

CANNON OFFSHORE FUNDS



Deposit Plus Fund December 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

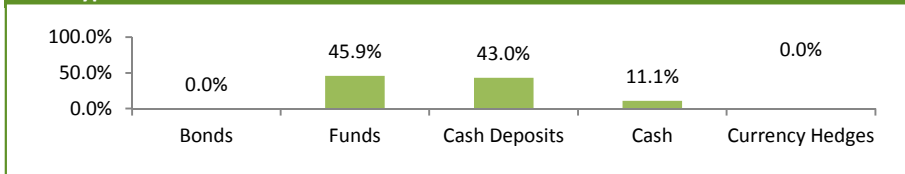
Europe disappointed again with delays in the ECB action and Greece threatening to cause another Euro crisis by refusing rescue terms for its finances. The US Federal Reserve steadied markets by stating it was to be gradual in its rate increases, when they occur. Oil fell and China also caused concern about its growth rate. Markets interpreted these events as pushing rate increases into the second half of 2015 and bonds rallied due to the prospect of lower inflation because of oil price falls. However, this will be stimulative for most economies including the US and UK, so this should have some positive effects on growth potentially bringing forward rate increases. We have noted that there are a few banks now offering modestly improved deposit rates but the general trend continues to be downwards. The fund returned 0.03% for the month taking the year to date figure to 1.64%.

HOLDINGS ANALYSIS

Top Ten Holdings

Butterfield Bank 180 day	14.4%	GAM STAR CREDIT OPP-GBP ACC	7.6%
Rothschild CI	10.2%	Skipton 80 Day Call	6.6%
TCA Global Credit Master G£	9.4%	Santander Call 1	4.1%
GAM FCM Cat Bond GBP	8.9%	Carmignac Capital Plus I GBP Acc	4.1%
Muzinich LongShortCreditYield Hgd GBP	7.8%	Henderson Credit Alpha Acc	4.0%

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%	0.07%	0.07%	0.08%	0.21%	0.22%	0.03%	1.64%

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

Tel: +44 (0) 1481 726141
 Fax: +44 (0) 1481 726142
 Email: depositplus@cannonhouse.com
 Website: www.cannonhouse.com

FUND FACTS

Price Date:	29-Dec-14
NAV price:	103.248
Fund Currency:	Sterling
Fund size:	£12,858,261
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

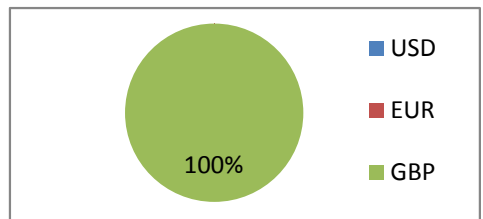
CHARGES

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.

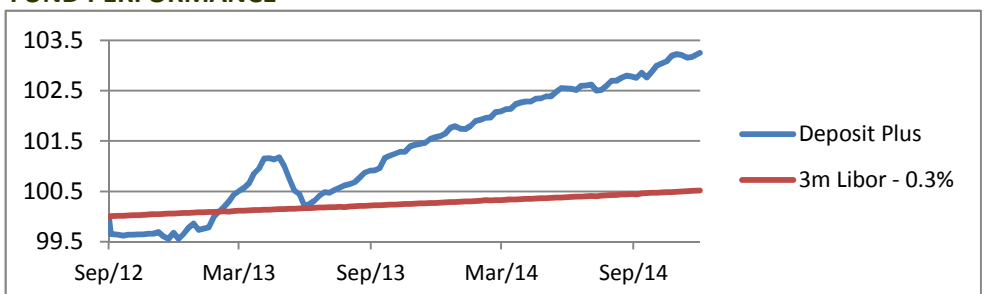
CURRENCY BREAKDOWN



BENCHMARK PERFORMANCE

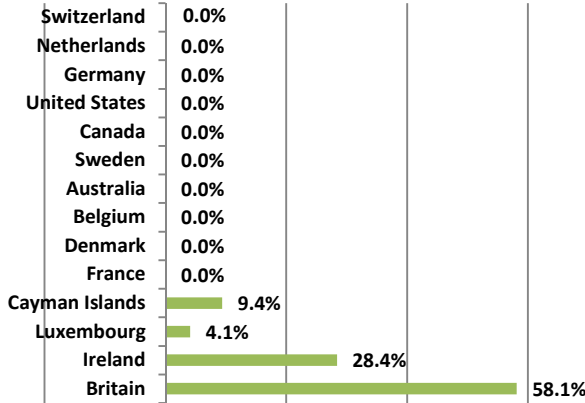
2011	0.54%
2012	0.59%
2013	0.21%
2014 (YTD)	0.24%

FUND PERFORMANCE

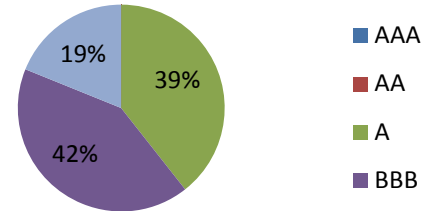


ASSET ALLOCATION

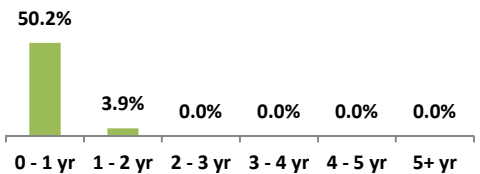
Geographic Analysis - Funds, Bonds, Cash & Deposits



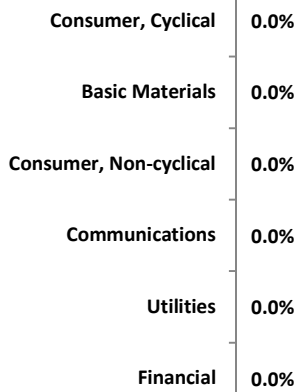
Credit Rating - Bonds, Cash & Deposits



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	0.36%	0.57%	NA
Benchmark*	0.03%	0.03%	0.14%

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	3.03	4.35	NA
Benchmark*	8.54	16.99	14.74

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 Advisory Fee		Auditors	0.50% per annum KPMG (Cayman Islands)
Auditors		Reporting	Audited annual accounts to 30 June
Administrators	Cannon Asset Management Limited	Price publication	Cannon Asset Management Limited
Custodian	Bank Morgan Stanley AG	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

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