

Sentinel Defensive Fund

Investment Seminar

October 2009

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To watch over and guard



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Role of the Sentinel Defensive Fund

- The most cautious of the three Sentinel funds
- Look to produce a 'cash plus 1%' return over three rolling year periods
- Official IMA Sector: Unclassified
- Internally referenced to the IMA Cautious Managed Sector

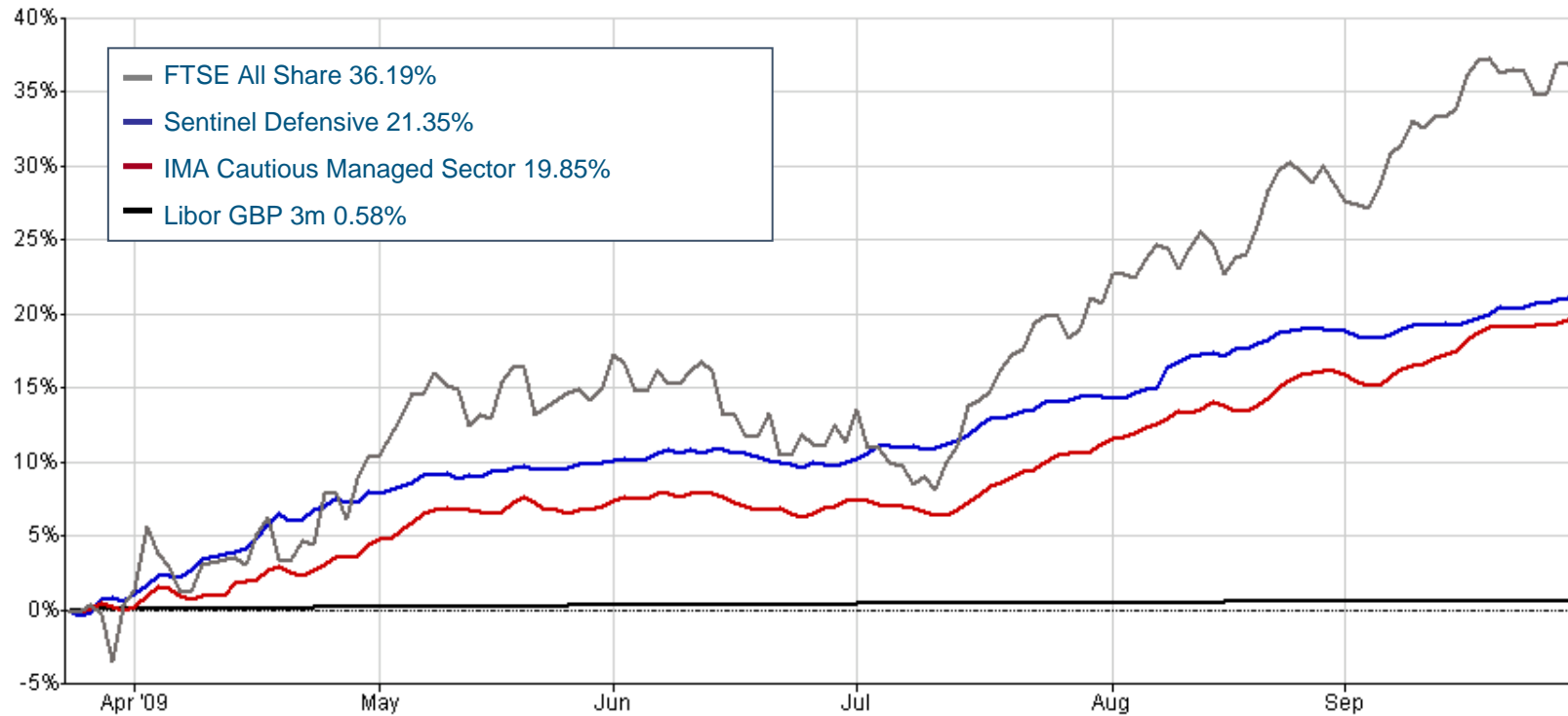
Sentinel Defensive Fund Performance Since Launch



Source: Financial Express Analytics, quoted on a bid to bid, total return, UK Sterling basis.
 Data from 09th May 2008 to 30th September 2009. Data taken on 13th October 2009.
 Past performance is not an indication of future returns. IMA Cautious Managed Sector used for internal reference

Sentinel Defensive Fund

Performance: 24 Mar 09 – 30 Sept 09



Source: Financial Express Analytics, quoted on a bid to bid, total return, UK Sterling basis.
Data from 24th June 2009 to 30th September 2009. Data taken on 13th October 2009.
Past performance is not an indication of future returns. IMA Cautious Managed Sector used for internal reference

Sentinel Defensive Fund

Discrete Performance

	3 months	12 months	Since Launch (9 th May 2008)
Sentinel Defensive Fund	10.38%	6.60%	-1.11%
LIBOR 3m + 1%	0.45%	3.25%	6.01%
IMA Cautious Managed Sector	11.70%	7.63%	-2.94%
FTSE All Share	22.38%	10.80%	-11.62%

Source: Financial Express Analytics. Data to 30th September 2009. Quoted on a bid to bid, total return, UK Sterling basis. Past performance is not a guide to future returns. IMA Cautious Managed Sector used for internal reference.



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Performance of All Stocks Held

31st March 09 – 30th Sept 09

REO Securities Zero	350.0%	Dexion Equity Alternative Ord	19.9%
Dexion Absolute Limited USD	62.7% *	ML Capital Acc II (ELDeRS 16A)	19.6%
Goldman Sachs FTSE 100 Dividend Index Cert	59.8%	Barclays 5yr GDP FTSE Synthetic Zero	18.0%
Acencia Debt Strategies Ord	46.1%	EPIC Securities Zero	17.5%
Symphony Defensive FTSE Auto-Call 4	40.4%	Jupiter Second Enhanced Zero	16.3%
The Cayenne Trust Ord	39.2%	JZ Capital Partners Zero	13.1% *
Goldman Sachs Dynamic Opps USD Ord	31.6%	Symphony 15% FTSE Defensive Autocall	11.8%
ML FTSE 100 Autocallable Warrant	31.5%	Symphony Defensive FTSE Auto-Call 2	11.8%
FRM Diversified Alpha Fund Red Part Pref	30.2%	JP Morgan Private Equity Zero	10.1%
ML Capital Accumulation VIII (ELDeRS 29A)	29.5%	Brevin Howard Macro USD ORD	10.0%
Utilico Finance 2014 Zero	29.1%	Alternative Investment Strategies Hedged	9.5%
Investec Capital Accumulator Ord	26.2%	Utilico Finance 2012 Zero	8.9%
MW Tops Ltd Pref USD	25.7%	ML FTSE 100 Stepped Growth	7.1% *
MW Tops Ltd Pref GBP	24.5%	Juridica Ord	5.3%
Symphony FTSE 100 Synthetic 2013 ZDP	22.2%	Brevin Howard Macro GBP ORD	5.0% *
Goldman Sachs Dynamic Opps GBP Ord	21.8%		

* Performance to redemption value

Source: Premier Fund Managers Limited. Data to 30th September 2009.
Past performance is not a guide to future returns.

Fund of Hedge Funds – Why?

- Despite last year's experience, these investments usually have a low correlation with equity markets.
- Ability to make useful returns in sideways markets.
- Well diversified through pursuing many different strategies.

Fund of Hedge Funds – Why now?

- Wholesale ‘shake out’ of managers, has left better returns for remaining participants.
- Discounts to net asset values (NAV) 15% compared to 7%, 12 months ago.
- Corporate action is rife – reducing discounts and adding to NAV.

Source: Thomson Financial Datastream, from 29th September 2008 to 5th October 2009

Fund Of Hedge Fund example

Dexion Absolute \$ Class

- Purchase History

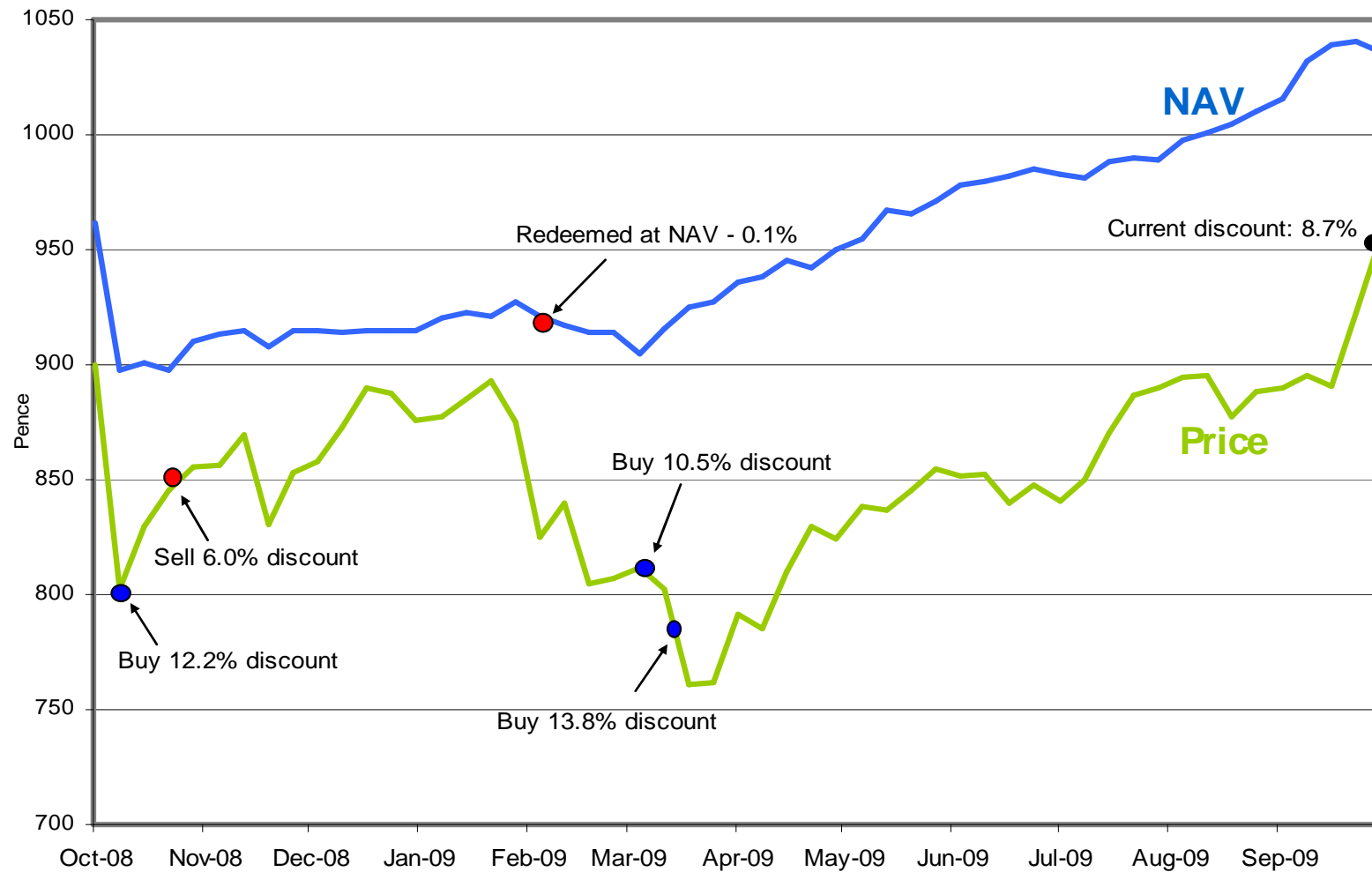
Date	Quantity	Price	Discount ¹
1 st October 2008	250,000	\$2.27	7.8%
2 nd October 2008	250,000	\$2.25	8.6%
26 th January 2009	500,000	\$1.89	18.2%
Weighted Average		\$2.08	13.2%

- 30th June 2009 – Voluntarily redeemed at NAV (\$2.5387)
- Average weighted return of 22.3%

Source: Premier Fund Managers Limited. ¹Bloomberg, as at 30th September 2009.

Fund Of Hedge Fund example

MW Tops



Source: Premier Fund Managers Limited and Bloomberg, data from 13th October 2008 to 9th October 2009.

Outlook for the rest of the Fund

- All the autocall products in the Fund are set to pay out over the next six months. All are currently ‘in the money’ – a much healthier position than a year ago.
- Zero dividend preference shares looking reasonable value. 5 year gilt yields are 2% lower than 12 months ago, leaving further room for credit spreads to narrow.

Source: Bloomberg, data to 13th October 2009

Performance Benchmarks Explained

- FTSE All Share: the aggregation of the FTSE 100, FTSE 250 and FTSE Small Cap Indices
- LIBOR: London Inter-Bank Offer Rate. The interest rate that the banks charge each other for loans
- IMA Cautious Managed Sector: includes average performance of all cautious managed funds. A cautious managed fund is where it invests in a range of assets with the maximum equity exposure restricted to 60% of the fund and with at least 30% invested in fixed interest and cash
- Please refer to the Simplified Prospectus and Prospectus for full details of the Sentinel Defensive Fund which can be found on www.thesentinefund.co.uk

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.
- Disclaimer
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