

CANNON OFFSHORE FUNDS



Cannon Deposit Plus Fund June 2016

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.

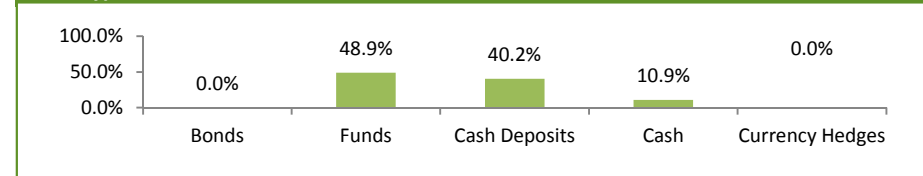
INVESTMENT COMMENT

The biggest event in markets was the shock result for Brexit for the UK. This set off a massive fall in global markets and a substantial fall in the Pound. As typical with "risk off" events, government bonds rallied while most other assets - corporate and "credit" bonds, along with equities - fell. With government bonds already at low yields, new low records were set for bond yields in the UK and other European government bonds. However, the FTSE 100 recovered on the last day of the month to levels above those prior to the vote. Similarly, other markets such as the S&P500 rallied to levels close to those prior to the vote. The Bank of England made clear it was prepared to supply liquidity to the UK banking system and support the economy as needed, which improved sentiment. However, deposit rates have since fallen particularly for longer dated terms. The fund returned 0.0% for the month taking the year to date figure to 0.66%.

HOLDINGS ANALYSIS

Top Ten Investments, Deposits & Cash Positions			
Butterfield Bank 180 day Guernsey	16.5%	Skipton 80 Day Call	7.4%
TCA Global Credit Master G£	9.6%	Carmignac Capital Plus I GBP Acc	4.6%
GAM FCM Cat Bond GBP	9.5%	Kleinwort Benson 189 Day	4.5%
Muzinich LongShortCreditYield Hgd GBP	9.1%	Kames Capital Absolute Return Boi	4.5%
GAM Star Credit Opportunity	8.9%	Bank Leumi 18 Month Deposit	4.5%

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%
2015	0.35%	0.35%	0.21%	0.17%	0.14%	-0.11%	-0.11%	0.00%	0.16%	0.12%	0.17%	0.02%	1.36%
2016	-0.11%	-0.04%	0.56%	0.27%	-0.01%	0.00%							0.66%

YTD figures are based on compounded monthly returns

LARGEST MONTH GAIN/LOSS

Largest Month Gain*: 0.56%
Largest Month Loss*: -0.78%
*All Performance figures calculated net of fees

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FUND FACTS

Price Date:	30-Jun-16
NAV price:	105.3485
Fund Currency:	Sterling
Fund size:	£11,544,430
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:	Not paid

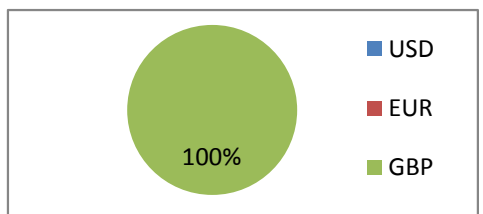
CHARGES

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.

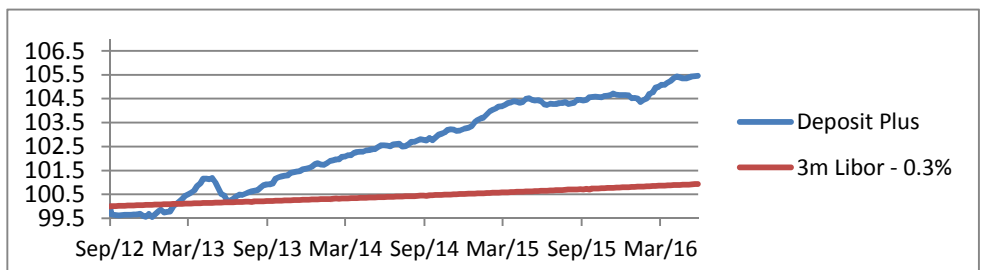
CURRENCY BREAKDOWN



BENCHMARK PERFORMANCE

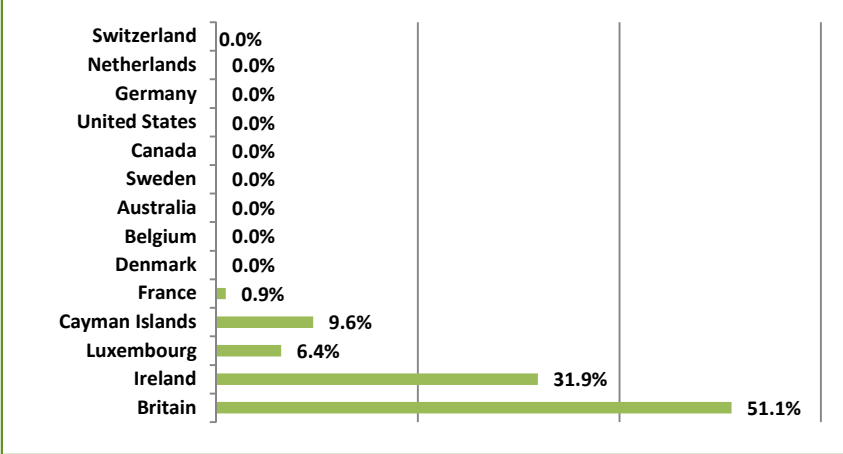
2013	0.21%
2014	0.24%
2015	0.27%
2016 (YTD)	0.09%

FUND PERFORMANCE

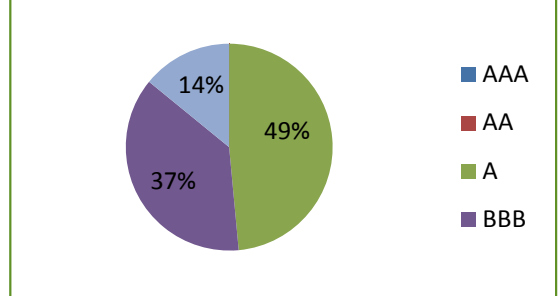


ASSET ALLOCATION

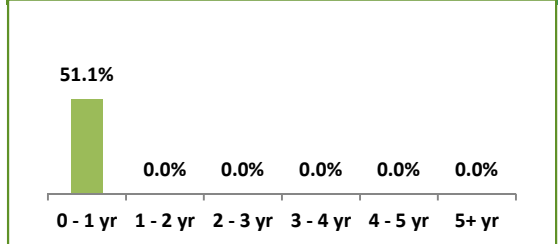
Geographic Analysis - Funds, Bonds, Cash & Deposits



Credit Rating - Bonds, Cash & Deposits



Effective Duration - Bonds, Cash & Deposits



Risk & Efficiency Measures

Standard Deviation - Volatility of returns in excess of the risk free rate of return.
Downside Deviation - Volatility of returns in excess of the risk free rate of return but for any negative returns, measuring dispersion of negative returns.
Sharpe Ratio - Returns in excess of the risk free return divided by the volatility of those returns. A measure of return per unit of risk.
Sortino Ratio - Returns in excess of the risk free return divided by the volatility of negative returns. Measure of return vs volatility of losses.

Direct Bond Portfolio Characteristics

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

Downside Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.27%	0.27%	0.27%
Benchmark*	0.09%	0.13%	0.12%

Standard Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.47%	0.45%	0.30%
Benchmark*	0.08%	0.06%	0.02%

Sortino Ratio (MAR = 0)	1 yr	2 yr	3 yr
Cannon Deposit Plus	1.87	5.93	28.81
Benchmark*	1.49	3.72	6.05

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	1.08	3.63	11.49
Benchmark*	2.89	8.53	28.44

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	0.50% per annum
		Auditors	Deloitte (Cayman Islands)
Administrator	Cannon Asset Management Limited	Reporting	Audited annual accounts to 30 June
Custodian	Credit Suisse	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