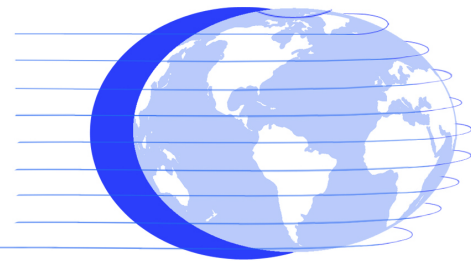


# SOCRATES

## FUND MANAGEMENT

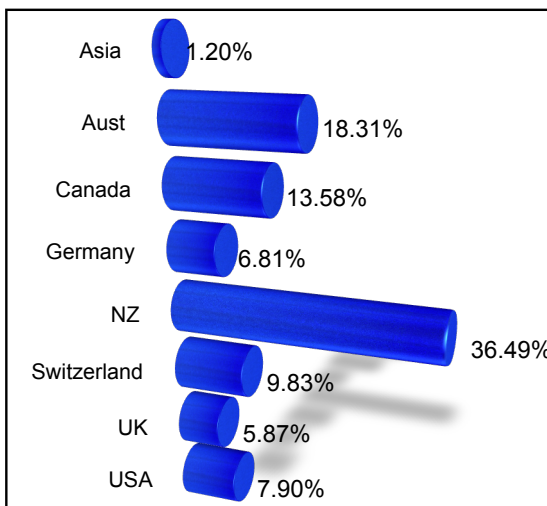
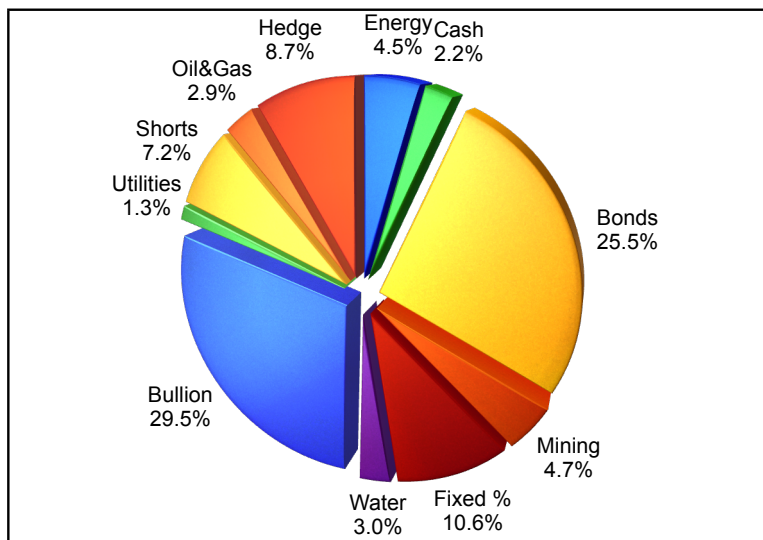


*Looking Back towards a Bright Future*

### 21st Century Renaissance Income Unit Trust

<b>Fund</b>	<b>Income</b>
Size (net)	\$3,459,129.27
Fund Manager	Socrates Fund Management
Fund Administrator	MMC
Portfolio Manager	Charles Drace
Fund Type	P.I.E. Unit Trust
Investment Strategy	Commodity Bias International
Investment Geographic	International
Minimum Investment	\$5,000; \$200 Month
Management Fees	0.50%
Performance Fees	NIL
Entry Fees	2%
Investments	Monthly
Redemptions	Monthly; notify by the 15th

Performance to August 31st 2010 After Fees and Taxes	
Month to Date	1.50%
Quarter to date	-2.75%
Year to Date	-1.72%
12 Month Return	-5.01%
3 Year Return	-19.10%
Since Inception	-4.24% (Annualised)



Ten Largest Positions held in the fund	
ETFS Physical Silver	ETFS Gold Trust Physical Swiss Gold
NZ Post	Sprott Physical Gold Trust
PureCapital	ETFS Physical Gold - Redeem Pref
iShares eb.rexxi Government Ge	Equitable Debentures
Promethus	Aust Govt Bond 15/04/2012

Monthly Unit Prices	
August 2010	\$0.8094
July 2010	\$0.7974
June 2010	\$0.8323
May 2010	\$0.8455
April 2010	\$0.8258
March 2010	\$0.8236
February 2010	\$0.8301
January 2010	\$0.8490
December 2009	\$0.8377
November 2009	\$0.8744
October 2009	\$0.8424
September 2009	\$0.8389

The Income Unit Trust had a good month rising 1.5% net of taxes and fees. Unlike most of the last couple of years the New Zealand currency worked for us rather than against us. Our precious metals holdings as well as our short positions helped as well.

As we expect further share market falls before the end of the year we're maintaining our strategy of favouring precious metals for safety and shorting the US, Europe and China share markets to profit from the continuing bear market. It is interesting to note that gold reached it's highest EVER close yesterday [Sept 16] when it closed at \$1273. We'd be very surprised if it doesn't leave \$1300 well behind it by the end of the year.

The only changes to the Income portfolio in August were to close down the temporary gold short position that we put in for protection when gold was going down in July and to add a small amount of a commodities index to catch the uptick in industrial metals without taking the risk of buying individual companies which might be at risk of the continuing market weakness.