



Sentinel OEIC

Fund Manager Quarterly Questionnaire

Period to 31st December 2009

1st October 2009 to the 31st December 2009

FUND DETAILS

Fund: Sentinel Defensive Portfolio

Managing Group: Premier Asset Management

Manager: Paul Smith

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.

Following the departure of Paul Branigan from Premier Asset Management, Paul Smith was appointed as the lead manager of the Fund on 23rd November. Paul has been the manager of the Premier Capital Builder Portfolios since November 2002 and previously managed the Zero Preference Growth Trust (Highly commended in Bloomberg investment awards in 2004). Prior to this he worked as a zero sector analyst.

Paul obtained a 1st Class BA (Hons) degree in Economics and an MA in Finance and Investment (with Distinction) from Exeter University.

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

£232 Million

INVESTMENT POLICY

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

There has been a change in management, please see above.

Paul Smith employs a top down asset allocation complemented by a bottom up approach to research into individual companies.

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

Only minor changes have been made to the Fund. The level of private equity exposure was increased as a result of participation in new private equity zero issuances.

Since commencing management Paul Smith has looked to reduce the risk profile of the Fund (both duration and equity market risk). Paul has also started decreasing the private equity exposure of the fund.

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

The reduction in the risk profile will reduce the volatility of the fund.

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

67% ((Average of Sales and Purchases) / Average Fund Value). This isn't out of line for such a strategy. If duration is reduced further then turnover will likely increase.

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, I am confident the respective departments are monitoring discounts and rebates and are also looking to reduce costs within the Fund where appropriate.

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

The Fund participated in the expansion of the JP Morgan Private Equity Limited 2015 zero. The zero was issued at a discount to market price and provided an immediate capital gain for the fund.

The Fund also participated in the launch of an F&C Private Equity Zero on a yield of 8.75%. This zero opened at an attractive premium providing an immediate capital gain.

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

Real Estate Opportunities Zero made a capital loss of 26% over the quarter as a result of the uncertainty over the future of the company. Real Estate Opportunities represents a negligible weighting in the Fund and we will continue to monitor the potential of the Company going forward. There is minimal liquidity in the stock.

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

The cash content of the portfolio has been actively managed, we have utilised the overdraft facility where known cash flows have been anticipated.

Are you happy with your stock selection across each sector?

Yes

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

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

Rising money market rates and gilts yields dampened returns over the quarter.