

# CANNON OFFSHORE FUNDS

## Cannon Deposit Plus Fund June 2017



### 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

There is a discernible move towards a neutral or tightening bias in the language from central banks. The Federal Reserve tightened again while the language and voting results at the Bank of Canada, Bank of England and ECB all point towards a neutral bias if not a shift to tightening. In addition there are signs that the US will cease to roll over QE purchases as bonds mature. This is in a period of mixed results from the US economy. Otherwise the European economy continues to accelerate and bad debts in the European (Italian) banking system are being progressively addressed. Government bonds yields also moved higher, but corporate bonds were less impacted as an improving economy is beneficial to corporate issues in general.

### FUND FACTS

|                     |                       |
|---------------------|-----------------------|
| Price Date:         | 29-Jun-17             |
| NAV price:          | 107.8844              |
| Fund Currency:      | Sterling              |
| Fund size:          | £10,305,084           |
| 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              |

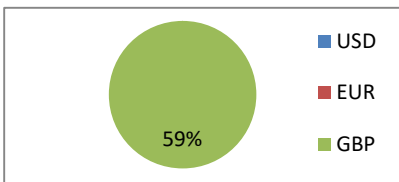
### CHARGES

|              |          |
|--------------|----------|
| 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

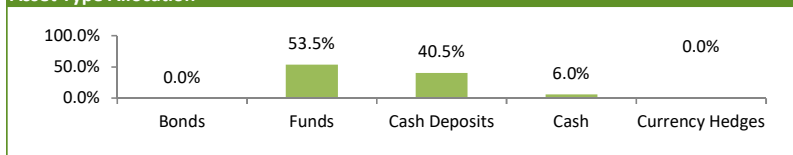


### HOLDINGS ANALYSIS

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

|                                       |       |                                   |      |
|---------------------------------------|-------|-----------------------------------|------|
| Kleinwort Benson 189 Day              | 13.7% | GAM Star Credit Opportunity       | 9.1% |
| Santander 95 Day Notice               | 13.2% | Skipton 80 Day Call               | 8.4% |
| TCA Global Credit Master G£           | 10.4% | Carmignac Capital Plus I GBP Acc  | 5.3% |
| Muzinich LongShortCreditYield Hgd GBP | 10.3% | Butterfield Bank 180 day Guernsey | 5.1% |
| GAM FCM Cat Bond GBP                  | 10.0% | Kames Capital Absolute Return Bd  | 5.1% |

#### Asset Type Allocation



### BENCHMARK PERFORMANCE

|            |       |
|------------|-------|
| 2014       | 0.24% |
| 2015       | 0.27% |
| 2016       | 0.23% |
| 2017 (YTD) | 0.02% |

### MONTHLY PERFORMANCE (BID TO BID)

| Year | Jan    | Feb    | Mar   | Apr   | May    | Jun    | Jul    | Aug   | Sep   | Oct   | Nov    | Dec   | YTD   |
|------|--------|--------|-------|-------|--------|--------|--------|-------|-------|-------|--------|-------|-------|
| 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% | 0.11% | 0.05% | -0.02% | 0.27% | 2.14% |
| 2017 | 0.18%  | 0.30%  | 0.04% | 0.13% | 0.15%  | 0.12%  |        |       |       |       |        |       | 0.92% |

YTD figures are based on compounded monthly returns

### LARGEST MONTH GAIN/LOSS

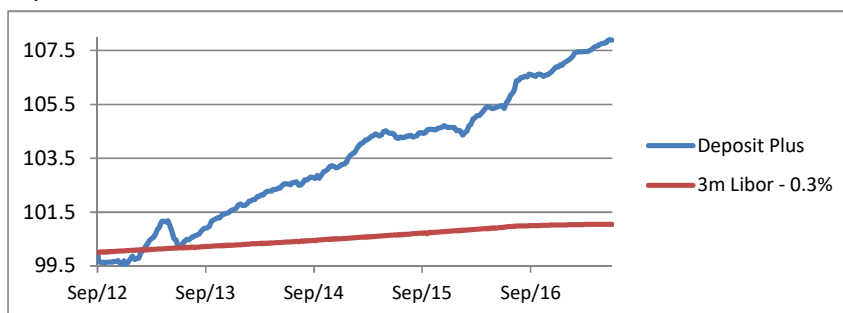
|                      |        |
|----------------------|--------|
| Largest Month Gain*: | 0.56%  |
| Largest Month Loss*: | -0.78% |

\*All Performance figures calculated net of fees

### Contact Us

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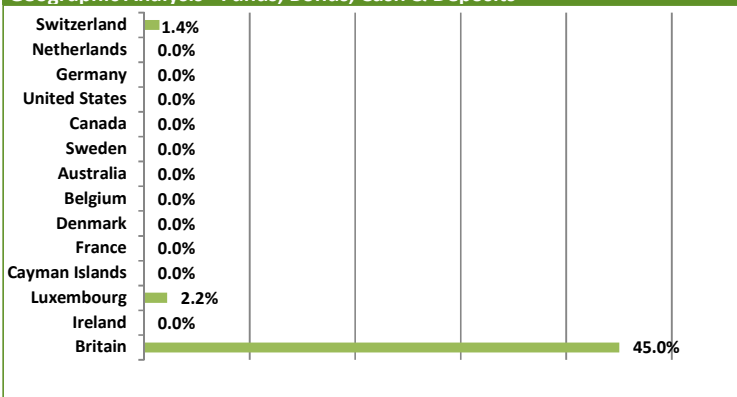
### FUND PERFORMANCE



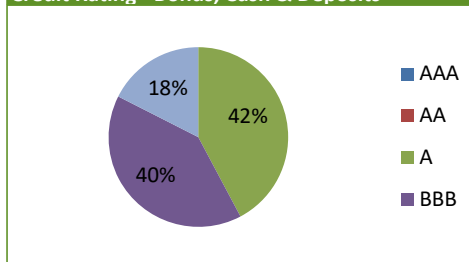


**ASSET ALLOCATION**

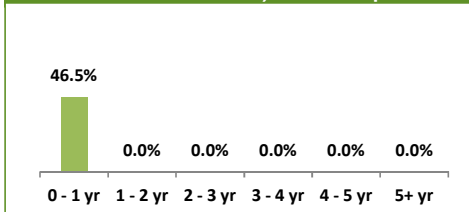
**Geographic Analysis - Funds, Bonds, Cash & Deposits**



**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 | 0.22% | 0.27% | 0.27% |
| Benchmark*          | 0.02% | 0.06% | 0.06% |

| Standard Deviation  | 1 yr  | 2 yr  | 3 yr  |
|---------------------|-------|-------|-------|
| Cannon Deposit Plus | 0.46% | 0.47% | 0.42% |
| Benchmark*          | 0.02% | 0.04% | 0.02% |

| Sortino Ratio (MAR = 0) | 1 yr | 2 yr | 3 yr  |
|-------------------------|------|------|-------|
| Cannon Deposit Plus     | 8.71 | 8.48 | 13.14 |
| Benchmark*              | 7.42 | 6.35 | 11.64 |

| Sharpe Ratio        | 1 yr | 2 yr | 3 yr  |
|---------------------|------|------|-------|
| Cannon Deposit Plus | 4.11 | 4.91 | 8.59  |
| Benchmark*          | 4.87 | 9.14 | 26.61 |

**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