

Fund Fact Sheet

31 August 2010

NAV £106.44

CENKOS CHANNEL ISLANDS INVESTMENT FUND CENKOS INCOME



PERFORMANCE

Fund Aims and Objectives

Cenkos Income is a sub-fund of the Cenkos Channel Island Investment Fund; an open-ended, multi-class, Unit Trust authorised as a Class B Scheme by the Guernsey Financial Service Commission.

The investment objective of Cenkos Income is to provide investors with a total return and a focus on delivering an income yield that competes with prevailing cash rates while delivering some capital growth. The Fund will invest in a global portfolio comprising of a range of fixed, floating and inflation-linked debt securities, property and equities.

Fund Manager Commentary

Last month, we commented on the schizophrenic state of the market where both equity and bond investors were in bullish mode for justifiable, but opposite, reasons. Equity investors were buoyed by strong corporate earnings and positive upgrades in forecasts, whilst the bond investors were getting all doom-and-gloomy about the outlook for the global economy.

August is a notoriously slow month, as most market participants are on holiday; this results in thin trading volumes and volatile markets. This August proved no exception as macro data released throughout the month provided honey for the bears. US jobs, home sales and growth all came in not only negative, but below expectations. The poor data renewed fears of a double-dip recession and a Japanese-style deflationary environment gripping the Western economic world. Accordingly, bond prices fell and

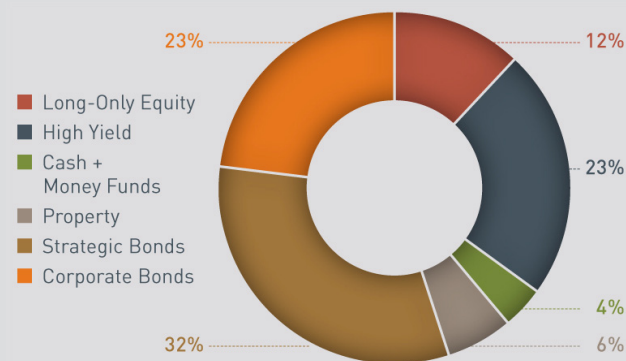
equity markets corrected – with relative strength seen in the more defensive sectors where dividends would become more and more valuable in just such an event. Stock markets did hold at technically significant levels (e.g. the 10,000 level of the Dow), but bond investors weren't concerned with such folly and forced yields to lows last seen at the height of the 2008/9 financial crises.

The drawdown on government bonds had a positive effect on both corporate and high-yield bond prices, which rallied in most cases to new highs. This once again favoured Cenkos Income's asset-class mix, where we continue to prefer corporate and high yield cash-flows to those of Western Governments. Equity Income positions were relatively flat reflecting their defensive nature in what was quite a mixed month for equities.

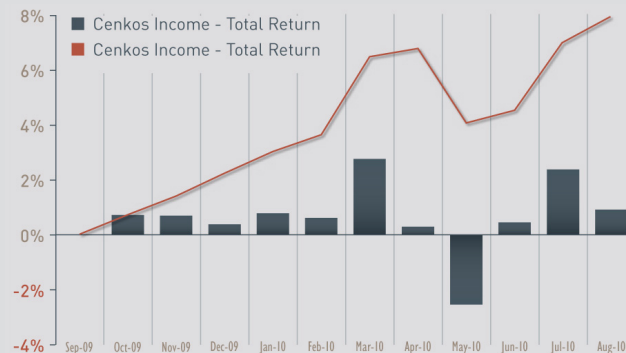
We think that September and October will prove to be the months where we start to make head-or-tail of what is going on. US Federal Reserve Chairman, Ben Bernanke, has stated on record that the FED will do 'whatever it takes' to keep this (weak) recovery on track. Whilst we don't fancy betting against Ben and his printing presses, we do think things will have to get uglier still before we see the 'on-button' pushed with meaning. However, if and when it is, risk assets should benefit handsomely as a result.

Cenkos Income returned 0.89% in the month of August.

Asset Class Weightings



Performance % Growth Since Inception (£)



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CENKOS CHANNEL ISLANDS INVESTMENT FUND

CENKOS INCOME

KEY POINTS

Annual Management Fee

0.75%

The Managers

Cenkos Channel Islands Investment Management Limited.

Administrators

Bordeaux Services (Guernsey) Limited.

Trustees

Kleinwort Benson (Guernsey) Limited.

Auditors

Saffery Champness Guernsey Audit & Tax Partnership.

Further information

A copy of the Trust Instrument and Scheme Particulars can be obtained by contacting:

Bordeaux Services (Guernsey) Limited
Bordeaux Court, Les Echelons,
St Peter Port, Guernsey
T: 01481 715167

Cenkos Channel Islands Investment Management Limited
PO Box 222, 16 New Street,
St Peter Port, Guernsey
T: 01481 732769

TOP 10 HOLDINGS		PERFORMANCE ANALYSIS	
Cazenove Strategic Debt	8.28%	1 Month	+0.89%
Aegon Strategic Global Bond	8.12%	3 Month	+3.72%
Thames River High Income	7.91%	6 Month	+4.15%
Old Mutual Global Bond	7.82%	1 Year	+7.92%
M&G (Offshore) Optimal Income	7.75%	Inception	+7.92%
Franklin Templeton Global Total Return	7.52%	DIVIDEND HISTORY	
Veritas Global Equity Income	7.01%	Quarter 4 2009	45.93p
Muzinich Americayield	6.87%	Quarter 1 2010	29.00p
Invesco Sterling Bond	6.87%	Quarter 2 2010	69.00p
CIF Global High Income Opportunities	6.67%		
Total	74.82%		

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YTD
2009	-	-	-	-	-	-	-	-	-	+0.71%	+0.68	0.82%	2.22%
2010	0.78%	0.60%	2.74%	0.27%	-2.54%	0.44%	2.36%	0.89%	-	-	-	-	5.58%

Please Note: Performance numbers reflect a total return inclusive of dividends
For further information, including the prospectus and application form,
Please see www.cenkos-ci.com

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