

CANNON OFFSHORE FUNDS

Cannon Deposit Plus Fund October 2018



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

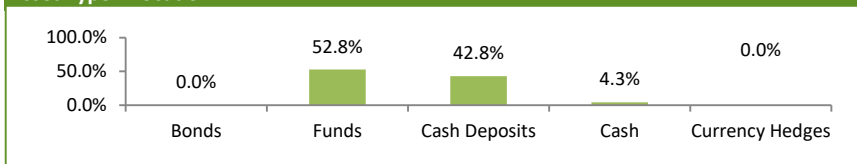
October was an exceptionally volatile month, particularly when compared to recent history. The global equity indices were down over 7% on average and the main US stock index, the S&P500, was up or down by more than 1% in a single day on ten occasions in the month – more than double the number of days experiencing such swings in the whole of 2017. There was no clear reason for this volatility but it was likely driven by a combination of factors: tariffs, geopolitics in Europe, fears around slowing Chinese growth and rising rates (the benchmark US 10 year Treasury rate briefly rose above 3.2%, its highest level in over 7 years). In spite of some evidence of falling confidence in Europe and a clear divergence in economic growth between the US and the rest of the developed world, the global economic backdrop continues to be supportive for markets.

HOLDINGS ANALYSIS

Top Ten Investments, Deposits & Cash Positions

Kleinwort Benson 189 Day	14.8%	TCA Global Credit Master G£	9.4%
Santander 95 Day Notice	14.2%	Carmignac Capital Plus I GBP Acc	5.6%
GAM Star Credit Opportunity	9.6%	Butterfield Bank 185 day Guernsey	5.5%
GAM FCM Cat Bond GBP	9.6%	Kames Capital Absolute Return Bd	5.4%
Muzinich LongShortCreditYield Hgd GBP	9.6%	Barclays Cash Account	4.5%

Asset Type Allocation



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%	0.23%	0.28%	0.09%	1.67%
2018	0.22%	-0.56%	-0.26%	0.31%	-0.16%	-0.02%	0.11%	0.01%	0.05%	-0.26%			-0.56%

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:	25-Oct-18
NAV price:	108.0706
Fund Currency:	Sterling
Fund size:	£9,739,620
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

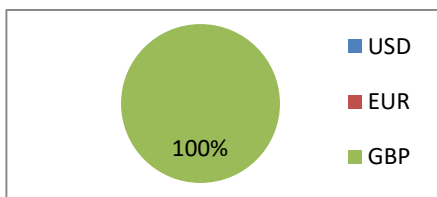
CHARGES

Initial Fee:	Up to 5%
Annual Fee:	0.50%

PRICING

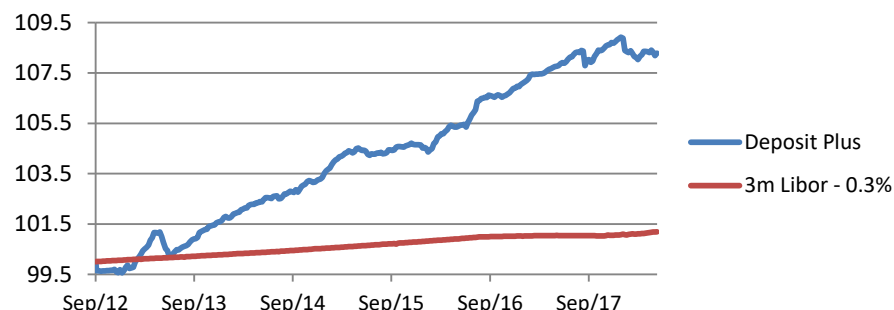
Pricing is sourced from the Custodian. Subsequent calculations and production of performance graphs are dependent on this information.

CURRENCY BREAKDOWN



BENCHMARK PERFORMANCE

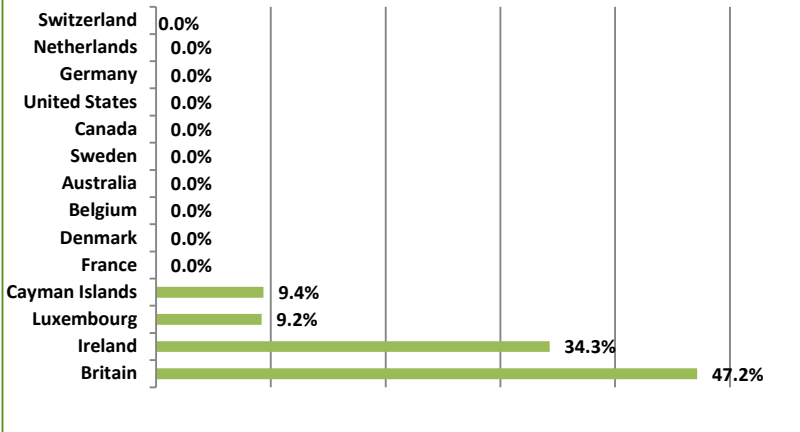
2015	0.27%
2016	0.23%
2017	0.03%
2018(YTD)	0.32%



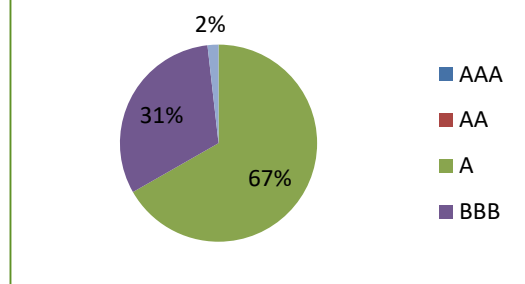


ASSET ALLOCATION

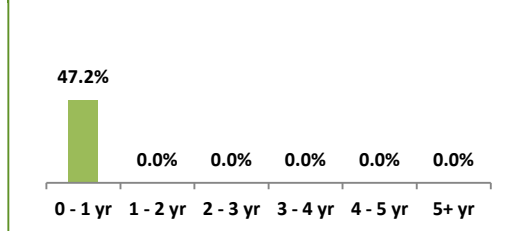
Geographic Analysis - Funds, Bonds, Cash & Deposits



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	0.91%	0.94%	0.94%
Benchmark*	0.04%	0.03%	0.05%

Standard Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.91%	0.81%	0.58%
Benchmark*	0.13%	0.11%	0.06%

Sortino Ratio (MAR = 0)	1 yr	2 yr	3 yr
Cannon Deposit Plus	-0.57	0.39	6.24
Benchmark*	8.09	11.77	13.93

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	-	0.57	0.46
Benchmark*	2.53	3.54	11.75

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