



# Sentinel Enterprise Fund

To watch over and guard

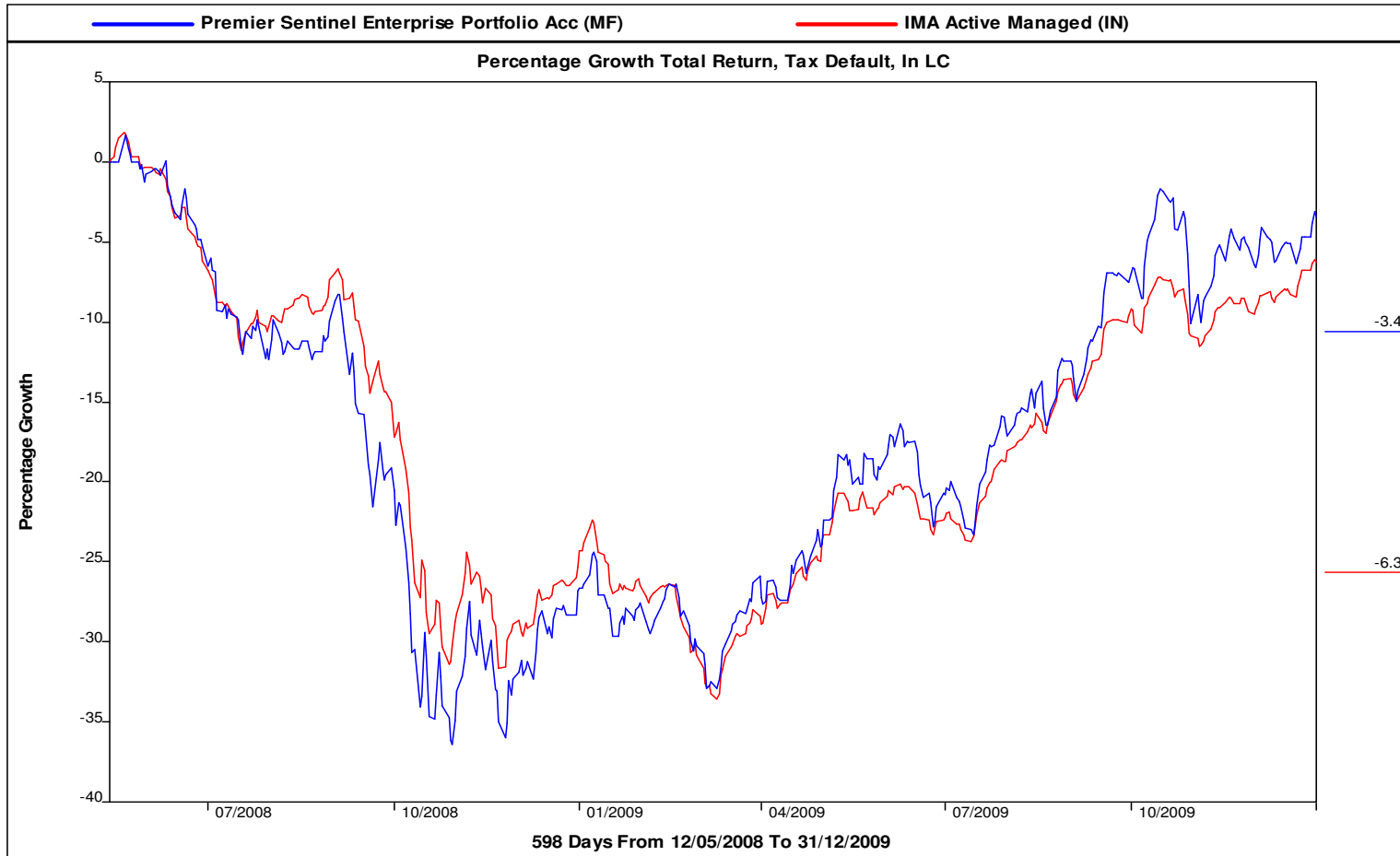
## Fund Manager Quarterly Review

December 2009

# Headlines – Sentinel Enterprise Fund

- **Investment Company**  
Williams de Broë - Assetmaster
- **Fund Manager**  
Laurence Boyle
- **Investment Objective**  
To provide long term capital growth from a portfolio of investments.
- **Investment Policy**  
The investment policy of the Fund is to invest mainly in units of equity and fixed interest based collective investment schemes, the majority of which will be UK investment funds. The Fund may also invest in equities, fixed interest securities, money market instruments, structured products and other derivative instruments, deposits, warrants, cash and near cash. Investments may be made indirectly in immovable property typically through units in collective investment schemes and/or shares in property companies. The Fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the fund). Derivatives may be used by the Fund for both investment purposes and for the purposes of efficient portfolio management (including hedging).

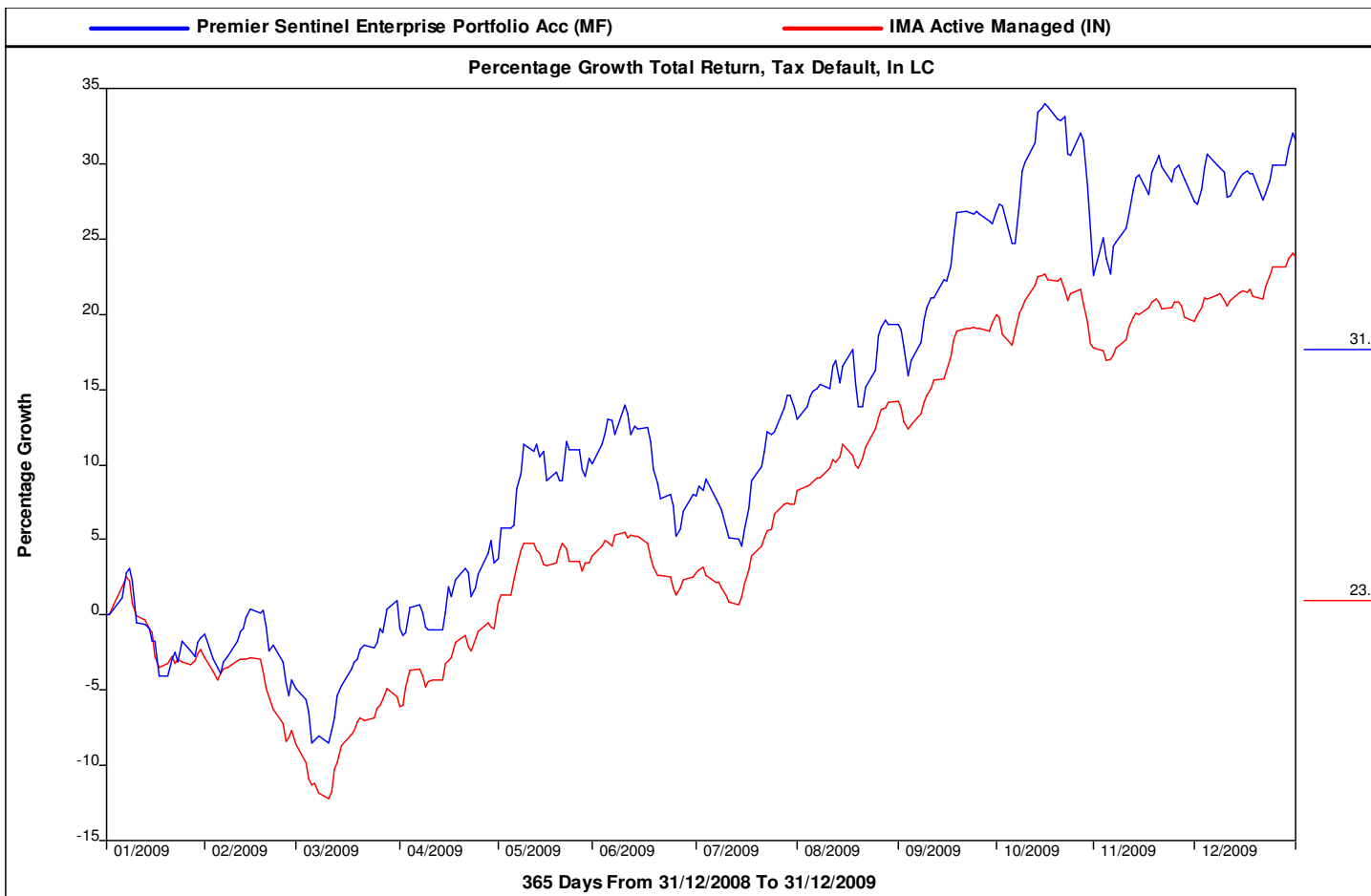
# Performance Since Launch



User may have modified the original chart and axis titles provided by Lipper.



# Performance Over One Year



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# Performance Over Reporting Period



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# Performance Review

Sentinel

Name	% Growth TR Def GBP 31D 30/11/2009 To 31/12/2009 1 Month			% Growth TR Def GBP 92D 30/09/2009 To 31/12/2009 3 Months			% Growth TR Def GBP 184D 30/06/2009 To 31/12/2009 6 Months			% Growth TR Def GBP 275D 31/03/2009 To 31/12/2009 9 Months			% Growth TR Def GBP 365D 31/12/2008 To 31/12/2009 12 Months			% Growth TR Def GBP 598D 12/05/2008 To 31/12/2009 Launch		
	Value	Qtl	Dcl	Value	Qtl	Dcl	Value	Qtl	Dcl	Value	Qtl	Dcl	Value	Qtl	Dcl	Value	Qtl	Dcl
IMA Active Managed	3.6			3.21			20.47			31.84			23.82			-6.26		
Total Average (133)	3.59			3.19			20.53			32.2			24.13			-6.01		
Premier Sentinel Enterprise Portfolio Acc	3.2	3	7	3.74	2	4	21.93	2	5	32.75	2	5	31.61	1	2	-3.44	2	4

# Details of Purchases

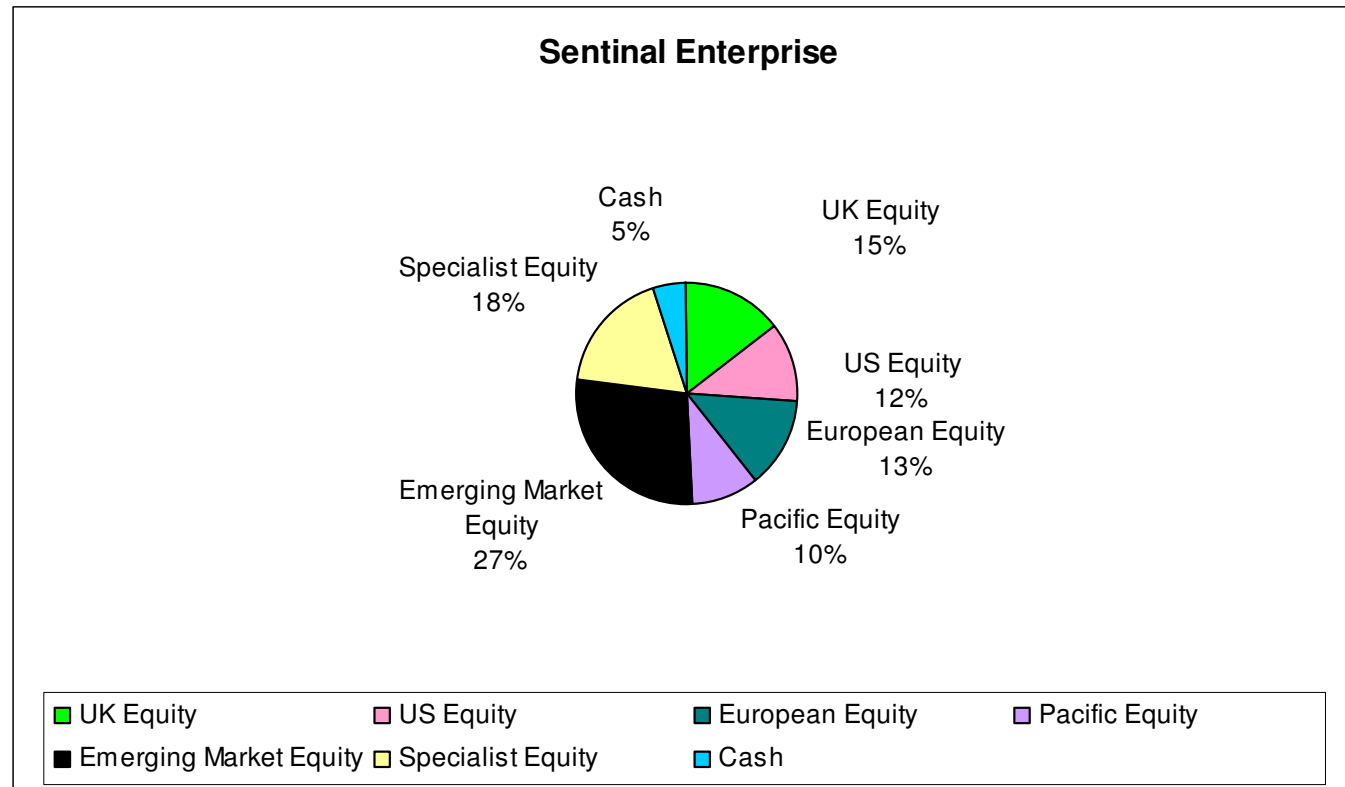
There were no transactions undertaken during the reporting period

# Details of sales

Date	Buy/Sell	Security Name	ISIN Code
15.10.09	Sell – reinvested dividend received after holding sold	Ignis Cartesian 130/30 J Dis	IE00B2NXF602
16.10.09	Redemption due to autocall kicking in	Symphony FTSE Autocall	

# Asset Allocation

31<sup>st</sup> December 2009



# Outlook - Sentinel Enterprise Fund

The last quarter of 2009 saw a continuation of the variance in economic data, signals that the global economy has emerged from the recession being countered by concerns over Dubai World's ability to fund debt and downgrades made to several countries sovereign debt. There was however a year end rally which allowed markets to recover to within 20% of their previous peaks.

Looking forward 2010 could still be a difficult year for investors as economic indicators of the markets' fortunes are giving mixed signals. We anticipate that global economic growth may appear to be much stronger over the first half of the year than is widely expected and that corporate earnings forecasts will subsequently be revised sharply upwards. At the same time, inflation is also likely to retain a benign appearance throughout the year. The low interest rate policy should encourage more investors to seek returns from riskier assets.

We are confident that corporate activity will increase substantially this year, in terms of both mergers & acquisitions and new issues. The former will come as companies resort to traditional means of cutting costs by reducing labour and also as they take advantage of increasingly strong balance sheets. New equity issuance, or IPOs, is an inevitable consequence of better markets and of the need of private equity to reduce its still very high levels of indebtedness.

If we believe our observation that the rate of nominal growth in the UK has been around 5%, then the prospect for the coming decade is maybe a full 1% lower than this on average. It is also near certain that once the election has passed; an emergency budget will impose not only widespread tax increases but also cuts in public expenditure.

The difficulties in Dubai and Greece have highlighted that government bonds are certainly not the risk-free investments that they are sometimes portrayed to be. Quantitative Easing, the process by which the UK in particular has at least temporarily avoided the worst after-effects of the banking crisis, has allowed the creation of unprecedented levels of government debt. This has to be both serviced and ultimately repaid. The markets are now appearing to be awakening to the prospect of the UK being caught in a debt cycle, of the government having to issue further gilts to fund not only the repayment of the existing issues but also the ongoing interest payments. That markets are currently willing to lend to the UK at a mere 4% interest rate is a situation that cannot be maintained indefinitely and it is only a matter of time until gilt yields rise, possibly substantially.

It has long been said that the UK economy thrives on a little inflation and this has never been more true than now. The UK is of decreasing importance in a world economy that is ever more dependent upon the growth of developing economies. According to one measure of GDP, China will become the largest economy in the world this year. India's potential is similarly dynamic and Brazil is suggesting that the days of woe may now be long forgotten by significant parts of Latin America. These economies are not dependent upon debt, while the creation of new, wealthy middle classes will ultimately shift the centre of global consumption from west to east. Their equity market performances may have been spectacular over the past year, but emerging markets are shaping the way the world will change over the coming decades.