

# CANNON OFFSHORE FUNDS



## Cannon Deposit Plus Fund August 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

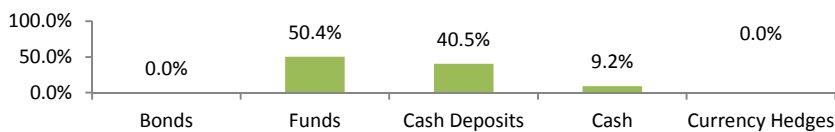
The Bank of England lowered its base rate to 0.25% to support the UK economy post Brexit, along with plans to purchase £10bn of corporate bonds and £60bn of gilts. Additionally, there is assistance to banks whose margins are hurt by the lower rates, to avoid reduced lending to the economy. Bonds rallied as a result. This was good news as prior data releases pointed to some slowing of activity and demand for the UK economy, particularly for mortgage lending in July. Sterling weakened to mid month, then rallied based on BoE policy changes. The FTSE rallied through the month, reflecting weaker exchange rate and BoE policy changes. In the US, economic data was positive suggesting continued moderate growth and a possible interest rate increase in September. USD Libor rates rose throughout the month. The fund rose by 0.52% for the month to 1.75% for the year to date.

### HOLDINGS ANALYSIS

#### Top Ten Investments, Deposits & Cash Positions

Butterfield Bank 180 day Guernsey	16.6%	Skipton Premier	9.0%
TCA Global Credit Master G£	9.8%	Skipton 80 Day Call	7.5%
GAM Star Credit Opportunity	9.6%	Santander 95 Day Notice	7.5%
GAM FCM Cat Bond GBP	9.6%	Carmignac Capital Plus I GBP Acc	4.6%
Muzinich LongShortCreditYield Hgd GBP	9.2%	Kleinwort Benson 189 Day	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%	0.55%	0.52%					1.75%

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

### Contact Us

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### FUND FACTS

Price Date:	25-Aug-16
NAV price:	106.4851
Fund Currency:	Sterling
Fund size:	£11,448,958
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

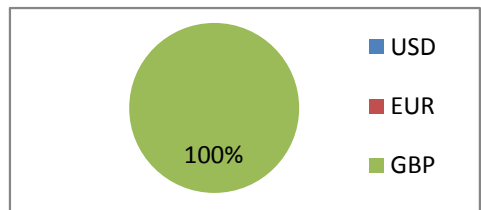
### CHARGES

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.

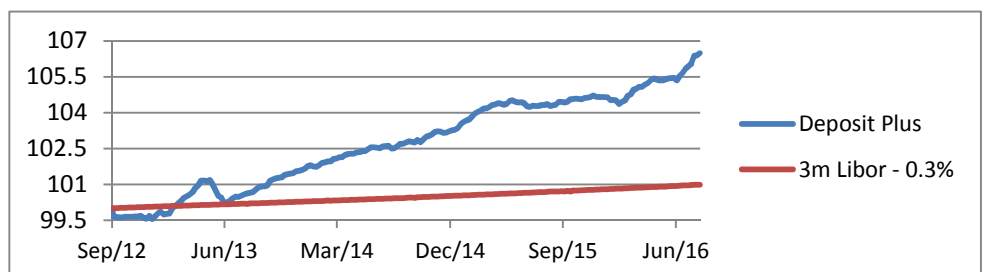
### CURRENCY BREAKDOWN



### BENCHMARK PERFORMANCE

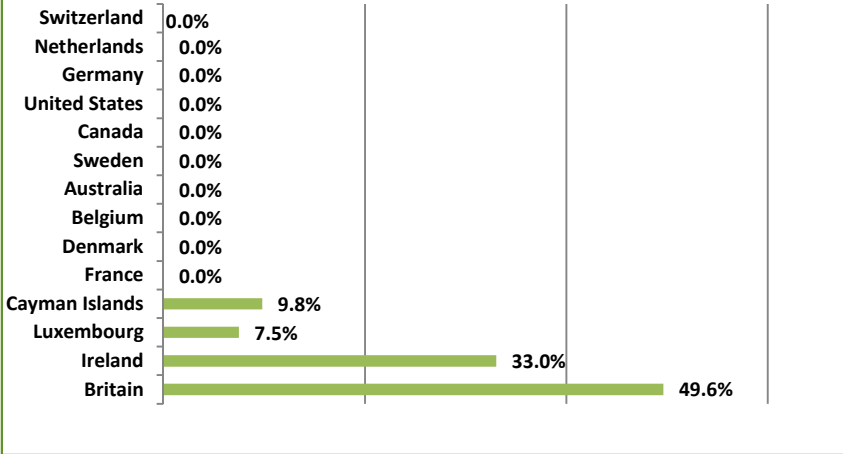
2013	0.21%
2014	0.24%
2015	0.27%
2016 (YTD)	0.20%

### FUND PERFORMANCE

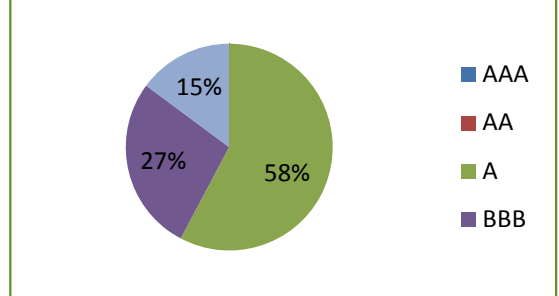


**ASSET ALLOCATION**

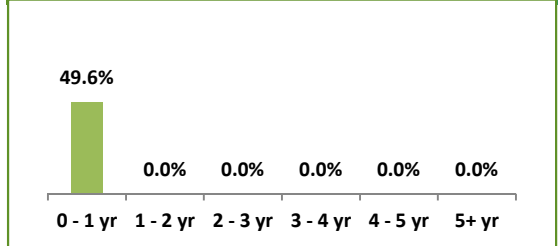
**Geographic Analysis - Funds, Bonds, Cash & Deposits**



**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	0.31%	0.28%	0.28%
Benchmark*	0.08%	0.07%	0.06%

Standard Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.58%	0.51%	0.34%
Benchmark*	0.06%	0.04%	0.03%

Sortino Ratio (MAR = 0)	1 yr	2 yr	3 yr
Cannon Deposit Plus	4.87	9.19	17.38
Benchmark*	3.43	7.50	12.30

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	2.61	5.11	11.91
Benchmark*	5.10	13.46	30.72

**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)
		Reporting	Audited annual accounts to 30 June
Administrator	Cannon Asset Management Limited	Price publication	Cannon Asset Management Limited
Custodian	Credit Suisse	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