

# Fund Fact Sheet

30 September 2010

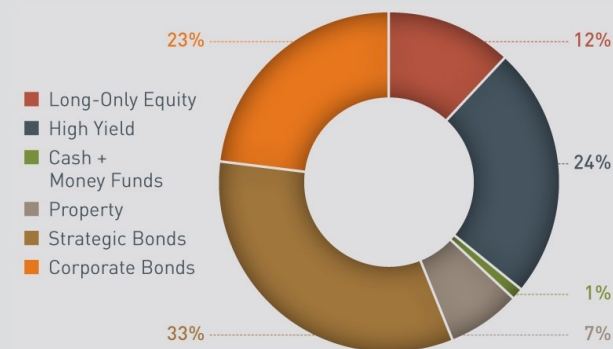
NAV £107.49 XD

## CENKOS CHANNEL ISLANDS INVESTMENT FUND CENKOS INCOME

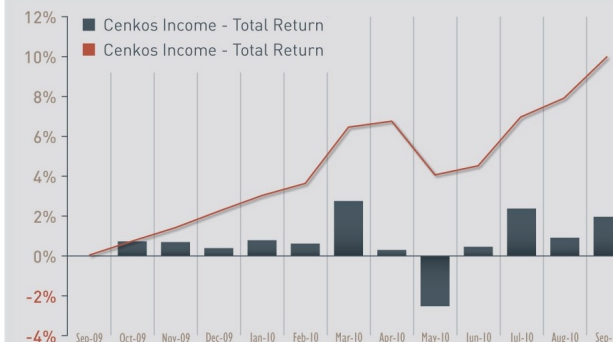


## PERFORMANCE

### Asset Class Weightings



### Performance % Growth Since Inception (£)



### 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

Federal Reserve Chairman Ben Bernanke's promise to do "whatever it takes" in his recent Economic Symposium speech at Jackson Hole provided much needed confidence to equity markets in our new "risk on/risk off" world; it effectively put a bottom in August and they have yet to look back. The surge in September was due in part to technically oversold conditions, but also the anticipation that the US will embark on another round of quantitative easing if "unexpected developments" cause the recovery to falter. Indeed, most observers consider this simply a matter of timing.

This development put the Fund in a relatively nice position as both stocks and bonds rallied, although stocks seem to be the favoured asset class for the moment. The irony is that if economic data continue to surprise for the better, then stocks will continue to look undervalued; however, should the

data start turning sour, Ben's promise (the so-called Bernanke Put) will provide the further liquidity required to pick them back up again. The ride won't be smooth, but our positions in equities are - as one would expect in a fund of this nature - heavily weighted to dividend-payers with global reach, strong balance sheets and a progressive dividend policy.

Deflation is still, in our mind, the primary threat and this is reinforced by the behaviour of the bond market; short-term interest rates have not budged following Ben's speech. Although yields further along the curve drifted slightly higher during the period, their advance was checked at around the 3% level (for 10-year UK Gilts) and we are once again seeing contraction in the more creditworthy markets.

Meanwhile, the bond vigilantes are testing for signs of weakness again; this time it is Ireland's turn to suffer the scrutiny. As a result, credit default swaps on Irish sovereign debt have risen to levels last seen on Greek protection at the start of its crisis back in May. However, and unlike the Greek situation, this has not yet precipitated a Euro crisis. If anything, the US Dollar has continued to weaken. This downward movement of the dollar against other western and eastern currencies, coupled with the behaviour of gold, would suggest that investors are more concerned with Ben's Promise than Ireland's guarantees. Nevertheless, while everyone is falling over themselves to draw conclusions about the final outcome, we will play each chapter as it unfolds. Right now we see nothing but deflation and quantitative easing.

Cenkos Income went Ex Dividend on 30th September and will distribute 101.00p per unit to unit holders. The Fund rose 1.94% in September.

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### 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	8.38%	1 Month	1.94%
Aegon Strategic Global Bond	8.30%	3 Month	2.36%
Old Mutual Global Bond	8.07%	6 Month	0.28%
Thames River High Income	8.07%	1 Year	10.02%
M&G (Offshore) Optimal Income	7.85%	Inception	10.02%
Franklin Templeton Global Total Return	7.84%	DIVIDEND HISTORY	
Veritas Global Equity Income	7.13%		
Muzinich Americayield	7.06%	Quarter 1 2010	29.00p
Invesco Sterling Bond	6.90%	Quarter 2 2010	69.00p
CIF Global High Income Opportunities	6.81%	Quarter 3 2010	101.00p
<b>Total</b>	<b>76.41%</b>		

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YTD
<b>2009</b>	-	-	-	-	-	-	-	-	-	0.71%	0.68	0.82%	2.22%
<b>2010</b>	0.78%	0.60%	2.74%	0.27%	-2.54%	0.44%	2.36%	0.89%	1.94%	-	-	-	7.63%

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](http://www.cenkos-ci.com)

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