

# CANNON OFFSHORE FUNDS



## Deposit Plus Fund November 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

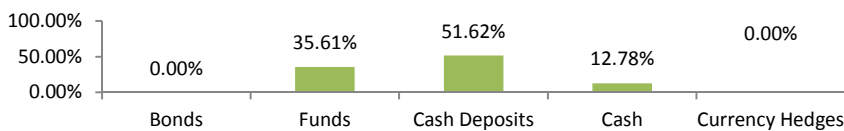
The trends of last month continued and we saw deposit rates continuing to edge downwards despite the likelihood of higher BoE rates or reduced provision of capital for bank lending. The UK saw the best economic growth rates in three years however, the Bank of England is now concerned about house prices and its Funding for Lending scheme. As a result there are signs that interest may now rise sooner than previously imagined. UK equities moved slightly lower and government bonds fell on the improving data. US data also improved, though modestly, prompting lower government bonds and higher equities. The Eurozone saw slight improvements and a cut in interest rates to 0.25%. Emerging markets finished lower, but countries are facing different issues from changing economic models to political discontent. The fund returned 0.18% for the month and 1.75% for the year to date.

### HOLDINGS ANALYSIS

#### Top Ten Holdings

|                                  |        |                                 |       |
|----------------------------------|--------|---------------------------------|-------|
| Skipton 80 Day Call              | 10.05% | Butterfield Bank 180 day        | 7.69% |
| Rothschild CI                    | 9.95%  | Muzinich Short Dur High Yld HEI | 7.46% |
| GAM FCM Cat Bond GBP             | 8.29%  | Kleinwort Benson 189 Day        | 6.11% |
| TCA Global Credit Master GE      | 8.17%  | Barclay Cash Account            | 5.25% |
| Carmignac Capital Plus I GBP Acc | 7.79%  | Santander 1 yr                  | 3.91% |

#### 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% | 0.33%  | 0.18% |       | 1.75%  |

### LARGEST MONTH GAIN/LOSS

\*Largest Month Gain: 0.45%

\*Largest Month Loss: -0.78%

\*All Performance figures calculated net of fees

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### FUND FACTS

|                     |                       |
|---------------------|-----------------------|
| Price Date:         | 28-Nov-13             |
| NAV price:          | 101.4247              |
| Fund Currency:      | Sterling              |
| Fund size:          | £13,164,213           |
| 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          |

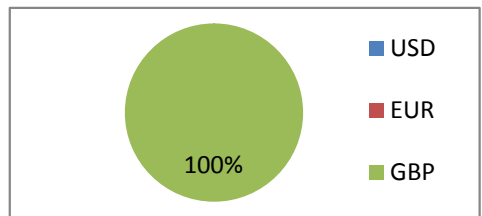
### CHARGES

|              |          |
|--------------|----------|
| 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.

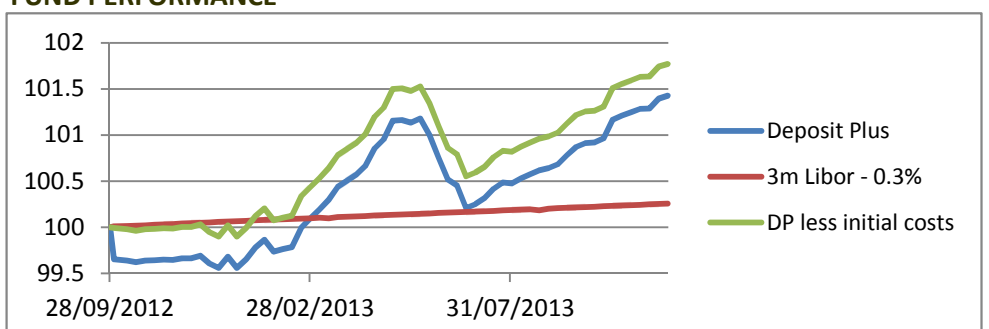
### CURRENCY BREAKDOWN



### BENCHMARK PERFORMANCE\*

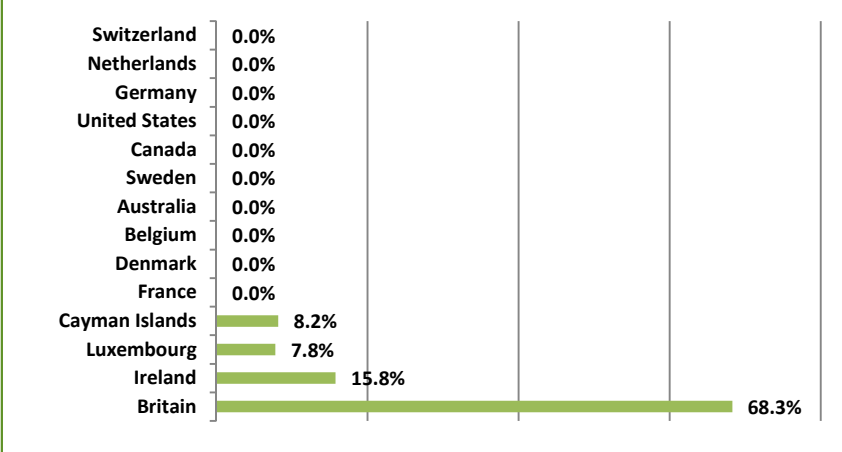
|            |       |
|------------|-------|
| 2010       | 0.39% |
| 2011       | 0.54% |
| 2012       | 0.59% |
| 2013 (YTD) | 0.19% |

### FUND PERFORMANCE

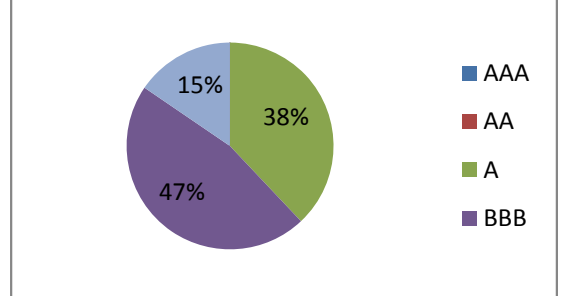


**ASSET ALLOCATION**

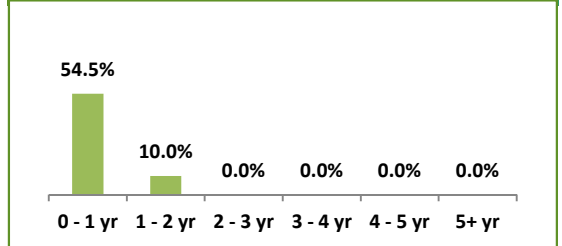
**Geographic Analysis - Funds, Bonds, Cash & Deposits**



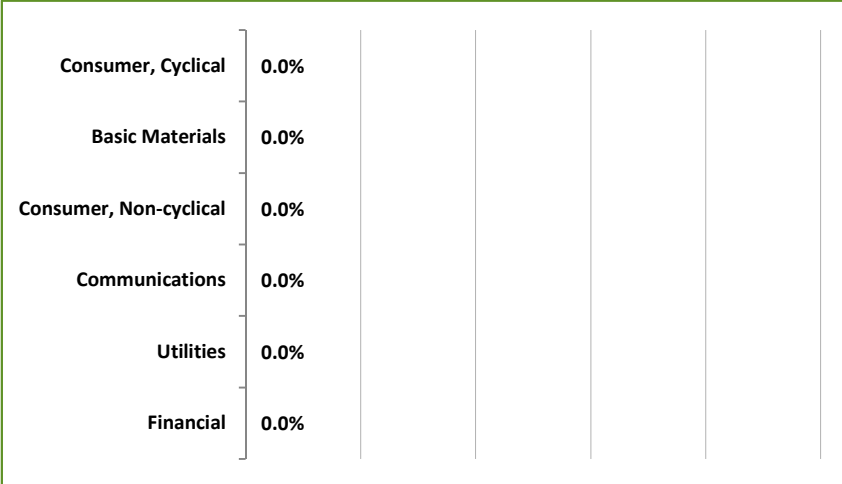
**Credit Rating - Bonds, Cash & Deposits**



**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 | 0.75% | 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<br>Cannon Asset Management Limited<br>PO Box 393<br>Kingsway House<br>Havilland Street<br>St Peter Port<br>Guernsey GY1 3FN<br>Tel: +44 (0) 1481 726141<br>Fax: +44 (0) 1481 726142<br>Email: depositplus@cannonhouse.com<br>Website: www.cannonhouse.com | InvestmentManager<br>Cannon Capital Advisors Limited<br>PO Box 393<br>Kingsway House<br>Havilland Street<br>St Peter Port<br>Guernsey GY1 3FN<br>Tel: +44 (0) 1481 726141<br>Fax: +44 (0) 1481 726142<br>Email: investments@cannonhouse.com<br>Website: www.cannonhouse.com |
|---|---|

**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