

# CANNON OFFSHORE FUNDS

## Cannon Deposit Plus Fund October 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

Bonds rose in price during the month lowering yields, with corporate bonds rallying the most. Both the US Federal Reserve and the ECB took steps towards reducing purchases of bond in the secondary markets. However, markets continue to price in an UK rate rise during November. UK growth continued to come in stronger than expected, with manufacturing displaying particularly strong growth.

### FUND FACTS

Price Date:	26-Oct-17
NAV price:	108.2774
Fund Currency:	Sterling
Fund size:	£10,870,063
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

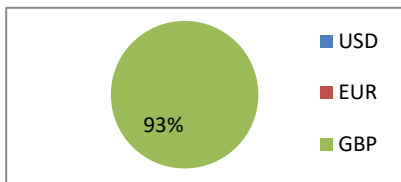
### CHARGES

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

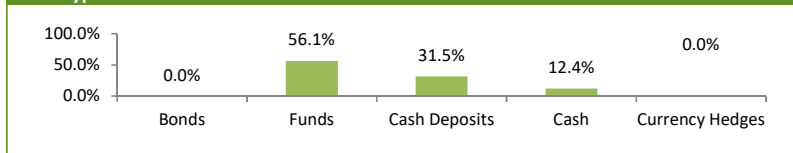


### HOLDINGS ANALYSIS

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

Kleinwort Benson 189 Day	13.1%	Muzinich LongShortCreditYield Hgc	8.6%
Santander 95 Day Notice	12.6%	GAM FCM Cat Bond GBP	8.3%
Skipton In'l Corp	12.1%	Allianz Struct Ret P H2GBP	7.2%
GAM Star Credit Opportunity	8.9%	Carmignac Capital Plus I GBP Acc	5.1%
TCA Global Credit Master G£	8.8%	Butterfield Bank 180 day Guernsey	4.9%

#### Asset Type Allocation



### BENCHMARK PERFORMANCE

2014	0.24%
2015	0.27%
2016	0.23%
2017 (YTD)	0.01%

### 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%	0.24%	0.23%	-0.33%				1.29%

YTD figures are based on compounded monthly returns

### LARGEST MONTH GAIN/LOSS

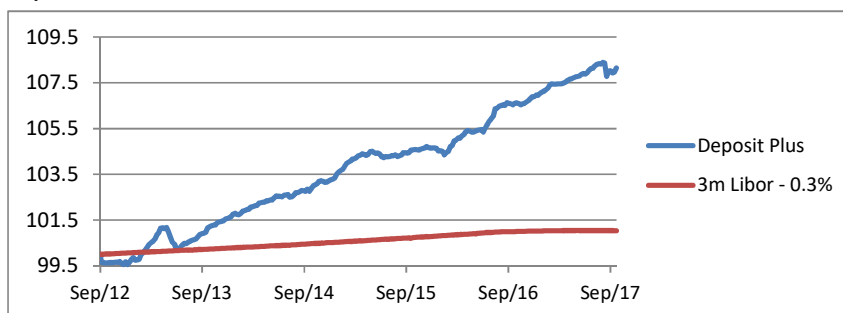
Largest Month Gain*:	0.56%
Largest Month Loss*:	-0.78%

\*All Performance figures calculated net of fees

### Contact Us

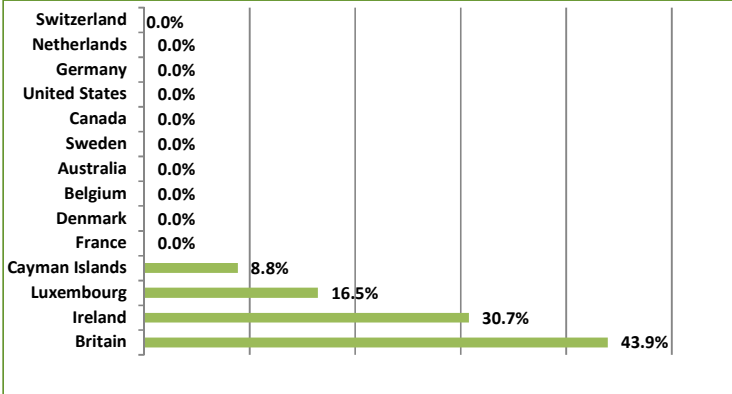
Tel: +44 (0) 1481 726141  
Fax: +44 (0) 1481 726142  
Email: [cannonfunds@cannonhouse.com](mailto:cannonfunds@cannonhouse.com)  
Website: [www.cannonhouse.com](http://www.cannonhouse.com)

### FUND PERFORMANCE

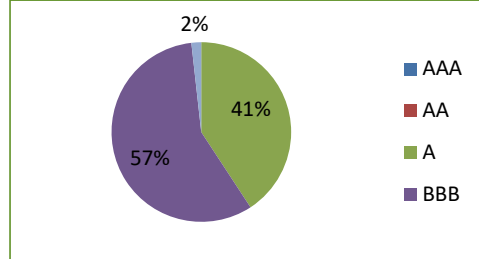


## ASSET ALLOCATION

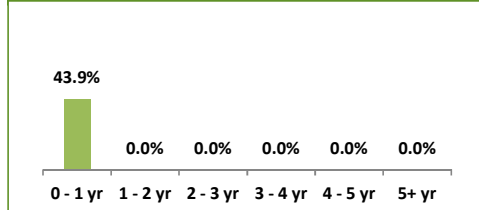
## Geographic Analysis - Funds, Bonds, Cash &amp; Deposits



## Credit Rating - Bonds, Cash &amp; Deposits



## Effective Duration - Bonds, Cash &amp; Deposits



## Risk &amp; 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.

Downside Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	1.05%	0.69%	0.69%
Benchmark*	0.01%	0.01%	0.04%

Sortino Ratio (MAR = 0)	1 yr	2 yr	3 yr
Cannon Deposit Plus	1.17	3.79	15.61
Benchmark*	3.91	24.38	12.84

## 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	0.68%	0.63%	0.42%
Benchmark*	0.01%	0.04%	0.05%

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	1.80	4.16	8.78
Benchmark*	2.27	8.10	10.60

## 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

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

Investment Manager  
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