Minutes of the Adviser Business Solutions Investment Committee Meeting

Location: Premier Offices, Guildford

Date: 28/04/2010

Attending: Dave Stamp, Mike Reidy, Richard Anderson, Ben Armstrong of ABS, Mike Hammond of Premier (acting as ACD), Paul Smith of Premier (Defensive Fund Manager), Nick Stanhope & Rebecca Murphy of North Investments (Universal Fund Manager), Laurence Boyle of Williams De Broe (Enterprise Fund Manager), Joe Freire of JMF-FS & Frank Blackmore of Headley Financial Services.

Apologies: Jon Foster (ABS), John Husselbee (North Investments)

Minutes of previous Meeting

The IC reviewed the minutes from the previous meeting

Review of Sentinel Enterprise Fund
Please see accompanying Sentinel Enterprise Quarterly Questionnaire & Review document

LB discussed the Sentinel Quarterly Questionnaire and Presentation.

Comments
LB stated that very recently the funds European exposure has been reduced to zero. This allocation has been added to the fund's North American weightings (Mega Cap Stocks). The reasoning behind this is due to company earnings in the US having been consistently high for a relatively long period. Europe has delivered well recently but the valuations are now looking stretched due to the increase in the Euro. Company earnings is a key area that fund managers are currently looking at. The Enterprise fund is now very much invested in where we think the growth is.

The Allianz China A Share holding could exceed 1.5% AMC. This is due to the fact that the fund has performance related fee of 25% on any outperformance above the benchmark. Performance related fees will always have an impact on the AMC generally this cost is offset by the level of outperformance.

DS asked if the holding of the significant cash position had a benefit on the fund. LB replied that overall due to market timings it had a neutral effect.

DS then went on to ask LB if he would hold a high cash position again. LB replied yes, if something had done well we would bank some of the profit with the intention of going back into the market.

Review of Sentinel Universal Fund
Please see accompanying Sentinel Universal Quarterly Questionnaire & Review document

NS discussed the Sentinel Quarterly Questionnaire and Presentation.

Comments
NS commented on the possibility that a hung parliament has already been priced into the markets. Also there are concerns that the withdrawal of Quantitative Easing could cause a problem at this stage and vary wary that policy makers could make a mistake, this is also applicable for rating agencies and institutional buyers.

In regards to the banks they have recovered and are very well positioned in the current climate to make money. However the banks are still not lending and this is down to three reasons. Firstly they want to fully repair their balance sheets. Secondly, fearful of business's defaulting on their obligation and lastly the possibility of changes in regulation.

Investment confidence has improved the VIX (Volatility Index)has been consistently low over the recent quarter compared to the previous reporting periods.

DP asked NS where they were looking to invest. NS replied that UK Mid Cap was looking attractive as there is the possibility of a lot of M&A activity. Also looking to purchase IShares in developed & emerging markets, this gives a level of liquidity which facilitates the option of holding a cash position.

RA asked NS about the current Allocation to Japan as the sentiment has generally been quite negative. NS replied that this is a short term tactical measure. There are current signs of weakness in the Yen and we are trying to capitalize on this. Overall the long term view still remains negative.

FB asked NS what their general approach was as they are the core holding of most portfolios NS replied overall we are cautiously optimistic. The general consensus is that the markets are ahead of themselves, there is a current global recovery. Stockmarkets are growing slowly, there are still risks evident and these have been highlighted by Greece's situation. Main focus is on trying to maintain positive growth and protect against risk.

The Sentinel Fund

To watch over and guard

Review of Sentinel Defensive Fund
Please see accompanying Sentinel Defensive Quarterly Questionnaire & Review document

PS discussed the Sentinel Quarterly Questionnaire and Presentation.

Comments

All sectors have been positive over the recent reporting period.

The balance in risk has been decreased; reduced the equity exposure. Potential risk to the fund is the chance of rising interest rates and has taken steps to protect against this. The purchase of EIB 2.65% 16/04/2020 index linked is an example of this.

DS asked PS what type of investments he was specifically looking for. PS replied that Synthetic Zeros are of particular interest and have approached the Rabobank & Societe Generale bank about these types of instruments. Have a good level of experience in this area and my input with the banks above in regards to these products have been incorporated into the products prospectus.

MH asked if there were many structured products available. PS replied that there were but none that were really suitable for this fund. Currently looking for structured products with shorted durations than some of the structured products currently held.

PS stated that the alternative sector has been quite volatile. Over time looking to reduce exposure to the alternatives as these holdings can be very responsive to market movements. Additional investments would be into the Zero sector as these provide defined controls which allow effective management.

DS asked PS if he would be looking to go back into the Alternatives market. PS replied generally no. If conditions were favorable with discounts of 20% / 30% then probably yes.

MR asked PS to what level would he reduce the Alternatives sector. PS replied no defined goal but around 15% would be ideal but am in no rush to make these types of changes. Alternatives are a difficult area to model successfully.

DS asked PS if there was anything that happened in the last week that would have had a big impact on the fund. PS replied no, there was a 5% fall in the market and the fund was only down 0.2%

IC Review of Managers Performance
IC agreed that all mangers outperformed their defined benchmark. It was agreed that none of the managers are currently under review

ACD Discussion

MH to forward reports onto IC members

Redemptions

Redemptions where below the sector average

Any other business

Discussed format for Sentinel Client Seminar scheduled for June 30th

Date of next meeting

20/07/2010 @ Premier’s Office Guildford

Actions
- RA to communicate to all managers to ensure new templates & format are used for the next meeting
- RA to add NS to the North Investments email list
- RA to confirm with North Investments that the presentation supplied to the IC prior to the meeting is the one that is actually presented
- MH to forward ACD reports to the IC