

CENKOS CHANNEL ISLANDS INVESTMENT FUND

**Unaudited Condensed Half-yearly Financial Statements for the period
from 1 October 2011 to 31 March 2012**

CENKOS CHANNEL ISLANDS INVESTMENT FUND

CONTENTS	PAGE
Management and Administration	1
Report of the Manager	2 - 4
Investment Manager's Report	5 - 6
Unaudited Condensed Statement of Comprehensive Income	7 - 8
Unaudited Condensed Statement of Financial Position	9 - 10
Unaudited Condensed Statement of Changes in Net Assets Attributable to Unitholders	11
Unaudited Condensed Statement of Cash Flows	12 - 13
Notes to the Financial Statements	14 - 20
Portfolio Statements	21 - 23

CENKOS CHANNEL ISLANDS INVESTMENT FUND

MANAGEMENT AND ADMINISTRATION

Manager

Cenkos Channel Islands Investment
Management Limited
Level 5, The Market Buildings
Fountain Street
St. Peter Port
Guernsey GY1 4JG

Directors of the Manager

Mark Bousfield
Paul Oliver (resigned 22 February 2012)
David Chan
Ben Byrom

Administrator, registrar and listing sponsor

Bordeaux Services (Guernsey) Limited
Bordeaux Court
Les Echelons
St. Peter Port
Guernsey GY1 6AW

Trustee

Kleinwort Benson (Guernsey) Limited
PO Box 44
Dorey Court
Admiral Park
St. Peter Port
Guernsey GY1 2HT

Auditor

Saffery Champness
La Tonnelle House
Les Banques
St. Sampson
Guernsey GY1 3HS

Legal advisors

Mourant Ozannes
1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

Principal bankers

Kleinwort Benson (Channel Islands) Limited
Dorey Court
Admiral Park
St. Peter Port
Guernsey GY1 3BG

Tax advisors

Deloitte LLP
PO Box 137
Regency Court
Gategny Esplanade
St Peter Port
Guernsey GY1 3HW

CENKOS CHANNEL ISLANDS INVESTMENT FUND

REPORT OF THE MANAGER

Cenkos Channel Islands Investment Management Limited (the "Manager") has pleasure in submitting its report for the Cenkos Channel Islands Investment Fund (the "Fund") for the half-yearly period from 1 October 2011 to 31 March 2012.

Statement of Manager's Responsibilities

The Manager is responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law, International Financial Reporting Standards, the listing rules of the Channel Islands Stock Exchange and the principal documents, of the state of affairs and of the statement of comprehensive income of the Fund for that period. In preparing these financial statements, the Manager is required to: -

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager confirms that they have complied with the above requirements in preparing the financial statements.

The Manager is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with the Trust Instrument and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Activities and Status

A Trust Instrument dated 12 November 2008, between the Manager and the Trustee, established the Fund as an exempt unit trust under the laws of the Island of Guernsey.

The Fund is authorised by the Guernsey Financial Services Commission as a Class B Scheme under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

During the period, the Fund consisted of the following sub funds:

- Cenkos Diversity Fund (first units created 1 December 2008)
- Cenkos Income Fund (first units created 1 October 2009)
- Cenkos Global Equity Fund (first units created 7 April 2011)

The Cenkos Diversity Fund aims to generate long term capital growth with a lower level of volatility than equity markets. The Cenkos Diversity Fund seeks to attain its objective by diversifying investments in a number of collective investment schemes across different asset classes.

The Cenkos Income Fund aims to provide investors with a total return with a focus on delivering an income yield that competes with prevailing cash rates with some capital growth. The Cenkos Income Fund will invest in a global portfolio comprising of a range of fixed, floating and inflation linked debt securities, property and equities.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

REPORT OF THE MANAGER (continued)

Activities and Status (continued)

The Cenkos Global Equity Fund aims to generate long term capital growth primarily through investment into global equity markets. The Cenkos Global Equity Fund seeks to attain its objective by investing in a number of collective investment schemes that offer a range of geographic and sector exposures or whose investment strategy best fit the investment environment.

Results

As at 31 March 2012, the reported net asset value ("NAV") and units in issue in respect of each sub fund was as follows:

	NAV of sub fund	Units in issue	NAV per unit *
Cenkos Diversity Fund	£25,522,271	209,919	£121.58
Cenkos Income Fund	£14,773,840	140,751	£104.96
Cenkos Global Equity Fund	£4,502,886	44,753	£100.62

* The NAV per unit reported on the Channel Islands Stock Exchange differs to the financial statements NAV per unit as a result of certain accounting adjustments that are required to comply with International Financial Reporting Standards. A reconciliation of the difference between the reported NAV per unit and the financial statements NAV per unit is included in note 7.

The price history for the period from 1 October 2011 to 31 March 2012 is as follows: -

	Highest NAV per unit	Lowest NAV per unit
Cenkos Diversity Fund	£121.71	£109.52
Cenkos Income Fund	£106.08	£99.87
Cenkos Global Equity Fund	£101.01	£89.14

Distribution Policy

The Cenkos Income Fund will distribute the majority of the income available for income allocation on a quarterly basis.

There will be no distribution of income to unitholders from the Cenkos Diversity Fund or the Cenkos Global Equity Fund. All income accruing to those sub-funds will be added to the capital of the sub fund from which it is derived and reflected in the Net Asset Value.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

REPORT OF THE MANAGER (continued)

Scheme Particulars

Full details of the Fund can be found in its Scheme Particulars, copies of which can be obtained free of charge from the Manager.

The information contained under Management and Administration on page 1 forms part of this report.

Approved by the Board of Directors of the Manager and signed on its behalf by:

Mark Bousfield

Ben Byrom

26 July 2012

CENKOS CHANNEL ISLANDS INVESTMENT FUND

INVESTMENT MANAGER'S REPORT

Diversity Fund

The first 6 months of the Diversity Fund's financial year are now in the books and we are pleased to say that they have been good ones, the Fund rising by 8.31% over that period.

Equity markets have now risen by about 20% since their October 2011 lows. Accordingly, TV and internet pundits (CNBC, etc) are now turning bullish on equities – always a concern! However, global investment houses, such as Goldman Sachs in their note entitled “The Long Good Buy: the Case for Equities”, are also promoting greater equity weightings. Strange that nobody advocated this approach last summer and 20% ago. Nevertheless, as this has been our base case for some time, we can't argue with the hypothesis.

Despite the rally, we made no changes to the portfolio's holdings through March and remain overweight to equities at approximately 62%. Our strategy remains a simple one and hinges on the fact that very strong investment themes and opportunities will persist, despite the likelihood of further economic and political angst.

As we never tire of pointing out, we inhabit an extremely politicised world where market movements are dominated by governmental action or inaction – or even the rumour of same. Markets will continue to be jittery – so we will use that as an opportunity to build positions in our favoured themes and holdings, thereby adding value for the long term.

Income Fund

The first 6 months of this financial year have been positive for the Income Fund, returning 5.8% including income. The ECB's Long-Term Refinancing Operation, which offered desperately needed liquidity to Europe's financial institutions, buoyed market sentiment and confidence returned to European assets. Peripheral European debt spreads closed in and the Euro appreciated against the US Dollar and other currencies. The stock market was also a beneficiary and the MSCI All Country World Index rose 17.1% in sterling terms over the same period.

The increase in risk appetite allowed the Income Fund to recoup some of the losses incurred in the summer sell-off that followed US debt-ceiling brinkmanship, US recessionary fears and European financial insolvency. During this period of recovery the opportunity was taken to reduce risk within the Fund by selling down our positions in Emerging Market Debt and High Yield Debt to, respectively, 5% and 10% of the Fund. The proceeds were re-allocated to build-up weightings to investment-grade corporate cash flow. This move increased our investment-grade debt weighting from 35% to approximately 50% and equity income to 25% from 20%. We also increased our weighting to Sovereign Debt to 5%. Although it represents little value in terms of real rates of return (indeed the 10-year Gilt has a negative real rate of return of 1.5%), it does act as a counterbalance to riskier assets during periods of market volatility.

Uncertainty still surrounds the Euro Zone, China's rate of growth and the US fiscal deficit. Further bouts of market volatility are to be expected once ECB and Fed liquidity programs have run their course. Given this backdrop, we feel comforted that the majority of the Fund is backed by corporate income streams, which continue to remain robust and offer investors a decent return on their capital despite the unsettled market and economic environment.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

INVESTMENT MANAGER'S REPORT (continued)

Global Equity Fund

Performance for the first 6 months of the Equity Fund's financial year was strong: net asset value increased by 9.87% during the period and took the price back above the April 2011 launch figure of £100.

Equity markets recovered well in the fourth quarter of 2011 after having endured a difficult period during the summer months. Sadly, little changed politically – the Greek bail-out, “Operation Twist” in the US, and further coordinated central bank quantitative easing notwithstanding. But the activity clearly created the conditions for a relief rally.

In these difficult market conditions, we have stuck to our guns by identifying investments in blue-chip companies with strong balance sheets, a global franchise and strong market share, with a particular focus on the consumer patterns of the growing emerging market middle classes. We also realise that the world is evolving and thus have a particular interest in changing demographics and the need for innovation and investment. During the period, we increased exposure to the Polar Capital Healthcare Opportunities and Polar Capital Global Technology Funds, which invest in, and will be beneficiaries from, these particular themes.

Although corporate balance sheets are in good health and the US economy continues to show signs of a slow recovery, looking ahead we envisage further political interference and intervention, particularly in Europe, leading to continuing volatility in global equity markets. With this in mind, we have focused the Fund in (defensive) global blue-chip companies through large weightings in the Lindsell Train Global Equity Fund and the Fundsmith Equity Fund; together, these now constitute over 25% of the portfolio. A further 5% has been retained in cash, which will be deployed when opportunities present themselves.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 OCTOBER 2011 TO 31 MARCH 2012

		Cenkos Diversity Fund 01/10/11 to 31/03/12	Cenkos Income Fund 01/10/11 to 31/03/12	Cenkos Global Equity Fund 01/10/11 to 31/03/12	Total 01/10/11 to 31/03/12
	Notes	£	£	£	£
Income					
Bank interest		1,310	381	138	1,829
Bond interest		-	64,107	-	64,107
Dividend income		145,734	242,496	17,103	405,333
Unrealised gain on revaluation of investments	3	1,912,161	678,374	439,528	3,030,063
Realised gain / (loss) on disposal of investments	3	118,639	(100,551)	21,212	39,300
Foreign exchange gain / (loss)		1,154	751	(796)	1,109
Sundry income		24,749	11,383	3,256	39,388
Total income		2,203,747	896,941	480,441	3,581,129
Expenses					
Management fees		182,288	52,831	22,556	257,675
Administration fees		30,381	17,854	17,500	65,735
Audit fees		4,990	4,990	5,048	15,028
Trustee fees		12,153	7,457	2,500	22,110
Other operating expenses		3,959	4,337	3,847	12,143
Total expenses		233,771	87,469	51,451	372,691
Total comprehensive income attributable to unitholders		1,969,976	809,472	428,990	3,208,438
Weighted average units in existence during the period		210,881	136,547	47,502	
Earnings per unit		£9.34	£5.93	£9.03	

All items in the above statement are derived from continuing operations. There was no other comprehensive income in the period.

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 OCTOBER 2010 TO 31 MARCH 2011

		Cenkos Diversity Fund 01/10/10 to 31/03/11	Cenkos Income Fund 01/10/10 to 31/03/11	Total 01/10/10 to 31/03/11
	Notes	£	£	£
INCOME				
Bank interest		399	208	607
Bond interest		-	20,904	20,904
Dividend income		153,910	209,700	363,610
Unrealised gain on revaluation of investments	3	1,162,279	16,450	1,178,730
Realised gain on disposal of investments	3	415,309	88,342	503,651
Total income		<u>1,731,897</u>	<u>335,604</u>	<u>2,067,502</u>
Expenses				
Management fees		185,957	44,229	230,186
Administration fees		30,993	15,990	46,983
Audit fees		4,959	4,959	9,918
Establishment costs		(6,667)	3,333	(3,334)
Trustee fees		12,397	4,458	16,855
Foreign exchange loss		2,018	4,924	6,942
Other operating expenses		3,263	4,646	7,909
Total expenses		<u>232,920</u>	<u>82,539</u>	<u>315,459</u>
Total comprehensive income attributable to unitholders		<u>1,498,977</u>	<u>253,065</u>	<u>1,752,043</u>
Weighted average units in existence during the period		206,167	110,500	
Earnings per unit		£7.27	£2.29	

All items in the above statement are derived from continuing operations. There was no other comprehensive income in the period.

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

		Cenkos Diversity Fund 31/03/2012	Cenkos Income Fund 31/03/2012	Cenkos Global Equity Fund 31/03/2012	Total 31/03/2012
	Notes	£	£	£	£
Assets					
Current assets					
Financial assets at fair value through profit or loss	3	24,334,939	14,473,935	4,243,583	43,052,457
Other receivables and prepayments	4	2,378	39,349	1,251	42,978
Cash and cash equivalents		1,211,429	417,244	247,543	1,876,216
Total assets		25,548,746	14,930,528	4,492,377	44,971,651
Equity and liabilities					
Units in issue	5	22,655,405	14,362,547	4,482,983	41,500,935
Retained earnings		2,852,616	549,716	(2,802)	3,399,530
Net assets attributable to unitholders		25,508,021	14,912,263	4,480,181	44,900,465
Liabilities					
Current liabilities					
Other payables	6	40,725	18,265	12,196	71,186
Total liabilities		40,725	18,265	12,196	71,186
Total equity and liabilities		25,548,746	14,930,528	4,492,377	44,971,651
Net Asset Value per unit	7	£121.51	£105.95	£100.11	

These unaudited condensed half-yearly financial statements were approved by the Manager on 26 July 2012 and signed on its behalf by:

Mark Bousfield
Director - Cenkos Channel Islands Investment
Management Limited

Ben Byrom
Director - Cenkos Channel Islands Investment
Management Limited

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

		Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
		30/09/2011	30/09/2011	30/09/2011	30/09/2011
	Notes	£	£		£
Assets					
Current assets					
Financial assets at fair value through profit or loss	3	19,390,149	12,201,205	4,000,899	35,592,253
Debtors and prepayments	4	81	44,516	-	44,597
Due from brokers		1,406,042	-	-	1,406,042
Cash and cash equivalents		2,934,693	721,497	518,463	4,174,653
Total assets		<u>23,730,965</u>	<u>12,967,218</u>	<u>4,519,362</u>	<u>41,217,545</u>
Equity and liabilities					
Units in issue	5	22,545,791	12,962,020	4,889,709	40,397,520
Retained earnings		882,640	(19,149)	(431,792)	431,699
Net assets attributable to unitholders		<u>23,428,431</u>	<u>12,942,871</u>	<u>4,457,917</u>	<u>40,829,219</u>
Liabilities					
Current liabilities					
Creditors	6	45,678	24,347	16,455	86,480
Due to brokers		256,856	-	44,990	301,846
Total liabilities		<u>302,534</u>	<u>24,347</u>	<u>61,445</u>	<u>388,326</u>
Total equity and liabilities		<u>23,730,965</u>	<u>12,967,218</u>	<u>4,519,362</u>	<u>41,217,545</u>
Net Asset Value per unit	7	£112.16	£101.92	£91.05	

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD 1 OCTOBER 2011 TO 31 MARCH 2012

		Cenkos Diversity Fund 01/10/11 to 31/03/12	Cenkos Income Fund 01/10/11 to 31/03/12	Cenkos Global Equity Fund 01/10/11 to 31/03/12	Total 01/10/11 to 31/03/12
	Notes	£	£	£	£
Net assets attributable to unitholders at start of period		23,428,431	12,942,871	4,457,917	40,829,219
Total comprehensive income attributable to unitholders		1,969,976	809,472	428,990	3,208,438
		<u>25,398,407</u>	<u>13,752,343</u>	<u>4,886,907</u>	<u>44,037,657</u>
Movement due to issue and redemption of units:					
Amounts receivable on issues	5	1,819,357	2,749,756	254,503	4,823,616
Amounts payable on redemptions	5	(1,709,743)	(1,349,229)	(661,229)	(3,720,201)
Equalisation on issues and redemptions		-	8,197	-	8,197
Dividends paid to unitholders	8	-	(248,804)	-	(248,804)
Net assets attributable to unitholders at end of period		<u>25,508,021</u>	<u>14,912,263</u>	<u>4,480,181</u>	<u>44,900,465</u>

UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD 1 OCTOBER 2010 TO 31 MARCH 2011

		Cenkos Diversity Fund 01/10/10 to 31/03/11	Cenkos Income Fund 01/10/10 to 31/03/11	Total 01/10/10 to 31/03/11
		£	£	£
Net assets attributable to unitholders at start of period		22,794,599	11,237,108	34,031,707
Total comprehensive income attributable to unitholders		1,498,977	253,065	1,752,043
		<u>24,293,576</u>	<u>11,490,173</u>	<u>35,783,750</u>
Movement due to issue and redemption of units:				
Amounts receivable on issues		4,295,189	1,924,651	6,219,840
Amounts payable on redemptions		(983,626)	(493,397)	(1,477,023)
Equalisation on issues and redemptions		-	8,991	8,991
Dividends paid to unitholders		-	(197,196)	(197,196)
Net assets attributable to unitholders at end of period		<u>27,605,139</u>	<u>12,733,222</u>	<u>40,338,362</u>

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 OCTOBER 2011 TO 31 MARCH 2012

	Cenkos Diversity Fund 01/10/11 to 31/03/12	Cenkos Income Fund 01/10/11 to 31/03/12	Cenkos Global Equity Fund 01/10/11 to 31/03/12	Total 01/10/11 to 31/03/12
	£	£	£	£
Cash flows from operating activities				
Total comprehensive income attributable to unitholders	1,969,976	809,472	428,990	3,208,438
Adjusted for:				
Bank interest received	(1,310)	(381)	(138)	(1,829)
(Increase)/decrease in receivables	(2,297)	5,167	(1,251)	1,619
Decrease in payables	(4,953)	(6,082)	(4,259)	(15,294)
Realised (profit)/loss on sale of investments	(118,639)	100,551	(21,212)	(39,300)
Unrealised profit on revaluation of investments	(1,912,161)	(678,374)	(439,528)	(3,030,063)
Purchase of investments at fair value through profit or loss	(15,968,569)	(8,098,296)	(1,354,271)	(25,421,136)
Sale proceeds from disposal of investments at fair value through profit or loss	14,203,765	6,403,389	1,527,337	22,134,491
Net cash flows from operating activities	(1,834,188)	(1,464,554)	135,668	(3,163,074)
Cash flows from financing activities				
Bank interest received	1,310	381	138	1,829
Proceeds on issue of units	1,819,357	2,749,756	254,503	4,823,616
Redemption of units	(1,709,743)	(1,349,229)	(661,229)	(3,720,201)
Equalisation	-	8,197	-	8,197
Dividends paid	-	(248,804)	-	(248,804)
Net cash flows from financing activities	110,924	1,160,301	(406,588)	864,637
Net movement in cash and cash equivalents	(1,723,264)	(304,253)	(270,920)	(2,298,437)
Opening cash and cash equivalents	2,934,693	721,497	518,463	4,174,653
Closing cash and cash equivalents	1,211,429	417,244	247,543	1,876,216

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 OCTOBER 2010 TO 31 MARCH 2011

	Cenkos Diversity Fund 01/10/10 to 31/03/11	Cenkos Income Fund 01/10/10 to 31/03/11	Total 01/10/10 to 31/03/11
	£	£	£
Cash flows from operating activities			
Total comprehensive income attributable to unitholders	1,498,977	253,065	1,752,043
Adjusted for:			
Bank interest received	(399)	(208)	(607)
Decrease /(increase) in receivables	35,176	57,068	92,244
Decrease in payables	17,257	9,999	27,256
Realised profit on sale of investments	(415,309)	(88,342)	(503,651)
Unrealised profit on revaluation of investments	(1,162,279)	(16,450)	(1,178,730)
Purchase of investments at fair value through profit or loss	(7,182,861)	(2,422,763)	(9,605,624)
Sale proceeds from disposal of investments at fair value through profit or loss	6,598,382	1,452,546	8,050,928
Net cash used in operating activities	<u>(611,056)</u>	<u>(755,085)</u>	<u>(1,366,141)</u>
Cash flows from financing activities			
Bank interest received	399	208	607
Proceeds on issue of units	4,295,189	1,924,651	6,219,840
Redemption of units	(983,626)	(493,397)	(1,477,023)
Equalisation	-	8,991	8,991
Dividends paid	-	(197,196)	(197,196)
Net cash from financing activities	<u>3,311,962</u>	<u>1,243,257</u>	<u>4,555,219</u>
Net movement in cash and cash equivalents	2,700,906	488,172	3,189,078
Opening cash and cash equivalents	996,861	194,317	1,191,178
Closing cash and cash equivalents	<u><u>3,697,767</u></u>	<u><u>682,489</u></u>	<u><u>4,380,256</u></u>

The notes on pages 14 - 20 form part of these financial statements. These condensed half-yearly financial statements are not audited.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS

1. General information

Cenkos Diversity Fund, Cenkos Income Fund and Cenkos Global Equity Fund (each a "Sub Fund" and together the "Funds") are the Sub Funds of the Cenkos Channel Islands Investment Fund, an open-ended unit trust constituted under the Trust Instrument made between Kleinwort Benson (Guernsey) Limited as Trustee and Cenkos Channel Islands Investment Management Limited as Manager, dated 12 November 2008. The Trust is authorised by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, as a Class B collective investment scheme.

The Cenkos Diversity Fund aims to generate long term capital growth with a lower level of volatility than equity markets. The Cenkos Diversity Fund seeks to attain its objective by diversifying investments in a number of collective investment schemes across different asset classes.

The Cenkos Income Fund aims to provide investors with a total return with a focus on delivering an income yield that competes with prevailing cash rates with some capital growth. The Cenkos Income Fund will invest in a global portfolio comprising of a range of fixed, floating and inflation linked debt securities, property and equities.

The Cenkos Global Equity Fund aims to generate long term capital growth primarily through investment in global equity markets. The Cenkos Global Equity Fund seeks to attain its objective by investing in a number of collective investment schemes that offer a range of geographic and sector exposures or whose investment strategy best fit the investment environment.

2. Summary of Significant Accounting Policies

Statement of Compliance and basis of preparation

These unaudited condensed consolidated half-yearly financial statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"), and applicable legal and regulatory requirements of Guernsey Law. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 September 2011 which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and applicable legal and regulatory requirements of Guernsey Law.

The accounting policies adopted in the preparation of these unaudited condensed half-yearly financial statements are consistent with those followed in the preparation of the Fund's annual audited financial statements for the year ended 30 September 2011, except for the adoption of new/amended standards and interpretations as of 1 October 2011, noted below:

Standards and amendments to existing standards effective for the period to 31 March 2012

IFRS 7 (amendment), Financial Instruments: Disclosures. Published: October 2010, effective 01/07/11

IAS 24 (revised), Related Party Transactions. Published: 04/11/09, effective: 01/01/11

Various, Annual improvements 2010. Published: May 2010, effective: 01/01/11

Adoption of the above standards and interpretations have not had a material impact on the Funds' financial statements.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)

2. Summary of Significant Accounting Policies (continued)

Standards, interpretations and amendments effective for the period ended 31 March 2012 but not relevant:

IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Published: 26/11/09, effective 01/01/11

Standards, interpretations and amendments to existing standards issued at 31 March 2012 that are not yet effective and have not been early adopted:

IAS 1 (amendment), Presentation of Financial Statements. Published: June 2011, effective: 01/07/12

IAS 12 (amendment), Income Taxes. Published: December 2010, effective: 01/01/12

IAS 32 (amendment), Financial Instruments: Presentation. Published: December 2011, effective: 01/01/14

IFRS 7 (amendment), Financial Instruments: Disclosures. Published: December 2011, effective 01/01/13

IFRS 9, Financial Instruments Classification and Measurement. Published: November 2009, effective: 01/01/15

IFRS 10, Consolidated Financial Statements. Published: May 2011, effective: 01/01/13

IFRS 11, Joint Arrangements. Published: May 2011, effective: 01/01/13

IFRS 12, Disclosure of Interests in Other Entities. Published: May 2011, effective: 01/01/13

IFRS 13, Fair Value Measurement. Published: May 2011, effective: 01/01/13

Various, Annual improvements 2009-2011 Cycle. Published: May 2012, effective: 01/01/13

Adoption of the above standards and interpretations are not expected to have a material impact on the Funds' financial statements.

3. Financial Assets at Fair Value through Profit or Loss

	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
	01/10/11 to 31/03/12	01/10/11 to 31/03/12	01/10/11 to 31/03/12	01/10/11 to 31/03/12
	£	£	£	£
Book cost at start of period	19,343,422	12,424,122	4,258,653	36,026,197
Purchases	15,711,713	8,098,296	1,309,281	25,119,290
Sales	(12,797,723)	(6,403,389)	(1,527,337)	(20,728,449)
Realised gain/(loss) on disposals	118,639	(100,551)	21,212	39,300
Book cost at end of period	<u>22,376,051</u>	<u>14,018,478</u>	<u>4,061,809</u>	<u>40,456,338</u>
Unrealised gains	<u>1,958,888</u>	<u>455,457</u>	<u>181,774</u>	<u>2,596,119</u>
Closing fair value at end of period	<u><u>24,334,939</u></u>	<u><u>14,473,935</u></u>	<u><u>4,243,583</u></u>	<u><u>43,052,457</u></u>

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)

3. Financial Assets at Fair Value through Profit or Loss (continued)

	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
	01/10/10 to 30/09/11	01/10/10 to 30/09/11	01/10/10 to 30/09/11	01/10/10 to 30/09/11
	£	£	£	£
Book cost at start of period	20,087,812	10,364,147	-	30,451,959
Purchases	22,238,873	12,691,864	6,269,781	41,200,518
Sales	(23,829,368)	(10,836,608)	(1,920,161)	(36,586,137)
Realised gain/(loss) on disposals	846,105	204,719	(90,967)	959,857
Book cost at end of period	19,343,422	12,424,122	4,258,653	36,026,197
Unrealised gains	46,727	(222,917)	(257,754)	(433,944)
Closing fair value at end of period	<u>19,390,149</u>	<u>12,201,205</u>	<u>4,000,899</u>	<u>35,592,253</u>

4. Other Receivables and Prepayments

	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
	31/03/12	31/03/12	31/03/12	31/03/12
	£	£	£	£
Debtors and prepayments	2,378	1,599	1,251	5,228
Bond interest receivable	-	37,750	-	37,750
	<u>2,378</u>	<u>39,349</u>	<u>1,251</u>	<u>42,978</u>

	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
	30/09/11	30/09/11	30/09/11	30/09/11
	£	£	£	£
Debtors and prepayments	81	416	-	416
Bond interest receivable	-	44,100	-	44,100
	<u>81</u>	<u>44,516</u>	<u>-</u>	<u>44,516</u>

The Manager considers that the carrying amount of debtors and prepayments approximates fair value.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)

5. Units in issue

As at 31 March 2012, the units in issue in respect of each sub-fund were as follows:

	31/03/12	31/03/12	30/09/11	30/09/11
	No.	£	No.	£
Cenkos Diversity Fund				
At start of period	208,877.91	22,545,791	196,336.17	20,953,239
Issued	11,885.49	1,819,357	62,219.75	7,559,590
Redeemed	(10,843.99)	(1,709,743)	(49,678.01)	(5,967,038)
At end of year	<u>209,919.41</u>	<u>22,655,405</u>	<u>208,877.91</u>	<u>22,545,791</u>
Cenkos Income Fund				
At start of period	126,985.41	12,962,020	103,719.24	10,497,417
Issued	26,997.32	2,749,756	34,707.91	3,690,173
Redeemed	(13,231.67)	(1,349,229)	(11,441.74)	(1,225,570)
At end of year	<u>140,751.06</u>	<u>14,362,547</u>	<u>126,985.41</u>	<u>12,962,020</u>
Cenkos Global Equity Fund				
At start of period	48,958.84	4,889,709	-	-
Issued	2,615.55	254,503	51,908.84	5,178,824
Redeemed	(6,821.17)	(661,229)	(2,950)	(289,115)
At end of year	<u>44,753.22</u>	<u>4,482,983</u>	<u>48,958.84</u>	<u>4,889,709</u>

The nature of the rights represented by Units is that of a beneficial interest under a trust. Unitholders have the right, subject to the Trust Instrument, to transfer or redeem their Units and to call, participate and vote in meetings of Unitholders.

6. Other Payables

	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
	31/03/12	31/03/12	31/03/12	31/03/12
	£	£	£	£
Management fee	28,966	8,468	3,441	40,875
Administration fee	4,828	2,823	2,692	10,343
Trustee fee	1,911	1,129	385	3,425
Audit fee	4,918	4,908	4,918	14,744
Sundry creditors	102	937	760	1,799
	<u>40,725</u>	<u>18,265</u>	<u>12,196</u>	<u>71,186</u>

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)

6. Creditors (continued)

	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Global Equity Fund	Total
	30/09/11	30/09/11	30/09/11	30/09/11
	£	£	£	£
Management fee	27,823	7,537	3,491	38,851
Administration fee	4,637	2,692	2,692	10,021
Trustee fee	1,855	1,004	385	3,244
Audit fee	9,945	9,935	9,887	29,767
Sundry creditors	1,418	3,179	-	4,597
	<u>45,678</u>	<u>24,347</u>	<u>16,455</u>	<u>86,480</u>

The Manager considers that the carrying amount of creditors approximates fair value.

7. Net Asset Value per Unit

The below table shows the NAV per share for each sub-fund and reconciles the difference between the financial statements NAV per share and the dealing NAV per share reported to the Channel Islands Stock Exchange.

	Cenkos Diversity Fund	Cenkos Diversity Fund	Cenkos Income Fund	Cenkos Income Fund
	31/03/12	30/09/11	31/03/12	30/09/11
	£	£	£	£
NAV	25,508,021	23,428,431	14,912,263	12,942,871
No. of shares in issue	209,919.41	208,877.91	140,751.06	126,985.41
Financial Statements NAV per Share	121.51	112.16	105.95	101.92
Add back:				
Write off of establishment costs	14,250	18,484	17,874	21,423
Less:				
Accrued dividends payable not recognised under IAS 10	-	-	(156,297)	(117,792)
Dealing NAV per Share	<u>121.58</u>	<u>112.25</u>	<u>104.96</u>	<u>101.17</u>

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)

7. Net Asset Value per Unit (continued)

	Cenkos Global Equity Fund 31/03/12	Cenkos Global Equity Fund 30/09/11
	£	£
NAV	4,480,181	4,457,917
No. of shares in issue	44,753.22	48,958.84
Financial Statements NAV per	100.11	91.05
Add back:		
Write off of establishment costs	22,705	25,513
Dealing NAV per Share	100.62	91.58

8. Dividends

No income is distributed to unitholders of the Cenkos Diversity Fund or the Cenkos Global Equity Fund. The Cenkos Income Fund will distribute the majority of the income available for income allocation on a quarterly basis.

Dividends paid to unitholders during the period 1 October 2011 to 31 March 2012 were as follows:

	Dividend per unit 01/10/11 to 31/03/12	Total dividend paid 01/10/11 to 31/03/12
	£	£
Cenkos Income Fund		
Interim dividend paid 31 October 2011 (Ex-dividend 28 September 2011)	0.94	117,672
Interim dividend paid 31 January 2012 (Ex-dividend 28 December 2011)	0.94	131,132
		248,804
	Dividend per unit 01/10/10 to 31/03/11	Total dividend paid 01/10/10 to 31/03/11
	£	£
Cenkos Income Fund		
Interim dividend paid 28 October 2010 (Ex-dividend 30 September 2010)	1.01	104,684
Interim dividend paid 31 January 2011 (Ex-dividend 31 December 2010)	0.83	92,512
		197,196

CENKOS CHANNEL ISLANDS INVESTMENT FUND

NOTES TO THE UNAUDITED CONDENSED HALF-YEARLY FINANCIAL STATEMENTS (continued)

9. Segmental information

For management purposes, each sub-fund is organised into one main operating segment. All of the sub-fund's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of each sub-fund as one segment. The financial results from this segment are equivalent to the financial results of the sub-fund as a whole.

The following table analyses the operating income of each sub-fund per geographical location. For the purpose of this analysis, operating income comprises bank interest, bond interest and dividend income. The basis for attributing the operating income is the place of incorporation of the instruments' counterparties.

	Cenkos Diversity Fund 31/03/12 £	Cenkos Income Fund 31/03/12 £	Cenkos Income Fund 31/03/12 £
Bermuda	-	1,695	-
Cayman Islands	-	15,228	-
Guernsey	29,271	28,963	663
Ireland	83,947	132,113	14,274
Jersey	-	12,011	2,267
Luxembourg	33,498	70,143	-
Netherlands	-	2,742	-
United Kingdom	-	38,377	-
United States of America	-	5,639	-
	146,716	306,911	17,204
		Cenkos Diversity Fund 31/03/11 £	Cenkos Income Fund 31/03/11 £
Guernsey		23,661	37,019
Ireland		83,635	119,781
Jersey		-	12,562
Luxembourg		20,536	25,467
Netherlands		-	2,727
United Kingdom		26,477	32,065
United States of America		-	1,191
		154,309	230,812

10. Post balance sheet events

There have been no significant events since 31 March 2012 to report.

CENKOS CHANNEL ISLANDS INVESTMENT FUND

PORTFOLIO STATEMENT - CENKOS DIVERSITY FUND

Assets and Liabilities as at 31 March 2012

<u>Nominal</u>	<u>Description</u>	<u>Fair value</u>	<u>% of the Fund</u>
2,471,172.9400	M&G (Guernsey) Corporate Bond I Ptg Shs	2,531,346	9.89%
1,968,032.8900	Fundsmith Global Equity I Acc	2,426,388	9.51%
1,824,152.6760	Lindsell Train Global Equity B Inst	2,004,926	7.86%
117,001.1570	PIMCO Global Inv Grade Credit Inst GBP Hedged acc	1,770,228	6.94%
81,945.8010	Investec Global Strategy Fund Corp BD AHD Inc GBP	1,766,751	6.93%
1,725,038.9040	JO Hambro Cap Mngmnt Japan Hedged Inst Inc NAV	1,635,337	6.41%
147,685.8730	Polar Capital -Global Technology Class I USD Share	1,557,530	6.11%
124,738.0460	Findlay Park Latin American Fund	1,490,971	5.85%
15,500.3700	Senhouse European Focus I	1,439,984	5.65%
370,443.2230	First State Asia Pacific Leaders B NAV	1,419,946	5.57%
38,364.4940	Findlay Park American USD Dis	1,274,299	5.00%
146,762.2500	Capital Intl Emerg Mkt Debt X USD Acc NAV	1,257,116	4.93%
115,593.5070	Polar Capital Funds Healthcare Opps I Stg Share In	1,173,274	4.60%
10,746.6600	New Capital Wealthy Nations Bond C GBP	1,157,738	4.54%
38,841.0910	M&G (Guernsey) Global Basics	968,126	3.80%
40,715.1030	Investec GSF Global Energy A Acc USD	460,979	1.81%
	Investment total	24,334,939	95.40%
	Cash and cash equivalents	1,211,429	4.75%
	Other sundry net assets	(38,347)	(0.15)%
		25,508,021	100.00%

CENKOS CHANNEL ISLANDS INVESTMENT FUND

PORTFOLIO STATEMENT - CENKOS INCOME FUND

Assets and Liabilities as at 31 March 2012

<u>Nominal</u>	<u>Description</u>	<u>Fair value</u>	<u>% of the Fund</u>
1,503,480.9230	M&G (Guernsey) Corporate Bond I Ptg Shs	1,540,091	10.32%
117,088.8250	Pimco Global Investment Grade Credit Inc GBP Hedge	1,517,471	10.18%
129,959.8930	Cullen Global High Dividend Value Equity F GBP Ins	1,408,765	9.45%
19,833.5000	New Capital Fd Mgt Wealth Nations Bond A USD Inc	1,356,094	9.09%
13,068.9210	RWC Enhanced Income B GBP Dist	1,176,334	7.89%
81,594.5200	Invesco Offshore UK Equity Income	1,085,264	7.28%
918,779.1300	Cazenove Inv Fd Strat Debt Fd X GBP	964,718	6.47%
91,530.6300	Capital Int'l Fund Emer Mkt Debt XD USD	741,298	4.97%
5,999.9900	Muzinich America Yield Hedged Inc NAV	611,519	4.10%
29,955.0000	Ishares II Plc FTSE All Stocks Gilt GBP	348,437	2.34%
2,658.0000	ISHARES III PLC FTSE GILTS UK 0 5 INC NAV	347,560	2.33%
308,096.7670	Prime Rate Cap Mgt LLP Sterling Liquidity D Acc	322,115	2.16%
300,000.0000	IPIC GMTN Ltd 6.875% GTD MTN 14/03/2026	319,128	2.14%
400,000.0000	Qatar State of Qatar 6.4% 20/01/2040	294,411	1.97%
320,000.0000	Johnson & Johnson 3.55% BDS 15/05/21 USD1000	221,168	1.48%
320,000.0000	Microsoft Corp 3% NTS 01/10/2020 USD2000	213,523	1.43%
320,000.0000	IPIC GMTN LTD 5% GTD MTN 15/11/2020 USD1000 'REO	206,949	1.39%
200,000.0000	Fidelity International 7.125% SNR NTS 13/02/24 GBP	201,062	1.35%
100,000.0000	New River Retail Ltd Ord GBP0.01	201,000	1.35%
150,000.0000	BP Capital Markets 4% 29/12/2014	159,266	1.07%
150,000.0000	Places for People 5% MTN 27/12/2016 GBP	158,750	1.06%
150,000.0000	GE Capital UK Funding 4.375% BDS 31/07/19 GBP2000	156,497	1.05%
150,000.0000	Scottish & Southern Energy 4.25% nts 14/09/21	155,531	1.04%
100,000.0000	Imperial Tobacco Finance 6.25% 04/12/2018	116,846	0.78%
100,000.0000	BATHoldings 5.50% 15/09/2016	112,813	0.76%
100,000.0000	Centrica 5.5% 24/10/2016 (156 Days)	112,811	0.76%
100,000.0000	Imp Tabacco Finance 5.5% 28/09/2026 GBP	108,227	0.73%
100,000.0000	Petrobras International Finance 6.25% 14/12/26	106,850	0.72%
100,000.0000	Morrison (WM) Supermarkets 4.625% BDS 08/12/23 GBP	106,065	0.71%
100,000.0000	Co-Operative Bank 4.75 NTS 11/11/2021 GBP1000	103,372	0.69%
0.0556	Newriver Retail Ltd Warrant (244p)	-	0.00%
	Investment total	14,473,935	97.06%
	Cash and cash equivalents	417,244	2.80%
	Other sundry net assets	21,084	0.14%
		14,912,263	100.00%

CENKOS CHANNEL ISLANDS INVESTMENT FUND

PORTFOLIO STATEMENT - CENKOS GLOBAL EQUITY FUND

Assets and Liabilities as at 31 March 2012

<u>Nominal</u>	<u>Description</u>	<u>Fair value</u>	<u>% of the Fund</u>
495,243.1700	Fundsmith Global Equity I Acc	610,584	17.31%
521,806.9020	Lindsell Train Global Equity B Inst	573,518	12.80%
13,874.9290	Findlay Park American USD Dis	460,864	10.29%
37,504.1780	Polar Capital -Global Technology Class I USD Share	395,528	8.83%
14,160.5770	M&G (Guernsey) Global Basics	352,957	7.88%
265,401.2600	JO Hambro Cap Mngmnt Japan Hedged Inst Inc NAV	251,600	5.62%
23,424.8350	Polar Capital Funds Healthcare Opps I Stg Share In	237,762	5.31%
17,222.5600	Invesco Offshore UK Equity Income	229,072	5.11%
59,054.0610	First State Asia Pacific Leaders B NAV	226,360	5.05%
39,952.0600	Aberdeen Global Emerging Markets I Acc	224,471	5.01%
18,196.5320	Investec GSF Global Energy A Acc USD	206,022	4.60%
2,132.3840	Senhouse European Focus I	198,098	4.42%
13,609.9960	Findlay Park Latin American Fund	162,678	3.63%
104,068.1170	M & G (Offshore) Recovery I	114,069	2.55%
		<hr/>	
	Investment total	4,243,583	98.41%
	Cash and cash equivalents	247,543	1.66%
	Other sundry net assets	(10,945)	(0.07)%
		<hr/>	
		4,480,181	100.00%
		<hr/> <hr/>	