

# Sentinel Defensive Fund

Fund Manager Quarterly Review

January 2009

For professional adviser use only

To watch over and guard



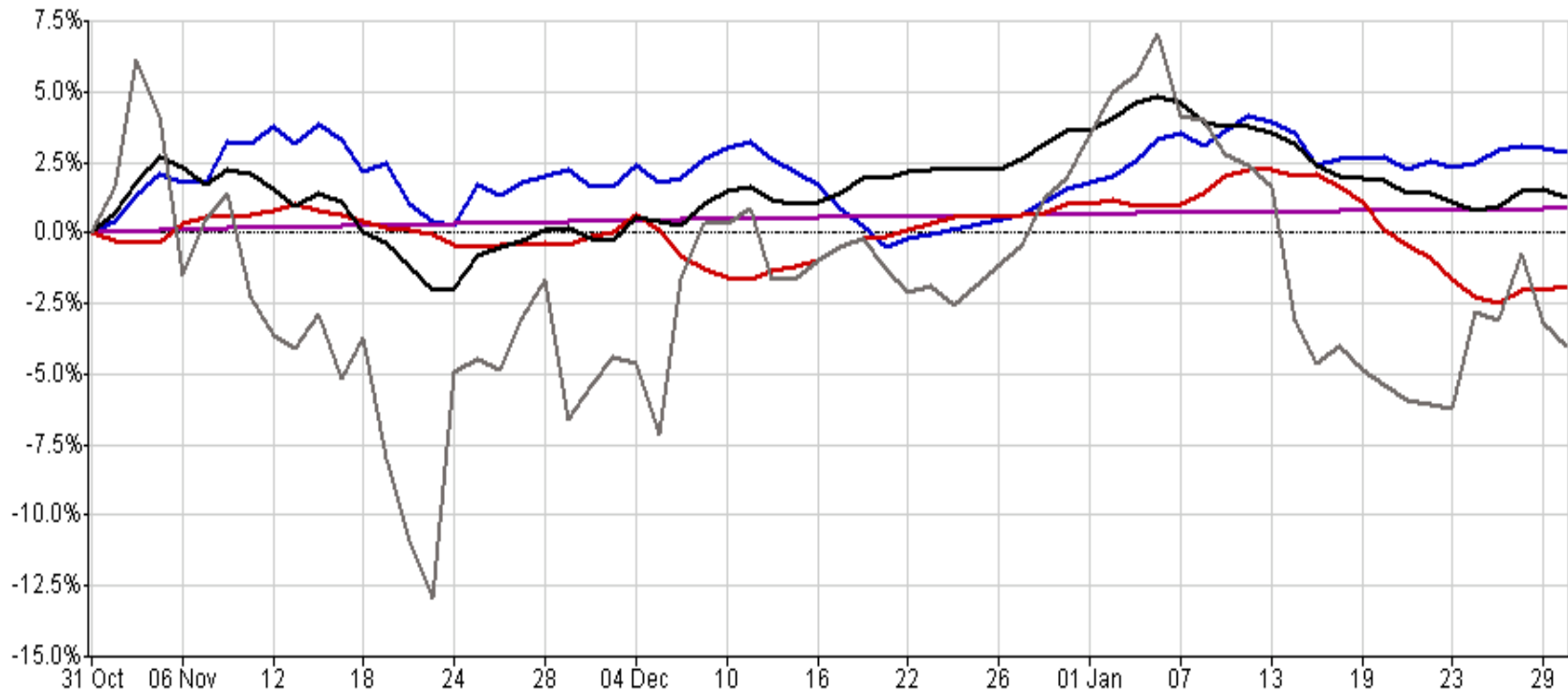
**PREMIER**  
ASSET MANAGEMENT

# Headlines –Sentinel Defensive Fund

- Another poor quarter for markets.
- December sell off in Fund of Hedge Funds
- Zeros have good quarter despite market falls
- Defensive structures restrict losses
- Positive outlook across the Fund
- Defensive qualities to become more obvious

# 3 Month Performance

- IMA Sterling Strategic Bond -1.9%
- Sentinel Defensive 2.8%
- IMA Cautious Managed 1.2%
- FTSE All Share -4.0%
- LIBOR GBP 3m 0.8%



Source: Financial Express Analytics, quoted on a bid to bid, total return, sterling basis  
 Data from 31<sup>st</sup> October 2008 to 31<sup>st</sup> January 2009. Data taken on 6<sup>th</sup> February 2009  
 Past performance is not an indication of future returns

## Performance Review - Zeros

- Benefitting from falling interest rates
- Reduced cover but pull to redemption
- Stock specific issue – Real Estate Opportunities

## Performance Review – Structured Products

- Volatility starting to reduce
- Credit spreads look to have peaked
- Equity markets stabilising
- Soft protection levels some way off

## Performance Review – Funds of Hedge Funds

- Action to address discounts
- NAVs may be improving
- Liquidity concerns may be overdone

# Purchases 1<sup>st</sup> Oct 08 – 31<sup>st</sup> Dec 08

	Total Cost	Average Cost (p)	Value 30 <sup>th</sup> Jan 09 (p)	% Price <sup>1</sup> Change	Date Purchased	Category
MW Tops Ltd	£680,000	800	891.5	11.44%	13-Oct-08	A
Goldman Sachs FTSE Dividend	£850,000	100	77.25	-22.75%	14-Oct-08	SP
ML FTSE 100 Stepped Growth	£708,750	141.75	154.25	8.82%	16-Oct-08	SP
Symphony 15% FTSE Defensive	£250,000	100	101.1	1.10%	17-Oct-08	SP
Barclays 5yr FTSE Synthetic Zero	£663,240	102.05	104.39	2.29%	24-Oct-08/ 14-Nov-08	SP

Source: Premier Fund Managers Limited, data to 31<sup>st</sup> January 2009

<sup>1</sup> Price change since purchase

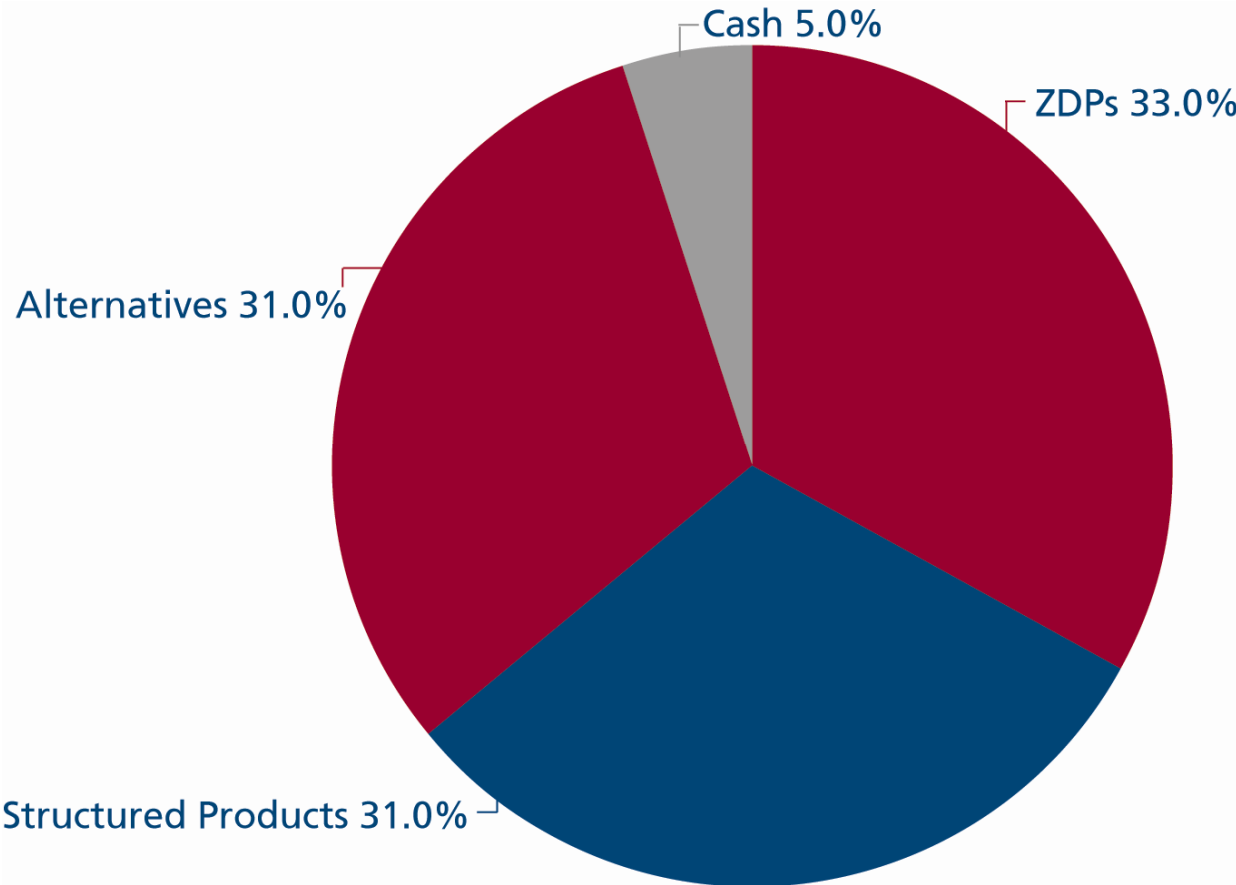
# Purchases Continued

	Total Cost	Average Cost (p)	Value 30 <sup>th</sup> Jan 09 (p)	% Price <sup>1</sup> Change	Date Purchased	Category
Dexion Absolute EUR	£97,199	€1.20	€1.44	20.00%	05-Nov-08	A
Alternative Investment Strat.	£110,000	88	88	0.00%	10-Nov-08	A
BH Macro LTD ORD	£197,430	1241	1377	10.96%	20-Nov-08	A
Goldman Sachs Dynamic GBP	£53,000	53	54.75	3.30%	17-Dec-08	A
JZ Capital Partners	£611,250	203.75	206.25	1.23%	23-Dec-08	Z

Source: Premier Fund Managers Limited, data to 31<sup>st</sup> January 2009

<sup>1</sup> Price change since purchase

# Current Position



Source: Premier Fund Managers Ltd, data as at 31<sup>st</sup> January 2009

# Outlook

- Alternatives should continue to move ahead
- Zeros producing positive returns
- Embedded value in structured products to underpin prices

# Important Information

This presentation is not for public distribution

- 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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