

Fund Fact Sheet

30 November 2010

NAV £118.52



CENKOS CHANNEL ISLANDS INVESTMENT FUND CENKOS DIVERSITY

Fund Aims and Objectives

The Diversity Fund's main objective is to generate capital growth with a lower volatility than equity markets. It is actively managed and not constrained by a benchmark; this allows the manager to allocate freely between asset classes. It is a multi strategy, multi asset class fund.

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

Fund Manager Commentary

You could be forgiven for thinking that just recently we had rewound the clock and were actually still in May. The Eurozone is once again in turmoil as investors have once again turned their attention to the credit worthiness of the PIIGS (Portugal, Ireland, Italy, Greece and Spain) balance sheets and the ability of core Europe to finance them. In May, North Korea had amassed 50,000 Special Forces along the border with South Korea amid rising tensions following the sinking of a Seoul warship. In November tensions were once again running high as the North Koreans shelled Southern Korea. The only missing ingredient it seemed was a volcanic eruption – in its place we have instead “the big freeze”!

Given this background it is unsurprising that both equity and bond markets gyrated violently. Bond sold off across the board, the yield on the German Bund rose by 7.5% but the real action was in the credits of

the weaker sovereign credits. For instance the yield on the Irish 10 year bond rose from 6.9% to 9.35%. Equity markets also suffered; having rallied by 3.5% the FTSE 100 finished the month down 2.5%.

The debt problem that Europe faces is not going to go away any time soon and it is inevitable that every few months investor's gaze will focus on it causing shock waves to ripple through the markets. In fact the market is likely to behave like a naughty child, having hissy fits and stamping its feet until it gets what it wants. That is monetization; the market wants the ECB to buy bonds rather than continuing to lend more and more cash. This course of action would mean a 180 degree turn by Trichet et al but stropky children can wear the best of us down given enough time!

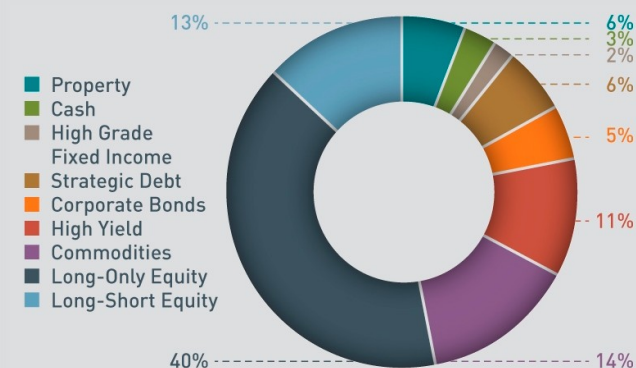
Whilst we do not wish to make light of the seriousness of Europe's problems and the potential for a complete overhaul of the Euro, we need to ensure, that this is the main story that we should be focusing on. We could be wrong, but we don't think it is.

For us the central theme in town remains America's absolute desire to rekindle its economy. The core tenant to the strategy is to make America more competitive via a weaker Dollar (Bernanke refutes this in public – but surely the motive is clear). In other words the US will continue to pump Dollars around the world, the cash will go somewhere and in our view it is likely to be in equities.

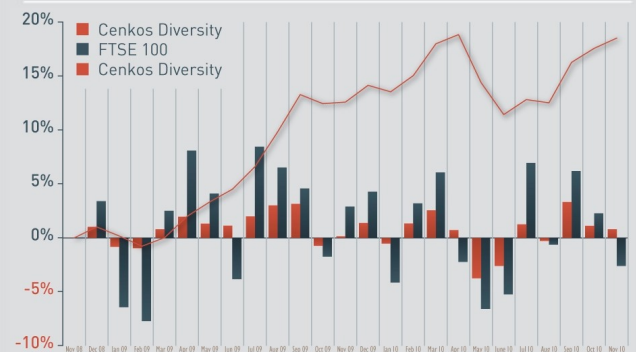
The Diversity Fund rose by 0.81% in November.

PERFORMANCE

Asset Class Weightings



Performance % Growth Since Inception (£)



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KEY POINTS

Annual Management Fee

1.5%

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	
Findlay Park Latin America	6.60%	1 Month	0.81%
M&G (Offshore) Global Basics	6.48%	3 Month	5.34%
Veritas Global Equity Income	5.77%	6 Month	3.61%
First State Asia Pacific Leaders	5.47%	1 Year	5.27%
Investec Enhanced Natural Resources	4.82%	Inception	18.52%
Findlay Park American Smaller Cos	4.74%	Annual Compound Growth Rate	8.88%
OEI Mac	4.64%		
CZ Equilibria UK	4.55%		
Gold Bullion ETF	4.38%		
Investec GSF Global Energy	4.37%		
Total	51.82%		

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YTD
2008	-	-	-	-	-	-	-	-	-	-	-	1.02%	1.02%
2009	-0.83%	-0.95%	0.80%	1.98%	1.31%	1.14%	2.01%	3.01%	3.15%	-0.74%	0.13%	1.38%	12.99%
2010	-0.53%	1.32%	2.56%	0.72%	-3.74%	-2.59%	1.25%	-0.27%	3.33%	1.12%	0.81%		3.84%

For further information, including the prospectus and application form, Please see www.cenkos-ci.com

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