

CANNON OFFSHORE FUNDS



Deposit Plus Fund September 2013

INVESTMENT OBJECTIVE

The Fund seeks to achieve its investment objective by investing in deposits, short dated government bonds, short dated corporate bonds and selected funds with low portfolio duration where appropriate. Bonds will generally be of 5 year maturity or less and the average portfolio maturity will generally be 3 years or less. Substantial exposure to gilts and deposits may also be held from time to time.

INVESTMENT COMMENT

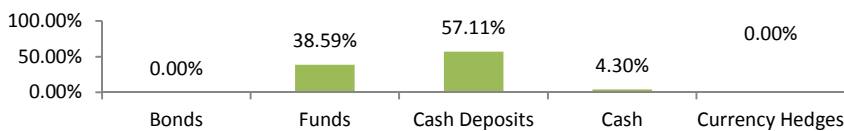
The fund continued its progress this month gaining 0.27%. This was despite a mixed economic backdrop later in the month which led to weakening in a number of asset classes. For the month overall, government bonds increased in value as did most indices of corporate bonds. Lower grade bonds improved more than investment grade bonds. Government bonds gained, anticipating a partial shut down of US government activities in October due to political disagreements in the US. It remains to be seen what economic impact this will have, however this disruption was balanced by the US central bank deciding to maintain bond market intervention at current levels. Elsewhere there were signs of improvement in Europe and improving Chinese economic activity. In the UK, growth also seems to be improving and inflation steady but retail sales disappointed in August.

HOLDINGS ANALYSIS

Top Ten Holdings

Skipton 80 Day Call	9.93%	Butterfield Bank 180 day	7.60%
Rothschild CI	9.83%	Muzinich Short Dur High Yld HEI	7.33%
GAM FCM Cat Bond GBP	8.07%	Kleinwort Benson 189 Day	6.03%
TCA Global Credit Master GE	7.94%	Barclay Cash Account	4.41%
Carmignac Capital Plus I GBP Acc	7.64%	Santander 1 yr	3.86%

Asset Type Allocation



MONTHLY PERFORMANCE (BID TO BID)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012										-0.36%	0.02%	0.02%	-0.32%
2013	0.05%	0.36%	0.41%	0.45%	0.04%	-0.78%	0.27%	0.16%	0.27%				1.23%

LARGEST MONTH GAIN/LOSS

*Largest Month Gain: 0.45%

*Largest Month Loss: -0.78%

*All Performance figures calculated net of fees

Contact Us

Tel: +44 (0) 1481 726141

Fax: +44 (0) 1481 726142

Email: depositplus@cannonhouse.com

Website: www.cannonhouse.com

FUND FACTS

Price Date:	26-Sep-13
NAV price:	100.9114
Fund Currency:	Sterling
Fund size:	£13,278,539
Launch Date:	01 October 2012
Dealing:	Thursday, Weekly
Cut off time:	T-2, 5 pm, BST or GMT
Minimum investment:	GBP100,000
Minimum top up:	GBP5,000
Benchmark:	LIBOR GBP 3 M - 0.3%
Dividend Policy:	Accumulation

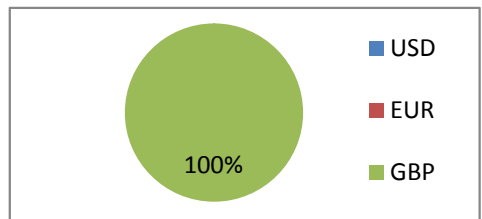
CHARGES

Initial Fee:	Up to 5%
Annual Fee:	0.50%

PRICING

Pricing is sourced from the Custodian. Subsequent calculations and production of performance graphs are dependent on this information.

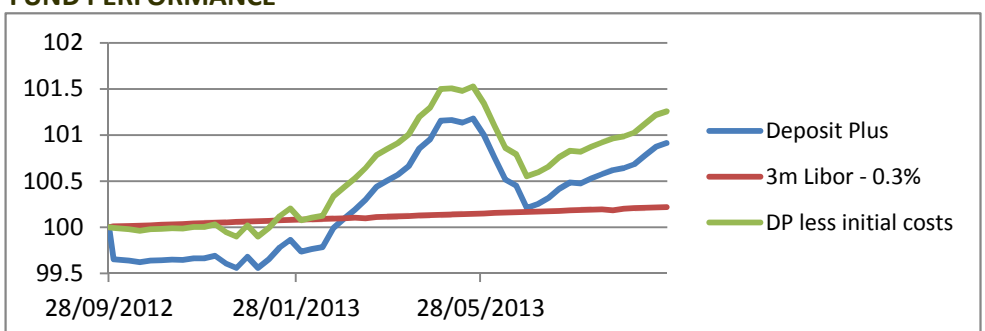
CURRENCY BREAKDOWN



BENCHMARK PERFORMANCE*

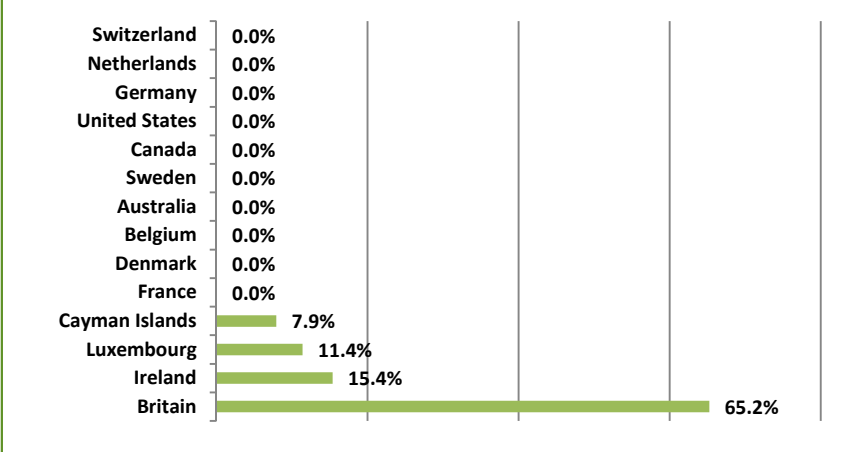
2010	0.39%
2011	0.54%
2012	0.59%
2013 (YTD)	0.16%

FUND PERFORMANCE

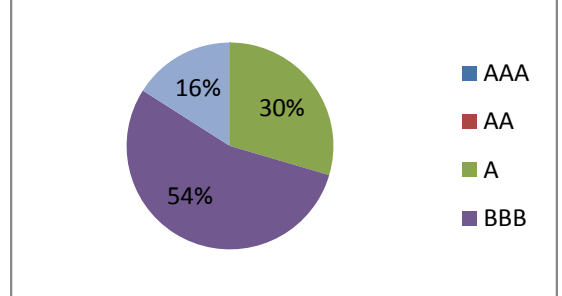


ASSET ALLOCATION

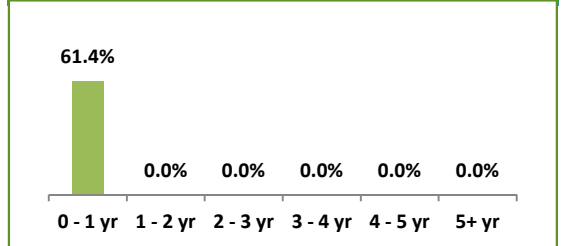
Geographic Analysis - Funds, Bonds, Cash & Deposits



Credit Rating - Bonds, Cash & Deposits



Effective Duration - Bonds, Cash & Deposits



Industry Analysis - Bonds



Direct Bond Portfolio Characteristics

Weighted Credit Quality	NA
Average Maturity (Yrs)	NA
Number of issues	0
Average Yield	NA

Standard Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.82%	NA	NA
Benchmark*	0.00%	0.02%	0.02%

Sharpe Ratio	1 yr	3 yr	5 yr
Cannon Deposit Plus	0.48	NA	NA
Benchmark*	Nil	47.50	71.50

FUND INFORMATION

Structure	Cayman Open Ended Company	Investment Manager	Cannon Capital Advisors Limited
Regulation	Registered with the Cayman Islands Monetary Authority, Administrator and Adviser regulated by the Guernsey Financial Services Commission	Investment Sub Adviser	N/A
Administrator	Cannon Asset Management Limited	Investment Advisory Fee	0.50% per annum
Custodian	Bank Morgan Stanley AG	Auditors	KPMG Cayman
		Reporting	Audited annual accounts to 30 June
		Price publication	Cannon Asset Management Limited
		Exchange	N/A

FURTHER CONTACT DETAILS

Fund Administration Cannon Asset Management Limited PO Box 393 Kingsway House Havilland Street St Peter Port Guernsey GY1 3FN Tel: +44 (0) 1481 726141 Fax: +44 (0) 1481 726142 Email: depositplus@cannonhouse.com Website: www.cannonhouse.com	InvestmentManager Cannon Capital Advisors Limited PO Box 393 Kingsway House Havilland Street St Peter Port Guernsey GY1 3FN Tel: +44 (0) 1481 726141 Fax: +44 (0) 1481 726142 Email: investments@cannonhouse.com Website: www.cannonhouse.com
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IMPORTANT INFORMATION

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 they 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 Deposit Plus Fund are traded at ruling prices and are priced weekly using the forward pricing method. A schedule of fees and charges and maximum commissions is available on request from Cannon Asset Management Limited, The Management Company. Cannon Deposit Plus 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 Cannon Asset Management Limited for a lump sum investment using sell-sell prices, which exclude initial fees. Cannon Capital Advisors Limited funds and do not 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 Kingsway House, Havilland Street, St Peter Port, Guernsey, GY1 3FN. * = Source Bloomberg, Cannon Asset Management Limited