief efforts; hence many doubt it is enough to keep investor sentiment up.

Japan

Japan was another area that saw a better than expected GDP growth revision, confirming a reading of -0.6% in Q1 2020 versus an original estimate of -0.9%. Although unemployment increased in May, Japan still has one of the developed world's lowest readings at 2.9%, which is its highest reading since May 2017. Manufacturing numbers, however, while only rising above an expansionary level of 50 once in 2019, came in at only 40.1 in June. The reading signalled a 14th consecutive month of contraction. May's year-over-year inflation reading of -0.2% marked the second month in a row of adverse price movement - long a struggle in the Japanese economy. The Nikkei 225, which experienced over a 30% drop in Q1 like most other developed economies, has seen a healthy rebound of 34% from its March 19th market low, likely boosted by the highest pledged stimulus to GDP ratio in the world.

China

China's revised Q1 2020 GDP growth reading of -9.8% marked the first-ever quarterly GDP contraction on record. However, Q2 is estimated to show a positive reading of 1.1%, as China's economy was the first to reopen during the second quarter. Experts credit the swift Chinese recovery to the Chinese government's strict handling of the Wuhan outbreak and subsequent smaller outbreaks that were aggressively and successfully managed. Manufacturing numbers also look good, with the Caixin Manufacturing PMI hitting above 50 for the second month in a row, showing a sharp rebound for Chinese production. Unemployment also came down to 5.9% in May, down from 6% in April, although inflation took a dive and hit the lowest level in 14 months at 2.4%. The typical economic indicators don't tell the story of China's current political struggles. New national security laws aimed to quash dissent and limit Hong Kong's system of self-governance will strip Hong Kong of some of its autonomy which has been in place since the handover of Hong Kong from the British in 1997. Several governments around the world, including the US, have condemned the move and are taking action to protect or monitor their ties to the specially administered region as business confidence in the area erodes.

South Africa

A transition to a 'lighter' restriction lockdown level 3 in June saw the return of the sale of alcohol as well as the opening of several businesses including beauty salons and restaurants. Q1's GDP estimate of -3.8% was revised to -2% after positive surprises in the agriculture and finance/business activity sectors prevented a harder hit. Nevertheless, South Africa's GDP is expected to contract drastically in Q2 considering Levels 4 and 5 of lockdown prevented most of the economy from working. Unemployment hit the highest jobless rate on record since quarterly data became available in 2008, hitting 30.1% for Q1 and expected to grow even drier in Q2. Inflation fell mostly due to oil price to 3% in April, the lowest rate since 2005 and still within the SA Reserve Bank's target range of 3% - 6%. Positive news came in the form of the manufacturing sector bouncing back and hitting 53.90 in June, showing substantial expansion after hitting its lowest level since the financial crisis in February. The stock market too has seen a healthy rebound since its March 19th lows, returning over 20% in Q2 alone, marking the best performance of any quarter since 2001. The surge seems to be attributed to mining companies (particularly gold) and tech giants like Naspers. However, the return of risk appetite driven by the developed markets run has also been a factor.

Sources: WSJ, BizNews, Trading Economics, MoneyWeb

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 which 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.