

Fund Fact Sheet

April 2011

NAV £124.30 as at 27th April 2011



CENKOS CHANNEL ISLANDS INVESTMENT FUND CENKOS DIVERSITY



PERFORMANCE

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

The main focus for us this month was the Q1 corporate earnings coming out of the US. We had expected the news to be pretty and were not disappointed: 70% of the S&P companies beat analysts' forecasts. The market rallied accordingly...

Later in the month, Ben Bernanke stated that the Federal Reserve would remain accommodative for some time to come and, unsurprisingly, this news triggered further Dollar weakness. Over the last couple of years, we have pointed out the worryingly high correlation between a weak Dollar and strong commodity prices (in fact, with most risk assets). In simple terms: if you are an investor in commodities the Fed is your friend; if, however, you are a saver or a pensioner it's a very different story! The question, of course, is how long will this continue to be the case? Moreover, surely rates won't stay at zero forever, particularly as the inflation genie escapes

its bottle? What would higher US interest rates mean for commodity prices? We can only surmise that all this would be pretty negative and would thus expect to see lower prices across the board, including for gold.

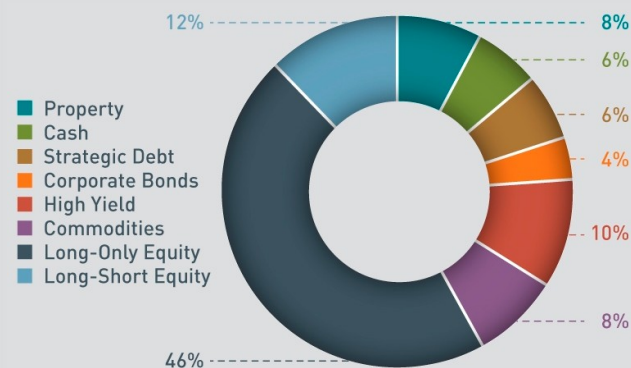
With that in mind we have started to refocus the portfolio, gradually reducing the exposure to cyclical sectors. For instance, following a spectacular run in oil and energy in general, we have significantly cut our exposure. Should the scenario highlighted above transpire, it is very likely that there will be an opportunity to buy the same assets at a lower price.

Our cash is being recycled into more defensive sectors and, in particular, to our long-running theme of high-quality, global brand names which, importantly, should continue to have pricing power in an inflationary environment. These companies trade on reasonable (if increasing) PEs, have strong cash flow and little leverage, all of which will become attractive traits in a rising interest-rate environment. We also suspect that as long as the level of global inventories remains at historically low levels, there is every possibility of further earnings surprises later this year – particularly from companies that can control their margins.

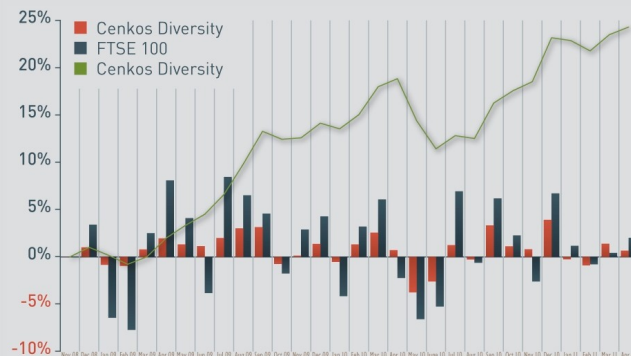
Furthermore there are signs that investors are finally moving on from the cult of "risk on risk off" trading. There have been a number of days recently where energy and basic resource stocks have sold off whilst healthcare and consumer staple stocks have risen. Is this a sign that the market dynamic is changing? If so, investors will once again be rewarded by good stock-picking skills rather than ETF trading.

The Diversity Fund rose by 0.66% in April.

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

TOP 10 HOLDINGS			PERFORMANCE ANALYSIS	
M&G (Offshore) Global Basics	6.53%	1 Month	0.66%	
Senhouse European Focus	6.08%	3 Month	1.17%	
Findlay Park Latin America	5.92%	6 Month	5.73%	
Cash	5.91%	1 Year	4.60%	
Investec Enhanced Natural Resources	5.61%	Inception	24.30%	
Veritas Global Equity Income	5.56%	Annual Compound Growth Rate	9.48%	
First State Asia Pacific Leaders	5.22%			
CZ Equilibria UK	5.14%			
Findlay Park American	4.88%			
Thames River Longstone	4.77%			
Total	55.62%			

	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%	3.92%	7.91%
2011	-0.24%	-0.89%	1.40%	0.66%	-	-	-	-	-	-	-	-	0..92%

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

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