

Cinnabar Global Balanced Fund of Funds (USD)



CINNABAR
INVESTMENTS

As of 2024/10/31

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	10 634 366
AUM Class B	23 867 341
NAV	1.1320
Pricing Frequency	Daily
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 (%)	1.76
Total Investment Cost (TIC) - Class A (%)	1.79
Total Expense Ratio (TER) - Class B (%)	2.93
Total Investment Cost (TIC) - Class B (%)	2.96

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

	%
PortfolioMetrix Global Equity	38.3
Vanguard Global Stock Index	29.9
iShares Core US Agg Bond	11.7
iShares Glb Corp Bond UCITS	7.6
PIMCO Divs Inc	5.9
Coronation Global Strategic Income	5.5
USD Cash	1.2
Total	100.0

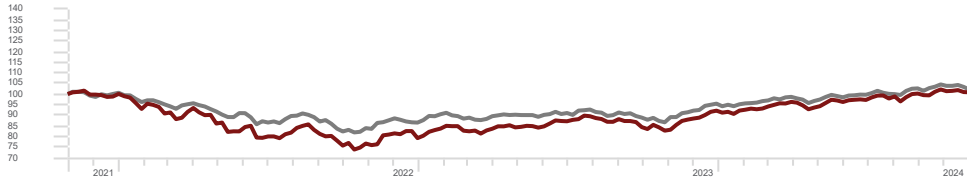
Top 10 Equity Holdings (%)

	Portfolio Weighting %
Microsoft Corp	1.58
Apple Inc	1.51
NVIDIA Corp	0.98
Amazon.com Inc	0.94
Meta Platforms Inc Class A	0.67
Alphabet Inc Class A	0.47
Berkshire Hathaway Inc Class B	0.46
Alphabet Inc Class C	0.42
JPMorgan Chase & Co	0.41
Broadcom Inc	0.34

Cumulative 3 Year Performance Graph

Time Period: 2021/11/01 to 2024/10/31

Currency: US Dollar



— Cinnabar Global Balanced FoF USD 100.86 — EAA Fund USD Moderate Allocation 102.45

	1 M	3 M	6 M	1 Y	3 Y	5 Y	Inception
Cinnabar Global Balanced FoF USD	-1.34	2.74	7.39	21.89	0.29	3.88	0.91
EAA Fund USD Moderate Allocation	-1.84	1.46	5.90	17.77	0.81	3.69	3.62

Highest Annual Return (2021) 32.66

Lowest Annual Return (2022) -22.37

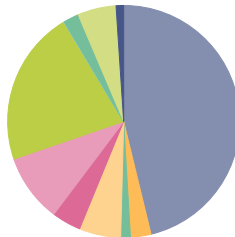
Risk Measures (3 Years)

Currency: US Dollar

	Std Dev	Max Drawdown	Sharpe Ratio	Sortino Ratio	Up Period Percent
Cinnabar Global Balanced FoF USD	12.11	-27.31	-0.25	-0.32	57.42
EAA Fund USD Moderate Allocation	8.24	-18.94	-0.33	-0.46	50.97

Asset Allocation

Portfolio Date: 2024/09/30



	%
US Equity	46.21
UK Equity	2.86
China Equity	1.35
Asia Equity	5.79
Japan Equity	4.07
EU Equity	9.47
US Bond	21.62
China Bond	0.06
UK Bond	2.16
Other	5.36
Cash	1.05
Total	100.00

Equity Sectors (%)

Cyclical	33.77
Basic Materials	3.67
Consumer Cyclical	10.65
Financial Services	15.38
Real Estate	4.07
Sensitive	46.04
Communication Services	7.43
Energy	4.27
Industrials	11.37
Technology	22.96
Defensive	20.20
Consumer Defensive	6.21
Healthcare	11.55
Utilities	2.44

World Equity Regions (%)

North America	68.02
Latin America	0.63
United Kingdom	4.11
Europe Developed	13.50
Europe Emerging	0.55
Middle East	0.10
Africa	0.00
Japan	5.85
Australasia	2.13
Asia Developed	2.15
Asia Emerging	2.97
Developed Markets	95.86
Emerging Markets	4.14

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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 down 1.34% for the month, whilst the EAA USD Moderate Allocation peer group ended the month down 1.84% in October. The major detractors for the month were iShares Global Corp Bond and the iShares Core US Aggregate Bond.

SA Market Drivers

South Africa's economic landscape in October reflected cautious optimism. In September, South Africa's Consumer Price Index (CPI) decelerated to 3.8%, dipping below 4% for the first time since March 2021. This significant disinflation was attributed to plunging fuel prices along with stable food prices. The current and projected inflation figures have led to speculation about the size of the South African Reserve Bank's (SARB) next rate cut in November, particularly whether a significant 50bp cut is warranted. Retail sales rose by 3.2% year-on-year in August, signalling modest consumer spending. The Producer Price Index (PPI) data indicated a year-on-year increase of 1% for September, reaching its lowest level in four years and marking the 13th consecutive month of decline. This instructive data confirms that overall price pressures continue to ease, contributing to the deflationary trend observed in the CPI. The decline in the PPI figure was primarily driven by lower global oil prices and a stronger rand, both of which have uncertain outlooks and represent significant risks. The trade surplus widened to ZAR 12.8 billion in September, driven by robust exports of precious metals and stones. The S&P Global South Africa PMI recorded 50.6 in October, indicating continued, albeit slower, private-sector expansion. The JSE All Share Index exhibited mixed performance, with Industrials and Financials gaining on stable electricity supply and improving sentiment. However, Resources lagged due to declining platinum and iron ore prices. Bonds benefited from stable inflation, with easing yields reflecting investor confidence. Retail-focused REITs performed well in the property market, but high commercial vacancy rates remain a concern.

The Medium-Term Budget Policy Statement (MTBPS) marked the first fiscal policy statement since the formation of the Government of National Unity (GNU). Initially, markets responded negatively to this risk event. However, the downturn quickly normalised, leaving no lasting impression on the markets. The MTBPS projected a GDP growth of 1.1% for 2024 and underscored the need for private-sector involvement to drive job creation and stabilise public finances. However, lower-than-expected tax revenue and disputes over public service wage negotiations have raised fiscal sustainability concerns. South Africa's upcoming presidency of the G20 presents an opportunity to advocate for an African-focused agenda, while domestically, a focus on macroeconomic stability and inclusive growth is central to the government's economic strategy.

Global Market Drivers

The U.S. economy grew at an annualised 2.8% in Q3 2024, driven by consumer spending and robust business investments. Inflation slowed for a sixth consecutive month to 2.4% in September, while unemployment held steady at 4.1% in October. In October, expectations for US rate cuts diminished. At the month's start, there was a 35% chance of a 0.5% rate cut in November, which fell to 0% by the end. Contributing factors included the potential Trump presidency and higher-than-expected inflation data. This has led markets to predict that rates will remain elevated for longer, permeating through to global bond markets as well. Retail sales grew by 0.4% month-on-month, and consumer confidence index (CCI) increased, with the CCI reaching 108.7 in October. U.S. equities dipped, with the S&P 500 falling 0.3%. Treasury yields rose, driving a 1.5% decline in the Bloomberg U.S. Aggregate Bond Index. Commodities faced challenges, with oil prices falling below \$85 per barrel, while gold remained stable. Real estate softened as higher interest rates weighed on valuations. The dollar strengthened against major currencies due to robust economic data. In October, markets began to indicate a potential Trump victory, although uncertainty remained. Notably, there was an increase in US bond yields over the month, partly due to expectations that a Trump presidency might lead to higher US inflation if he implemented his tariff policies, thereby necessitating higher interest rates. As of the time of writing, Donald Trump has won the US election. Additionally, US voters have given the Republican party control of the Senate and a projected majority in the House – giving them greater control over policy changes. Markets are watching his administration's approach to infrastructure projects and geopolitical strategies.

The UK economy maintained steady growth, with GDP rising 0.5% quarter-on-quarter in Q2 2024. Inflation eased to 1.7%, and unemployment rose to 4.3% from July to September. Retail sales grew by 0.3% in September, signalling resilient consumer demand. The FTSE 100 declined by 0.75%, with energy stocks underperforming. Gilts saw rising yields amid concerns over fiscal policies, while the real estate sector experienced cooling. Debates over increased public spending sparked concerns about debt sustainability, influencing market sentiment. These fiscal discussions will likely shape investor confidence in the coming months. At the end of October, Rachel Reeves delivered her first budget. There were a few surprises with a large focus on raising more government revenue. But the biggest surprise was that expected government spending was much higher than had been projected, thus UK government bond (gilt) issuance will be higher, and this caused gilt prices to fall steeply at the end of the month.

Eurozone GDP grew by 0.9% year-on-year in Q3 2024, while inflation increased to 2% in October. The unemployment rate held steady at 6.3% in September, reflecting stable labour market conditions. European equities slipped, with the MSCI Europe ex-UK Index down 0.5%. Rising yields weighed on fixed-income markets, while the real estate sector saw limited activity. Commodities struggled, with declining oil prices affecting energy stocks. Concerns over trade disruptions following Donald Trump's re-election added uncertainty. EU tensions regarding fiscal policies and energy independence also weighed on regional markets.

China's GDP grew by 4.6% year-on-year in Q3 2024, missing expectations. Inflation rate stood at 0.3% in October, and urban unemployment improved to 5.1%. Chinese equities fell, reflecting concerns over the real estate sector and economic stability. Government bonds were stable, while industrial metals like copper saw price declines. The yuan depreciated against the dollar due to monetary easing. Trump's re-election raised fears of renewed U.S.-China trade tensions. Domestically, China continued efforts to stabilize its real estate market and boost consumer confidence.

Japan's economy grew at an annualised 1.2% in Q3 2024, supported by strong exports. Inflation fell to 2.5% in September, and unemployment was low at 2.4% for September. The Nikkei 225 rose 1.2%, driven by gains in export-oriented industries. Government bonds saw modest losses as yields rose, while the real estate market remained stable. The yen's depreciation supported export competitiveness but raised import costs. The ruling coalition suffered a major defeat in Japan's lower house elections, creating political uncertainty and potential changes in economic policies.

Sources: Portfoliomatrix, Trading Economics, S&P Global, J.P. Morgan Market Insights, Morningstar, PwC South Africa, Schroders, Reuters, Financial Times, Wall Street Journal, ITV News

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