

# CANNON OFFSHORE FUNDS



## Deposit Plus Fund June 2014

### 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

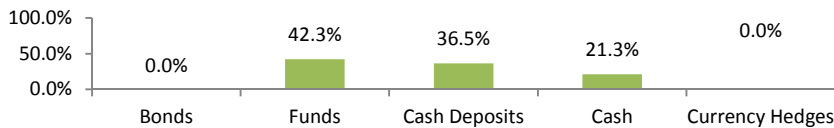
In June UK economic news continued to improve, with employment showing its best improvement in decades. The Governor of the Bank of England publicly stated that rates could well rise sooner than expected as a result. Europe remains on the verge of deflation with little growth across the continent, so announcements from the ECB to support growth were welcome. Bonds were mixed with US and UK issues falling in value, producing higher yields due to the general improvement in those countries' economic news. In contrast, European rates remained flat or fell due to subdued economic news. Peripheral Euro debt yields fell however, reflecting further positive sentiment about support for those countries and the lowering of ECB deposit rates to -0.1%. The fund returned 0.16% for the month taking the year to date figure to 0.95%.

### HOLDINGS ANALYSIS

#### Top Ten Holdings

Skipton 80 Day Call	9.72%	Carmignac Capital Plus I GBP Acc	7.66%
Butterfield Bank 180 day	9.67%	Lloyds Bank	6.78%
Rothschild CI	9.66%	Santander Call 1	3.86%
TCA Global Credit Master GE	8.33%	Henderson Credit Alpha Acc	3.78%
GAM FCM Cat Bond GBP	8.13%	Santander 95 Day Notice	3.76%

#### 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%	0.15%	1.90%
2014	0.16%	0.18%	0.16%	0.18%	0.12%	0.16%							0.95%

YTD figures are based on compounded monthly returns

### LARGEST MONTH GAIN/LOSS

Largest Month Gain*:	0.45%
Largest Month Loss*:	-0.78%

\*All Performance figures calculated net of fees

### Contact Us

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 Website: www.cannonhouse.com

### FUND FACTS

Price Date:	26-Jun-14
NAV price:	102.5452
Fund Currency:	Sterling
Fund size:	£13,721,540
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

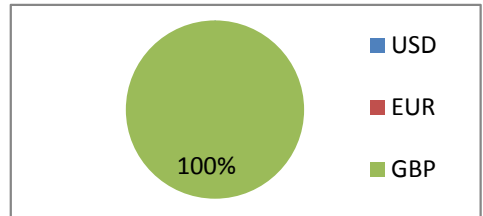
### CHARGES

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.

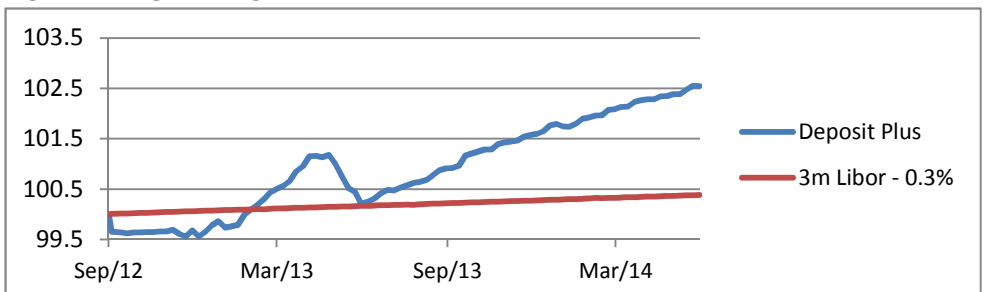
### CURRENCY BREAKDOWN



### BENCHMARK PERFORMANCE

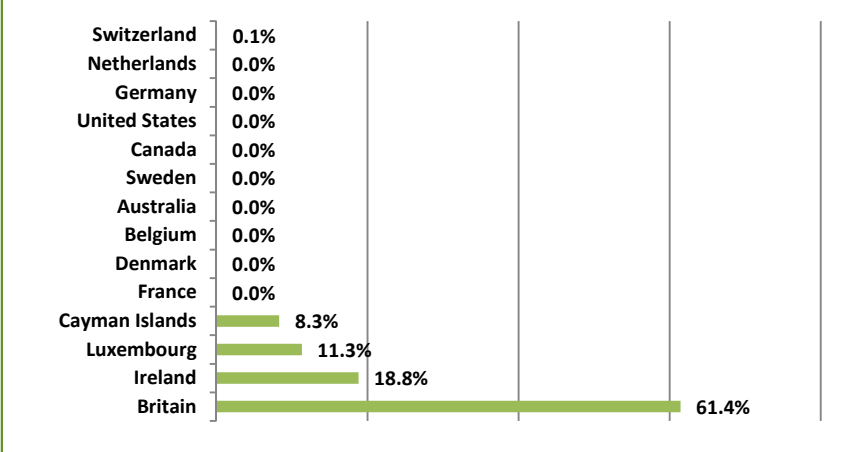
2011	0.54%
2012	0.59%
2013	0.21%
2014 (YTD)	0.11%

### FUND PERFORMANCE

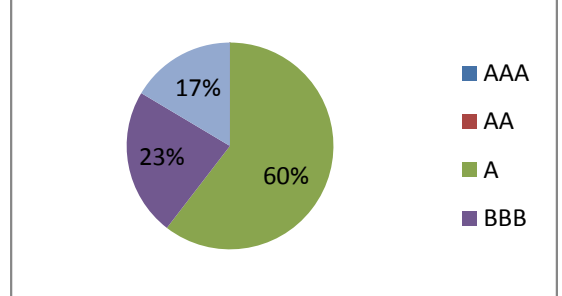


**ASSET ALLOCATION**

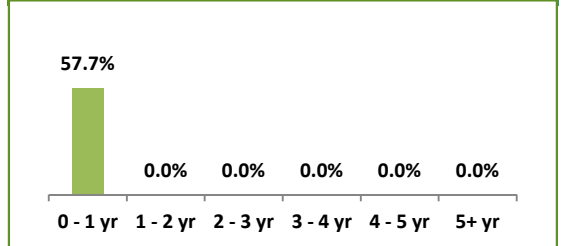
**Geographic Analysis - Funds, Bonds, Cash & Deposits**



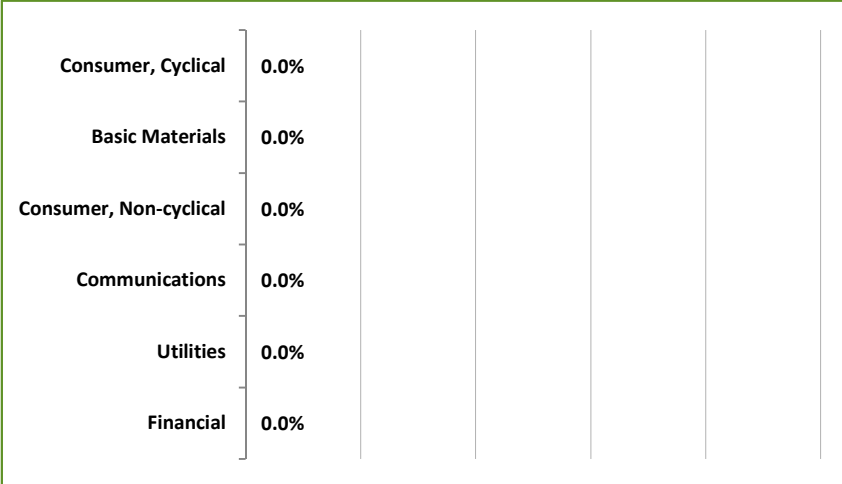
**Credit Rating - Bonds, Cash & Deposits**



**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	0.30%	NA	NA
Benchmark*	0.02%	1.13%	2.12%

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	6.07	NA	NA
Benchmark*	8.77	0.08	0.06

**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
Investment Manager		Investment Advisory Fee	0.50% per annum
Administrator	Cannon Asset Management Limited	Auditors	KPMG (Cayman Islands)
Custodian	Bank Morgan Stanley AG	Reporting	Audited annual accounts to 30 June
		Price publication	Cannon Asset Management Limited
		Exchange	N/A

**FURTHER CONTACT DETAILS**

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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