

The co-operative investments

CIS Corporate Bond Income Trust

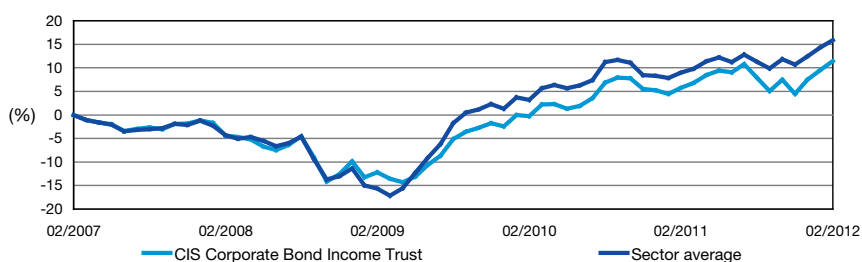
Fund aims

The CIS Corporate Bond Income Trust aims to produce a regular income from a portfolio of fixed interest securities.

Fund Commentary as at 29 February 2012

Despite the sustained rally in risk assets so far this year, yields in the major safe-haven government Bond markets have remained close to historically low yields. In contrast with prior periods however, this demand has also found its way into more peripheral Eurozone government Bond markets as investors believe that some breathing space has been bought and that, presently at least, the worst case scenarios for the Eurozone have been avoided. UK 10-year yields have risen modestly but are still near their historic lows. We continue to regard the Gilt market as vulnerable to correction as we suspect that current valuations have so far been supported by flows from Europe, which will gradually unwind in the absence of any renewed escalation of the Eurozone Crisis. Corporate Bonds have been a clear beneficiary of the improved market sentiment, with the Financial sector in particular exhibiting a significant change in fortune following measures taken by the European Central Bank. We retain a firm conviction that over the medium-term the asset class as a whole can post attractive, risk-adjusted returns, but are acutely aware that the volatility over recent years has led to an underlying fragility in investor confidence that can resurface quickly in what remain extremely uncertain times.

Performance over last 5 years



Total return, bid to bid price (i.e. excluding initial charges). Net income re-invested. Past performance is not a guide to future performance and the value of this investment can go down as well as up. This is not a guaranteed investment and you may get back less than you have put in.

Company Profile

The Co-operative Investments is one of the UK's leading socially responsible and ethical organisations with a long and successful history of managing our customers money for over 20 years. Over 230,000 investors have entrusted their money with us. Assets under management as at 31st December 2011 were £19.7bn. You can, therefore be confident that you are investing your money in a trustworthy organisation that combines the specialist knowledge, and long-standing experience that few other providers can match.

Cumulative Performance % change

	6 months	1 year	3 years	5 years	Since Launch (29/09/03)
Fund	3.3	5.4	26.9	11.5	28.3
Sector	4.1	6.3	37.3	15.8	31.4
Quartile Rank	4	3	4	4	4

Percentage Growth to latest month end, total return, bid to bid price, Net income re-invested.

Single Year Performance for last 5 years % change

	31/12/10 - 31/12/11	31/12/09 - 31/12/10	31/12/08 - 31/12/09	31/12/07 - 31/12/08	31/12/06 - 31/12/07
Fund	2.1	7.8	8.2	-8.8	-0.6
Sector	3.8	6.9	14.3	-10.3	-0.7

Percentage Growth for discrete 1 year periods, bid to bid price, Net income re-invested.

Top Ten Holdings 29/02/12

Imperial Tobacco Finance Plc (9.0%, 17/02/2022)	3.38%
South East Water Finance Ltd. (5.658%, 30/09/2019)	3.28%
Santander UK Plc (11.5%, 4/01/2017)	3.08%
Tesco Plc (5.801%, 13/10/2040)	2.56%
Telereal Securitisation Plc B2 (Var, 10/12/2033)	2.13%
France Telecom SA (8.0%, 20/12/2017)	2.05%
Njord Gas Infrastructure As (5.241%, 30/09/2027)	2.00%
Glencore International AG (6.5%, 27/02/2019)	1.95%
HSBC Finance Corp. (7.0%, 7/04/2038)	1.91%
Royal Bank of Scotland Plc (6.375%, 7/12/2028)	1.88%
Total	24.22%

Fund Details

Launch Date	29/09/03
Fund Manager	Danny Fox
Fund Size 29/02/12	GBP 409.70m
IMA Sector	GBP Corporate Bond
Annual Charge	1.00%
Initial Charge	5.00%
Sedol Code	3358342
Lipper Id	60088476

Portfolio Structure 29/02/12

