



## CANNON OFFSHORE APPROVED TRUSTS

### Cautious Fund

### JUNE 2011

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#### INVESTMENT OBJECTIVE

The aim of the Cannon Cautious Fund is to provide protection to investors' capital as well as afford the potential to achieve moderate long-term capital growth. The fund is designed to be equally weighted amongst the four main asset classes; equities, bonds, property and cash, with an allowance for tactical asset allocation, as well as an allowance of up to 10 percent in alternative strategy investments. We believe that currency movements are inherently difficult to forecast. Thus, currency movements do not play a part in our investment decisions, and where possible we select Sterling based classes for the underlying investments. The Cannon Cautious Fund is Sterling denominated and is designed to generate a return ahead of a composite benchmark incorporating the four main asset classes.

#### INVESTMENT COMMENT

June started where May left off, markets were pulled back as global fears around the European debt crisis escalated and global economic growth looked like it would miss expectations. However, towards the end of the month, positive news fueled a global equity price rally which ensured markets ended the month on a strong note. The rally, however, was not enough to push equity markets into positive territory, The S&P 500 ended the month down 1.8 percent, the FTSE 100 down 0.7 percent and Hong Kong's Hang Seng was down 5.4 percent. The FTSE All World index (GBP) contrasted global markets and ended June up 0.8 percent. Bonds, property, cash?

This turbid price result is set against a backdrop of mixed global economic data and news releases during the month. On a negative front China manufacturing data came in at an 11-year low and the US 2011 GDP growth estimate was lowered from 3.3 percent to 2.9 percent. On a positive note Greece agreed to a five year austerity plan with the EU and IMF to avoid defaulting on its obligations. The news surrounding Greece was the spark that ignited markets towards the end of June.

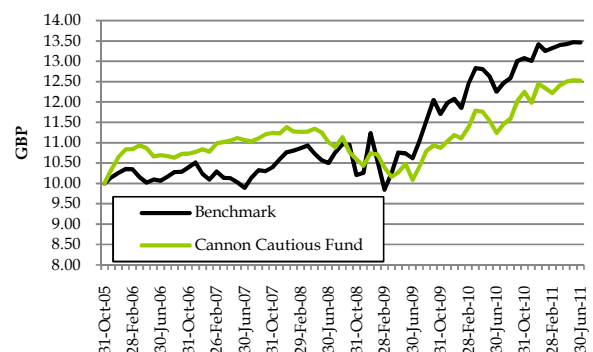
During the month the International Energy Agency released 60m barrels of reserve oil to help alleviate high energy prices, and oil prices pulled back dramatically. The news saw Brent Crude oil decrease by 5.2 percent over the month to end at US\$117 per barrel. With some of this positive news and optimism in the market, the gold price, or fear indicator, fell 2.3 percent to US\$1,500 per ounce.

Against the global setting the Cannon Cautious Fund produced a marginally negative return of 0.1 percent; this matched the composite benchmark's return of -0.1 percent. Property and bonds were the worst performing asset classes; equity was the best performing asset class. Our holdings in emerging market equities detracted from performance. Due to our current underweight exposure to property and bonds, the negative returns had a limited impact on the portfolio. For the first six months of 2011, the Cannon Cautious Fund has produced positive alpha 0.3 percent.

#### FUND FACTS

Price Date:	29 June 2011
NAV price:	11.34
Fund currency:	Sterling
Fund size:	£1.86m
Dealing:	Weekly
Cut off time:	Mondays 12 o'clock
Minimum investment:	£10,000
Minimum top up:	£2,500
Initial fee:	Up to 5.0%
Dividend policy:	Distribution
*Largest month gain:	+3.72% (Sep 10)
*Largest month loss:	-3.78% (Jun 09)
* Measured on bid price to bid price movement	
* All performance figures calculated gross of fees	

#### FUND RETURN PROFILE



#### MONTHLY PERFORMANCE (BID TO BID)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2005											3.47%	3.01%	6.59%
2006	1.64%	0.09%	0.87%	-0.68%	-1.86%	0.29%	-0.15%	-0.41%	0.90%	0.03%	0.45%	0.62%	1.75%
2007	-0.55%	1.83%	0.33%	0.33%	0.55%	-0.46%	-0.29%	0.65%	0.91%	0.34%	-0.15%	1.35%	4.93%
2008	-0.91%	-0.04%	-0.4%	0.71%	-0.79%	-2.21%	-1.13%	2.35%	-3.35%	-1.67%	-1.41%	2.97%	-5.56%
2009	-0.33%	-2.97%	-2.25%	1.10%	2.07%	-3.78%	3.23%	3.70%	1.32%	-0.61%	1.52%	1.35%	4.10%
2010	-0.72%	2.51%	3.53%	-0.18%	-1.89%	-2.61%	1.89%	1.19%	3.72%	1.87%	-2.17%	3.44%	10.78%
2011	-0.91%	-0.92%	1.50%	0.77%	0.32%	-0.12%							0.61%

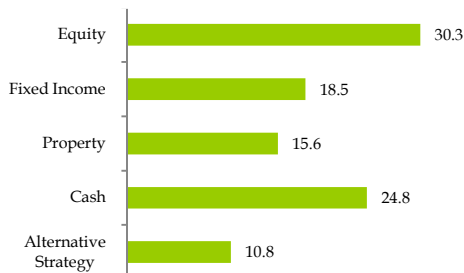
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#### ASSET CLASSES



#### MULTIMANAGER INVESTING

Diversification of risk is an important objective for most investors in today's volatile markets. Investment risk can be reduced by holding a diversified portfolio of assets which cover the world's major economies, industries and investment themes. In reality, a sufficiently diversified portfolio requires a significant capital sum and it can be time consuming and expensive to manage when transaction and custody charges are taken into account. Whilst managed funds might help this dilemma by solving the problem of choosing individual investments, they do not necessarily solve the question of which markets to select and which fund managers to use. Cannon Capital Advisors can provide a solution to these concerns. It combines the investment expertise of leading fund management groups which ensures that the Fund is invested in markets where managers have proven strengths. An important feature of this process is the independent approach taken when selecting funds. This approach recognises the fact that no one investment house performs well in all markets or asset types and it is therefore necessary to select managers based on their individual strengths.

#### CURRENCY ALLOCATION

GBP	79.16%	2005	2.70%
EUR	10.08%	2006	0.34%
CHF	10.76%	2007	5.43%
		2008	2.22%
	100.0%	2009	7.50%
		2010	9.98%
		2011	0.32%

#### BENCHMARK<sup>1</sup>

25% FTSE All-World Index  
25% FTSE All-World Real Estate Index  
25% JP Morgan Global Bond Index  
25% Sterling LIBOR

#### OTHER FUND FACTS

Structure	Global Offshore Approved Trusts
Regulation	Collective Investment Funds (Jersey) Law 1988
Launch date	1 November 2005
Manager	Standard Bank Fund Administration Jersey Limited
Trustee	Capita Trust Company (Jersey) Limited
Investment Adviser	Cannon Capital Advisors Limited
Auditors	PriceWaterhouseCoopers
Manager's Fee and Trustee	1.50% per annum
Reporting	Audited annual accounts to 31 August Unaudited interim accounts to 28 February
Price publication	Standard Bank Fund Administration Jersey Limited
Performance analysis	N/A
ISIN	GB00B15SN951
SEDOL	B15SN95

#### FURTHER CONTACT DETAILS

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#### NOT FOR CIRCULATION TO THE GENERAL PUBLIC IN THE REPUBLIC OF SOUTH AFRICA

Investment in the units of open-ended investment funds is generally a medium to long-term investment. The value of units may go down as well as up and investors may get back less cash than originally invested. Past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The units of Cannon Global Cautious Fund are traded at ruling prices and are priced monthly using the forward pricing method. A schedule of fees and charges and maximum commissions is available on request from Standard Bank Fund Administration Jersey Limited, the Management Company. Cannon Global Cautious Fund is a collective investment scheme, which invests in other collective investment schemes, which levy their own charges, together with direct investment in investment grade bonds. Commission and incentives may be paid and if so, are included in the overall costs. Figures quoted are from Standard Bank Fund Administration Jersey Limited for the period ending 30 June 2011 for a lump sum investment using sell-sell prices, which exclude initial fees. Cannon Capital Advisors Limited funds are distribution funds and do distribute income. Performance is quoted in sterling terms. Please refer to the prospectus of this scheme for more details, a copy of which is available on request from the Management Company, the registered office of which is Standard Bank House, 47-49 La Motte Street, St Helier, Jersey JE4 8XR, Channel Islands.

Standard Bank Jersey Limited and Standard Bank Fund Administration Jersey Limited are wholly owned subsidiaries of Standard Bank Offshore Group Limited. Standard Bank Jersey Limited is registered with the Jersey Financial Services Commission for banking and investment business and is a member of the London Stock Exchange. Standard Bank Fund Administration Jersey Limited is registered with the Jersey Financial Services Commission under permit as a functionary of collective investment schemes.

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<sup>1</sup> Prior to Quarter 4 2008, the benchmark for the Cannon Cautious Fund was the JP Morgan UK Bond Index.  
www.cannonhouse.com