

CANNON OFFSHORE FUNDS

Cannon Deposit Plus Fund September 2019



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

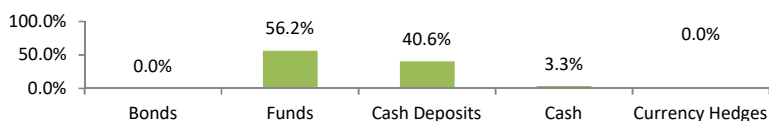
Central banks took centre stage again in September as the ECB pushed its deposit facility rate further into negative territory, followed shortly thereafter by the Fed cutting the benchmark Fed Funds rate for the second time this year. The ECB also reinitiated Quantitative Easing (whereby it pumps cash into the economy by purchasing certain financial assets), having only terminated the previous QE programme at the end of last year. The intention is to provide monetary support to the US and European economies, both of which are showing signs of slowing. These actions had the effect of supporting the equity markets, which posted positive returns for the month. Headwinds continue to be provided by the US/China trade war and Brexit, which both rumbled on with no genuine resolution to either in view.

HOLDINGS ANALYSIS

Top Ten Investments, Deposits & Cash Positions

Santander 95 Day Notice	15.7%	GAM FCM Cat Bond GBP	10.7%
Butterfield Bank 185 day Guernsey	11.8%	Kames Capital Absolute Return Bd	6.0%
GAM Star Credit Opportunity	11.3%	Butterfield Bank 92 day Guernsey	5.1%
Muzinich LongShortCreditYield Hgd GBP	11.0%	Carmignac Capital Plus I GBP Acc	4.1%
TCA Global Credit Master GE	10.8%	Butterfield Call	3.6%

Asset Type Allocation



MONTHLY PERFORMANCE (BID TO BID)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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%	-0.31%	-0.24%	-1.11%
2019	0.57%	-0.04%	0.10%	0.42%	-0.07%	0.29%	0.41%	0.06%	0.17%				1.92%

YTD figures are based on compounded monthly returns

LARGEST MONTH GAIN/LOSS

Largest Month Gain*: 0.57%

Largest Month Loss*: -0.78%

*All Performance figures calculated net of fees

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FUND FACTS

Price Date:	26-Sep-19
NAV price:	109.5362
Fund Currency:	Sterling
Fund size:	£8,898,164
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

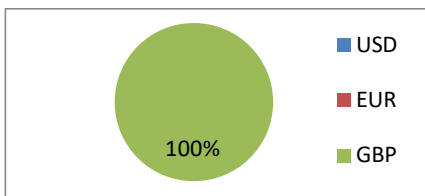
CHARGES

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

PRICING

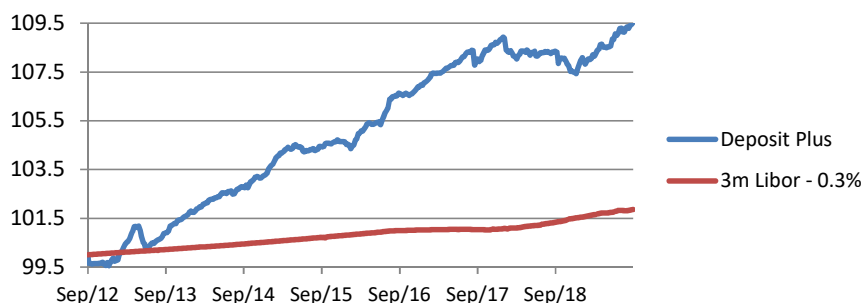
Pricing is sourced from the Custodian. Subsequent calculations and production of performance graphs are dependent on this information.

CURRENCY BREAKDOWN



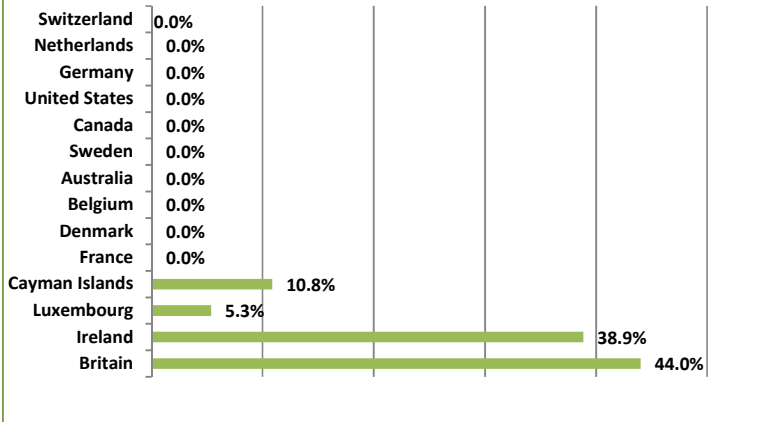
BENCHMARK PERFORMANCE

2016	0.23%
2017	0.03%
2018	0.45%
2019 (YTD)	0.34%

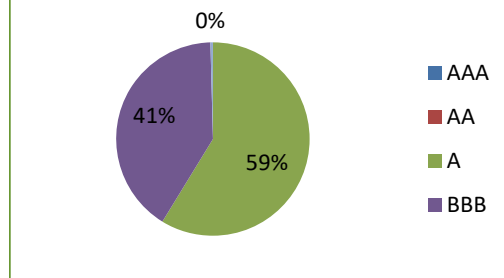


ASSET ALLOCATION

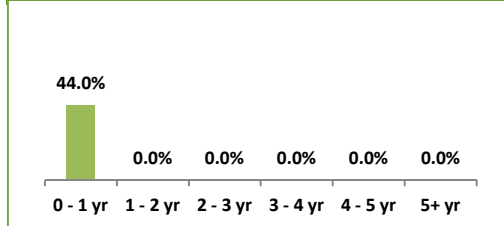
Geographic Analysis - Funds, Bonds, Cash & Deposits



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	1.24%	1.05%	1.05%
Benchmark*	0.00%	0.03%	0.03%

Standard Deviation	1 yr	2 yr	3 yr
Cannon Deposit Plus	1.38%	1.10%	0.66%
Benchmark*	0.15%	0.14%	0.01%

Sortino Ratio (MAR = 0)	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.23	-0.33	1.07
Benchmark*	11.69	24.06	29.53

Sharpe Ratio	1 yr	2 yr	3 yr
Cannon Deposit Plus	0.20	0.32	1.52
Benchmark*	3.66	5.79	68.89

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