

The co-operative investments

CIS Corporate Bond Income Trust

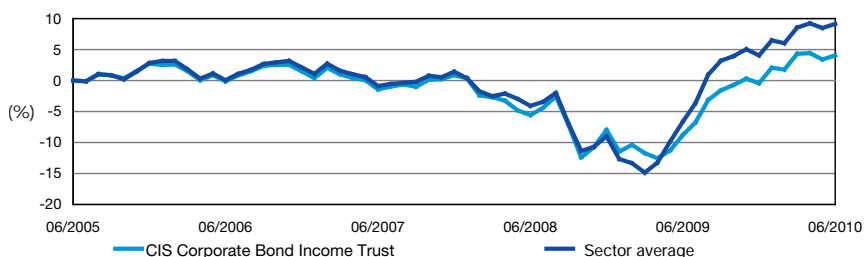
Fund aims

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

Fund Commentary as at 30 June 2010

Major government bond markets have continued to perform strongly with ten-year US Treasury yields falling back below the 3% level. Eurozone uncertainty combined with weaker economic data from the US has reduced the attraction of risky asset classes and driven investors into safer havens. In the UK, an emergency budget reinforced the government's reputation for fiscal responsibility and caused Gilt yields to fall further across the curve. Against this backdrop, Corporate Bonds have performed surprisingly well, with credit spreads stabilising at the wider levels. This has allowed the new issue market to re-open tentatively. We expect short-term interest rates to remain lower for longer than is currently discounted by the money markets, as monetary authorities are forced to keep conditions accommodative to offset the ongoing fiscal austerity programmes that are being demanded by debt market investors. As stability returns to the capital markets, the flight-to-safety premium that has recently been built into government bond valuations will likely be eroded to push yields higher as the year progresses. Against this backdrop, the fund remains fully invested in credit, to take advantage of attractive valuations, and its average maturity profile remains short in order to provide some protection from capital erosion in a rising yield environment.

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 290,000 investors have entrusted their money with us. Assets under management as at 30th June 2010 were £17.9bn. 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	4.5	14.1	5.6	4.1	17.3
Sector	4.9	16.9	10.1	9.1	20.5
Quartile Rank	3	3	4	4	3

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



Single Year Performance for last 5 years % change

	30/06/09 - 30/06/10	30/06/08 - 30/06/09	30/06/07 - 30/06/08	30/06/06 - 30/06/07	30/06/05 - 30/06/06
Fund	14.1	-3.4	-4.2	-1.3	-0.1
Sector	16.9	-2.7	-3.2	-0.9	0.1

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

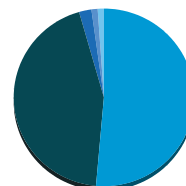
Fund Details

Launch Date	29/09/03
Fund Manager	Danny Fox
Fund Size 30/06/10	GBP 366.44m
IMA Sector	GBP Corporate Bond
Annual Charge	1.00%
Initial Charge	5.00%
Sedol Code	3358342
Lipper Id	60088476

Top Ten Holdings 30/06/10

Santander UK (11.5%, 04/01/2017)	3.78%
Rabobank Nederland (5.556%, Perpetual)	3.61%
HSBC Holdings Plc (8.208%, Perpetual)	3.47%
BAE Systems Plc (10.75%, 24/11/2014)	3.12%
Lloyds Banking Group Plc (7.625%, 22/04/2025)	2.75%
Centrica Plc (6.4%, 04/09/2026)	2.69%
Barclays Bank Plc (10.0%, 21/05/2021)	2.63%
American International Grp (5.125%, 28/01/2013)	2.54%
Marks & Spencer Plc (6.875%, 13/12/2037)	2.19%
Goldman Sachs Grp Inc (6.875%, 18/01/2038)	2.19%
Total	28.97%

Portfolio Structure 30/06/10



51.45%	A
44.22%	BBB
2.03%	Not Rated
1.17%	Cash
1.13%	AA