Fund Fact Sheet

May 2011

NAV £122.68 as at 25th May 2011

CENKOS

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

Is it only us that feel like we are living in a version of Groundhog Day? In April 2010 we wrote that angst about European debt had moved centre stage challenging investor sentiment and an Icelandic ash cloud had brought Europe to a near standstill. Neither event was as pronounced in May but nevertheless the same concerns are still very much part of the investment landscape and as in April last year markets fell accordingly.

How the European debt problem is resolved is without doubt one of our biggest investment concerns; the problem is vast and completely unpredictable. All that seems certain is that Greek debt will need to be restructured, whether that is in the near future (there is an IMF debt roll on the 29th June) or years from now is impossible to tell. What is possible is that something particularly nasty could happen in Europe which could send out shock waves globally.

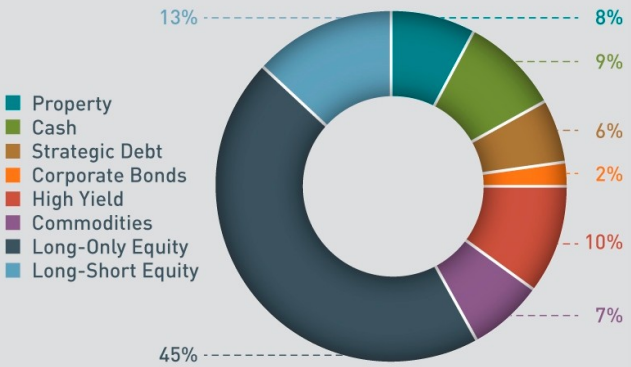
Whilst that remains the case it is also important to remember that the "dark cloud" hanging over Europe means that it is trading significantly cheaper (on a price to book basis) than the FTSE or the S&P. The Shiller P/E (adjusted for inflation) is trading at a discount of about 20% to its 20 year average; the net result of which means that it is possible to buy great global brand names at cheap prices. Of course these brand names could suffer (price wise) should a crisis unfold but they will not stop being exceptionally well managed and prosperous global businesses.

Elsewhere in the portfolio it is business as usual. We continue to be attracted to large cap brand names, with little leverage, strong dividend policies and selling to the emerging consumer. This ties up neatly with our "global hunt for yield " theme which continues to be driven by a combination of baby boomers going grey and extremely low interest rates. High Yield Debt remains attractive as does Emerging Market Debt which, over time, will benefit from strengthening currencies versus Western ones. Long term the convergence trade of emerging countries with strong balance sheets and thriving economies towards developed countries with leveraged balance sheets and weak economies seems incontrovertible.

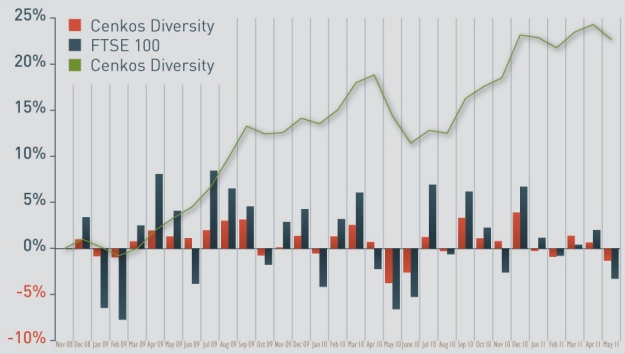
The Diversity Fund fell by 1.30% in May.

PERFORMANCE

Asset Class Weightings



Performance % Growth Since Inception (£)



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CENKOS DIVERSITY

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	
Cash	8.55%
Senhouse European Focus	5.90%
OEI Mac	5.68%
Findlay Park Latin America	5.64%
Veritas Global Equity Income	5.46%
Investec Enhanced Natural Resources	5.44%
First State Asia Pacific Leaders	5.09%
CZ Equailibria UK	5.09%
Thames River Longstone	4.74%
Findlay Park American	4.71%
Total	56.30%

PERFORMANCE ANALYSIS	
1 Month	-1.30%
3 Month	0.74%
6 Month	3.51%
1 Year	7.25%
Inception	22.68%
Annual Compound Growth Rate	8.58%

	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%	-1.30%	-	-	-	-	-	-	-	-0.39%

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

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