

Fund Fact Sheet

February 2011

NAV £107.70 as at 23rd February 2011

CENKOS CHANNEL ISLANDS INVESTMENT FUND CENKOS INCOME



PERFORMANCE

Fund Aims and Objectives

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.

Cenkos Income 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

Stock markets took a breather late in February with the unfolding situation in Libya offering market commentators the explanation they needed to justify the reason 'why' there was a sudden change in direction. But why would uprisings in North Africa have such an impact on global stock markets? Many pundits have made the connection that the turmoil is spiking oil prices, which in turn is undermining stock prices. But even this reason seems a bit shaky; after all, stocks have doubled in value since March 2009 despite the price of oil tripling!

In simple terms, we believe markets are driven more by liquidity than anything else. Cheap valuations and deregulation certainly help to grease wheels and ease concerns, but, given the lack of any significant change in the latter, it is clear to us that an abundance of liquidity from QE1 and QE2

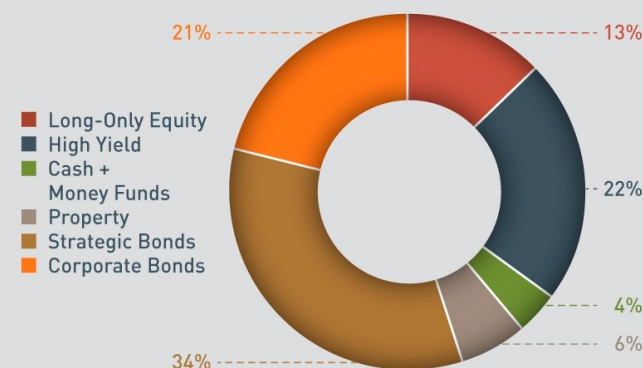
has been the primary driver in the resurgence of stocks, commodities and bonds.

Our analysis started to note weaker internals and divergences within the main US indices long before any uprising in North Africa. In short, stocks were looking technically over-bought and the Bull was starting to flag; a correction of some degree was on the cards – no matter what or where it happened.

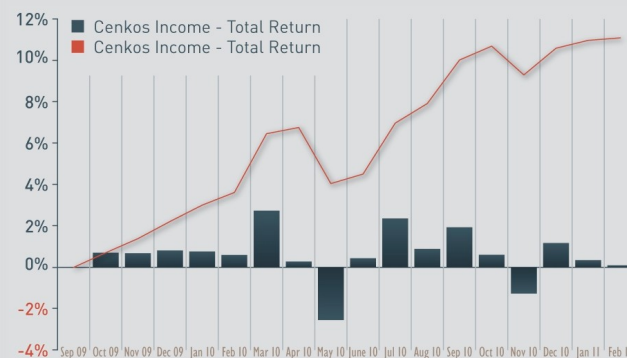
So, will the market high on February 18th prove to be the end of the current bout of sunshine for risk assets? Our observations of liquidity conditions show that they are ample enough to support prices and the Fund's asset mix for now. Moreover, the fundamentals, discussed so many times before, also remain attractive. Cenkos Income was never designed to take great risks – or make sweeping asset allocation decisions on a week-by-week basis. As a result, you might find watching paint dry a far more exciting alternative!

Cenkos Income rose 0.10% in February.

Asset Class Weightings



Performance % Growth Since Inception (£)



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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

P0 Box 222, Level 5, The Market Buildings, Fountain Street,
St Peter Port, Guernsey
T: 01481 732769

TOP 10 HOLDINGS		PERFORMANCE ANALYSIS	
Cazenove Strategic Debt	9.70%	1 Month	0.10%
Franklin Templeton Global Total Return	9.22%	3 Month	1.63%
Old Mutual Global Bond	9.08%	6 Month	2.93%
Thames River High Income	7.22%	1 Year	11.09%
Veritas Global Equity Income	6.92%	Inception	7.70%
Aegon Strategic Global Bond	5.92%	Annual Compound Growth Rate	7.74%
M&G (Offshore) Property	5.91%	1YEAR DIVIDEND HISTORY	
M&G (Offshore) Optimal Income	5.39%	Quarter 1 2010	29.00p
Muzinich Americayield	5.13%	Quarter 2 2010	69.00p
New Capital Wealthy Nations Bond	5.11%	Quarter 3 2010	101.00p
Total	69.60%	Quarter 4 2010	83.00p

	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%	1.94%	0.61%	-1.26%	1.18%	8.19%
2011	0.35%	0.10%	-	-	-	-	-	-	-	-	-	-	0.45%

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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