



CANNON OFFSHORE APPROVED TRUSTS

Sterling Alternative Strategy Fund

QUARTER END MARCH 2010

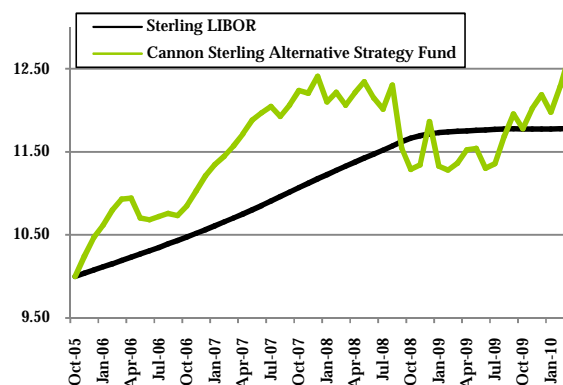
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INVESTMENT OBJECTIVE

The aim of the Cannon Sterling Alternative Strategy Fund is to provide Sterling-based investors with capital protection and long-term growth in capital through exposure to a diversified portfolio of alternative investments. The investment universe consists of all non-traditional asset classes, including directional and non-directional hedge fund collective investment schemes, commodity funds, equity-centric and income generating assets as well as cash. The fund aims to generate a total return on capital that exceeds the return achieved on Sterling cash on a rolling one-year basis and to do this in a manner that exhibits below-market volatility.

The restructure of the portfolio is currently underway. The aim of the restructure is to remove all equity, property and cash exposure. The fund will consist of purely alternative strategy funds. Multi-strategy funds will make up a maximum of 30 percent of the fund, with the remainder constituting single strategy funds.

ALTERNATIVE STRATEGY



INVESTMENT COMMENT

As evidence of the world economy having moved out of recession continued to grow in early January, global financial markets extended their gains of 2009. However, the optimism of late 2009 has since been set back by news that China's policy makers aim to curb growth amid fears of the economy overheating; of the risk of sovereign default in Greece and the likely contagion that may follow; and that the United States structural problems surrounding their budget deficit and heavy debt burden will impede recovery. In turn, this has translated into jittery markets around the world, which has worked to reverse investor sentiment.

Sentiment aside, February and March saw parts of the macroeconomic environment improving. The US reported better than expected jobs data, whilst GDP growth and industrial production also surprised on the upside. China's economic growth continued unabated and, as noted, officials have gone into tightening mode, seeking to balance economic growth, contain price inflation and rein in credit growth. The risk of sovereign default in the Euro zone, which we have considered to be exceptionally high for some time, appeared to decrease over March as EU members pledged financial support for Greece, along with the IMF, in a "joint mechanism". Markets responded favourably to this news. However, in recent weeks, this trend unsurprisingly has been reversed, as the specter of sovereign default and contagion stalks southern Europe.

Against this backdrop, the Cannon Sterling Alternative Strategy Fund had a tough January. However, the strong performance in recent months has more than made up for this lag. Year to date the Cannon Sterling Alternative Strategy Fund has returned 4.0 percent, in Sterling terms. It is worth repeating, in this increasingly uncertain global economic environment, that investing is a game of stamina, best contested by disciplined application of a sensible investment stance.

FUND FACTS

| | |
|---------------------|---------------------------------------------------------------------------------------------------------------|
| Benchmark: | Sterling LIBOR |
| Price Date: | 31 March 2010 |
| NAV price: | 11.73 |
| Fund currency: | Sterling |
| Fund size: | £5.8m |
| Dealing: | 1 st business day of each month |
| Cut off time: | 12 o'clock GMT. 5 business days prior to dealing day for subscriptions, and 20 business days for redemptions. |
| Minimum investment: | £10,000 |
| Minimum top up: | £2,500 |
| Initial fee: | Up to 5.0% |

*Largest month gain: +4.63% (Dec 08)

*Largest month loss: -6.18% (Sep 08)

*Measured on bid price to bid price movement

* Aperl performance figures calculated gross of fees

MONTHLY PERFORMANCE (Gross of fees)

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|-------|--------|
| 2005 | | | | | | | | | | | 2.42% | 2.21% | 4.68% |
| 2006 | 1.41% | 1.73% | 1.24% | 0.10% | -2.21% | -0.19% | 0.35% | 0.36% | -0.24% | 1.08% | 1.67% | 1.64% | 7.11% |
| 2007 | 1.20% | 0.89% | 1.10% | 1.27% | 1.40% | 0.73% | 0.64% | -1.00% | 1.16% | 1.46% | -0.28% | 1.67% | 10.69% |
| 2008 | -2.47% | 0.95% | -1.28% | 1.25% | 1.09% | -1.61% | -1.10% | 2.43% | -6.18% | -2.23% | 0.48% | 4.63% | -4.38% |
| 2009 | -4.55% | -0.42% | 0.75% | 1.41% | 0.14% | -2.07% | 0.49% | 2.93% | 2.29% | -1.48% | 2.04% | 1.40% | 2.71% |
| 2010 | -1.71% | 2.58% | 3.16% | | | | | | | | | | 4.01% |

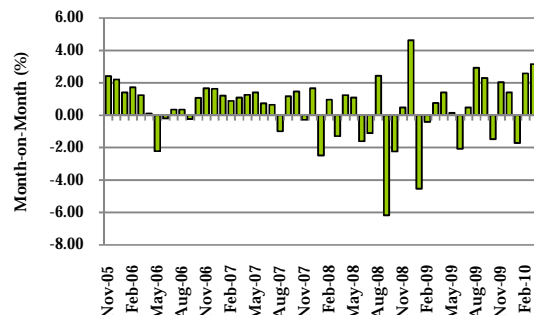
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QUARTER END MARCH 2010

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MONTHLY RETURNS



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 | 1.75% 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 | GB00B15SN621 |
| SEDOL | B15SN62 |

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 Asset Management 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.

FURTHER CONTACT DETAILS

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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 Sterling Alternative Strategy 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 Sterling Alternative Strategy 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 31 March 2010 for a lump sum investment using sell-sell prices, which exclude initial fees. Cannon Asset Management 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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