



Sentinel OEIC

Fund Manager Quarterly Questionnaire

Period 7

30th September to 31st December 2009

FUND DETAILS

Fund: **Sentinel Universal Portfolio**

Managing Group: **North Investment Partners**

Manager: **John Husselbee/ Nick Stanhope**

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 over the period.

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

Total funds under management represent approx. £360m.

INVESTMENT POLICY

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

There have been no significant changes to our investment research systems or style of management in the period under review.

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

Over the quarter we have continued to reduce bonds as we near the end of this part of the investment cycle. The global economic recovery continues to gather pace and investment grade is now considered fair value. Sovereign bonds continue to be at risk from a downgrade or even the danger of default. Proceeds have been used to increase equities, commodities and absolute return funds.

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

The Portfolio, as stated at the last review meeting, has increased its market risk versus the peer group. Evidence of this increase in market risk has proved rewarding in the final quarter with the improvement of returns. We believe that the market is fairly fully priced with the expectation of a sustained economic recovery. There is little room for error and therefore the risks remain to the downside. Our view is that central banks will remain cautious and the fear of inflation still outweighs the deflation argument. However signs of a policy mistake or a double dip scenario need to be considered.

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

The turnover of the portfolio is in line with our expectations given the significant redemptions over the period.

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?

We confirm that the Portfolio is benefiting from the best terms.

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

Our decision to sell down the bond exposure have contributed positively to returns in the quarter. This was most rewarding in December when long dated sovereign debt sold off with fear of default in Greece.

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

In our last review, we wrote "Our challenge has been to re-balance the portfolio against a rising tide of optimism in the economic recovery. As a result we slightly lagged the peer group and custom benchmark over the quarter. Adding more risk assets should improve our chances of outperformance these measures in the medium term."

We believe this has been achieved.

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

The cash weighting has been invested in funds which offer AAAM credit rating which indicates there is no capital at risk.

Are you happy with your stock selection across each sector?

We continue to review and monitor funds to maximise returns for investors. Within UK equities, we believe there is good value in the UK Equity Income sector and stockpickers.

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

See answer above.

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

This economic recovery remains fragile as investors still fear a repeat of the last two years. In the quarter, Dubai caused a minor panic and these events are expected to continue with volatility reducing over time.