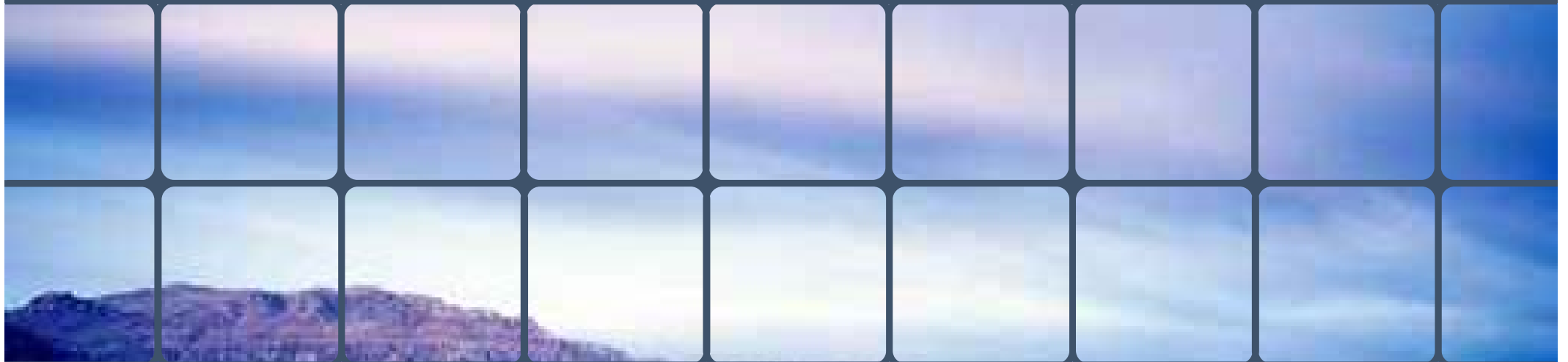


The Sentinel Defensive Fund



To watch over and guard

March 2009



PREMIER
ASSET MANAGEMENT

Role of the Defensive Fund

- The most cautious of the three funds
- Look to produce a cash plus 1% return over three rolling year periods
- Internally referenced against the cautious managed sector

What do we invest in?

- Zero Dividend Preference Shares
- Structured Products
- Alternative Investments

Why do we invest in these areas?

- Historically low volatility compared to equities
- Defined capital returns
- Reduced correlation with equity markets
- Potential to produce “cash plus” returns over the medium term

Zero Dividend Preference Shares

What are they?

- Preference shares, paying a defined capital return at a specific date
- Typically issued by investment companies
- Underlying portfolios of equities, private equity, property
- Higher ranked in the capital structure than equity shareholders

Current Outlook

Zeros

We believe that:

- There is a good balance of equity and private equity portfolios
- Main holdings are very well covered
- There are attractive gross redemption yields
- The shrinking Universe will help supply/demand balance

Case Study

Utilico 2012 ZDP

- Invested in a portfolio of global utilities
- Covered three times (-17.4% p.a hurdle rate)
- Gross redemption yield 6.5%
- Redeems October 2012
- Assets marked to market

Alternatives

What are they?

- Mainly closed end fund of hedge funds
- NAVs published frequently
- Stock trade at premium or discount to NAV
 - similar to an investment trust
- Portfolio typically has 20-30 holdings

Current Outlook

Alternatives

- Stocks continue to trade on wide discounts to NAV
- Market liquidity improved as a result of companies buying their own stock
- Also adds value as stock purchased at discount to NAV
- Many tenders, continuation votes, buy backs taking place

Case Study

Brevan Howard Macro

- Good positive performance – since launch in March 2007
- NAV only four negative months and 23% return in 2008
- Discount to NAV as a result of recent market hiatus
- Liquid portfolio, good transparency

Source: BH Macro Ltd, Monthly Shareholder Report 31st January 2009
Past performance is not a guide to future returns



Structured Products

What are they?

- Defensive Autocalls or synthetic zeros
- Autocalls
 - Usually have a 5 or 6 year life
 - Capital protected, subject to 50% soft protection
 - Capital return, no income
 - Prices marked to market

Current Outlook

Structured Products

- Concerns over credit backing but it is now sovereign risk
- Market falls reflected in prices
- Market recovery not necessarily needed to produce strong returns

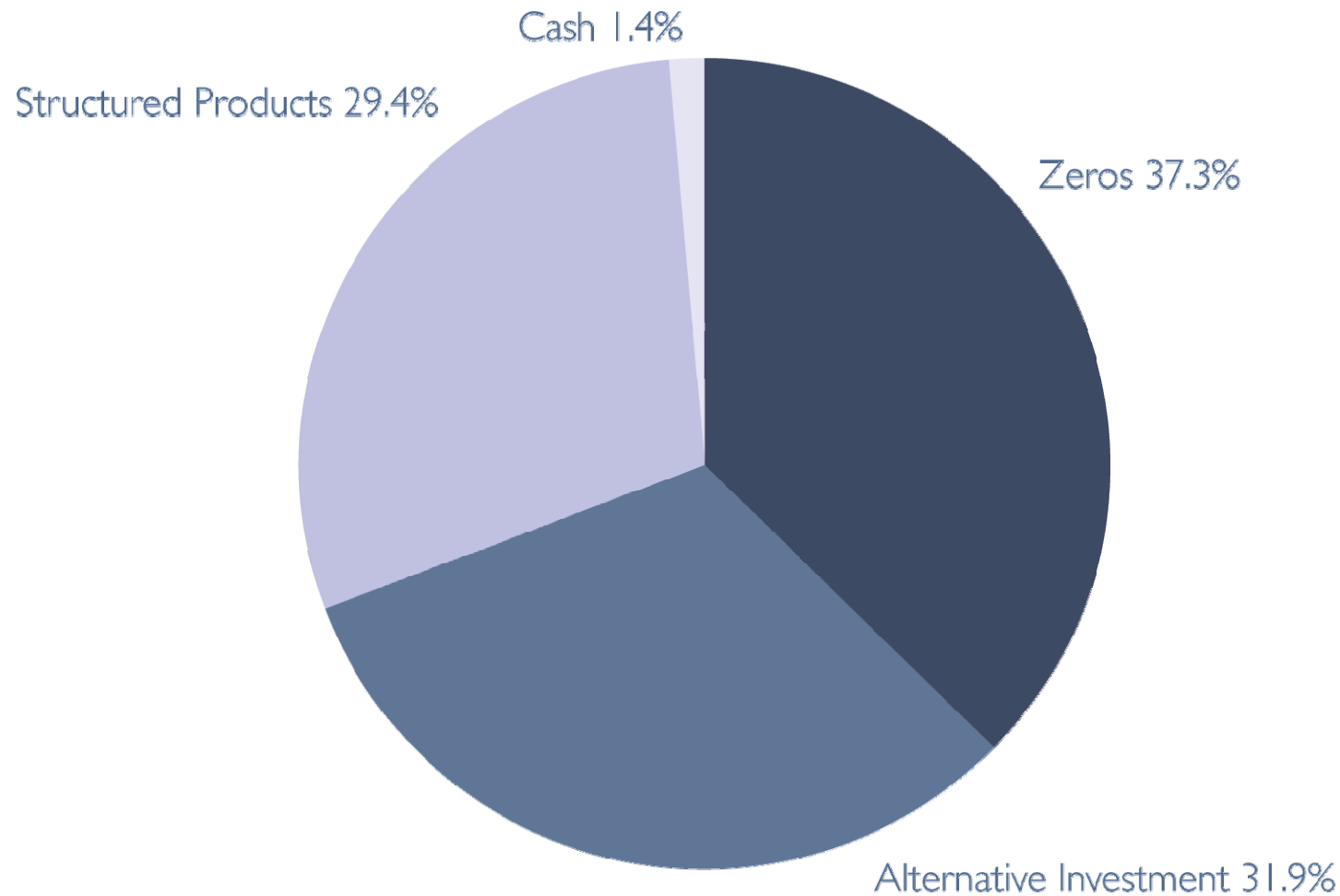
Case Study

Merrill Lynch Capital Accumulation II

- FTSE Defensive Autocall struck at 5319.2 level
- Autocalls
 - June 2010 at 150.6p if FTSE above 4255
 - June 2011 at 162.4p if FTSE above 3457
 - June 2012 at 174.3p if FTSE above 2659
- If not called and index below 2659 in 2012, then one for one exposure with the FTSE 100
- Current price 115p (20/03/09)
- Backed by Santander, Nationwide, Chelsea B.S. and Yorkshire B.S.



Current Position



Source: Premier Fund Managers, data as at 28th February 2009



Performance Relative to IMA Cautious Managed since launch

IMA Cautious Managed Sector used as internal reference



Source: Financial Express Analytics, quoted on a total return, bid to bid, UK Sterling basis, data from 13th May 2008 to 27th February 2009. Relative performance of Fund to IMA Cautious Managed sector since launch on 13th May 2008. Data taken on 20th March 2009, past performance is not an indication of future returns



Outlook

We believe that:

- Alternatives should continue to move ahead as a consequence of improving NAVs and narrowing discounts
- Zeros producing positive returns as “pull to redemption” becomes stronger
- Embedded value in structured products to underpin prices, whilst retaining significant upside potential

Important Information

- Risk of investments
 - Past performance is not a guide to the future. The price of shares and income from them may go down as well as up and you may get back less than you invested. Movements in exchange rates may also affect the value of the investment. Please remember that these investments are intended as long term investments. Details of the nature of the investment and the commitment required are described in the Simplified Prospectus document which is available on request. Reference to any particular stock does not constitute a recommendation to buy or sell the stock.
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