



Sentinel OEIC

Fund Manager Quarterly Questionnaire

Period 2
1st August to 31st October 2008

FUND DETAILS

Fund: [Sentinel Enterprise Fund](#)

Managing Group: [Williams de Broe - Assetmaster](#)

Manager: [Laurence Boyle](#)

PERSONNEL

Please detail any significant changes to the personnel involved in the management of the fund and the analysis of underlying stocks/funds. In particular, please detail the length and type of experience/qualification for any new team members.

[There have been no changes to the personnel](#)

Please give an approximation of total funds under management by the team managing the portfolio.

[£250m](#)

INVESTMENT POLICY

Has there been any change to your investment research systems or your style of management?

[No](#)

What changes have you made to the Asset Allocation of the Fund?

[Over the reporting period we have reduced our exposure to UK equities, and increased the weightings to the US, Europe and Japanese equities. The cash levels have been brought in line with long term positions.](#)

What is the rationale for these changes and what impact do you expect this to have on performance?

[We are negative towards the prospects for the UK market over the short term and anticipate this market will under perform global equities. The US is expected to be the first and the first out of recession and hence should offer positive returns ahead of other global equity markets. Japan has already restructured their banks and hence the impact of the credit crunch should be less severe. Whilst a global slowdown will impact on Japan's exporters their exposure to China and its increased infrastructure spend should provide support. There are still opportunities within Europe on a stock specific basis and we continue to focus on funds which have demonstrated strong stock picking skills.](#)

What has been your portfolio turnover level and is this higher or lower than you would normally expect?

[The fund is still experiencing net inflows and turnover is currently a representation of this.](#)

Are you confident that you have negotiated the best possible terms and have all discounts and rebates against initial charges and AMCs on underlying funds been negotiated by you and notified to Premier so that they can ensure these are received by the fund? Are you actively aiming to reduce the TER of the fund?

Yes. Where possible we buy Institutional share class, however if only retail shares are available we will negotiate a rebate on this share class. TER is a function of what is purchased; our aim is to provide performance net of fees.

Please supply 1 or 2 examples of good investments decisions you have made at stock level which have contributed to your performance.

JPM Commodity conditional long short fund

This fund is structured to capitalize on the positive and negative trends in the value of commodities based upon the assumption that commodities follow medium to long term trends. Up to 12 long positions will be established within the fund, each with an equal weighting, and up to 12 short positions will be established depending on certain conditions. If less than 12 long positions are identified, the balance of monies will be held on deposit, pending the next monthly rebalancing. The fund should be fully invested in long positions during bull markets, in bear markets the fund will take short positions and therefore offers the potential for positive returns. At inflexion points there will be a gradual shift between the two, and there will therefore be a lag in performance. Over the last few months this fund has gradually shifted from 100% long to now 100% short and is therefore now benefiting from the falls seen in commodities. Whilst this fund has fallen 14.9% over the reporting period this compares with a fall of 40% in the oil price.

Please also provide an example of a poor investment and how you have dealt with this to minimise the loss to the fund.

Within the UK equity exposure there has been some underperformance and this has led to a reduced weighting and an increased level of monitoring of the underlying funds.

How have you managed the cash content in the portfolio with a view to maximising the return to the fund?

We aim to be fairly fully invested and hence cash should not impact performance.

Are you happy with your stock selection across each sector?

As mentioned above we are currently monitoring the UK equity component of the portfolio due to recent underperformance compared with the benchmark.

If not, what changes are you looking to make over the next quarter and why?

The UK funds are under review and we anticipate that in addition to further reductions in the overall weighting to the UK we may look to change our fund exposure within this region.

Are there any particular factors which you feel have affected the performance or volatility of the fund?

The performance of the fund has reflected the returns and volatility of underlying markets to which we are exposed.