

# Fund Manager Quarterly Review



Reporting period: Q4 2010

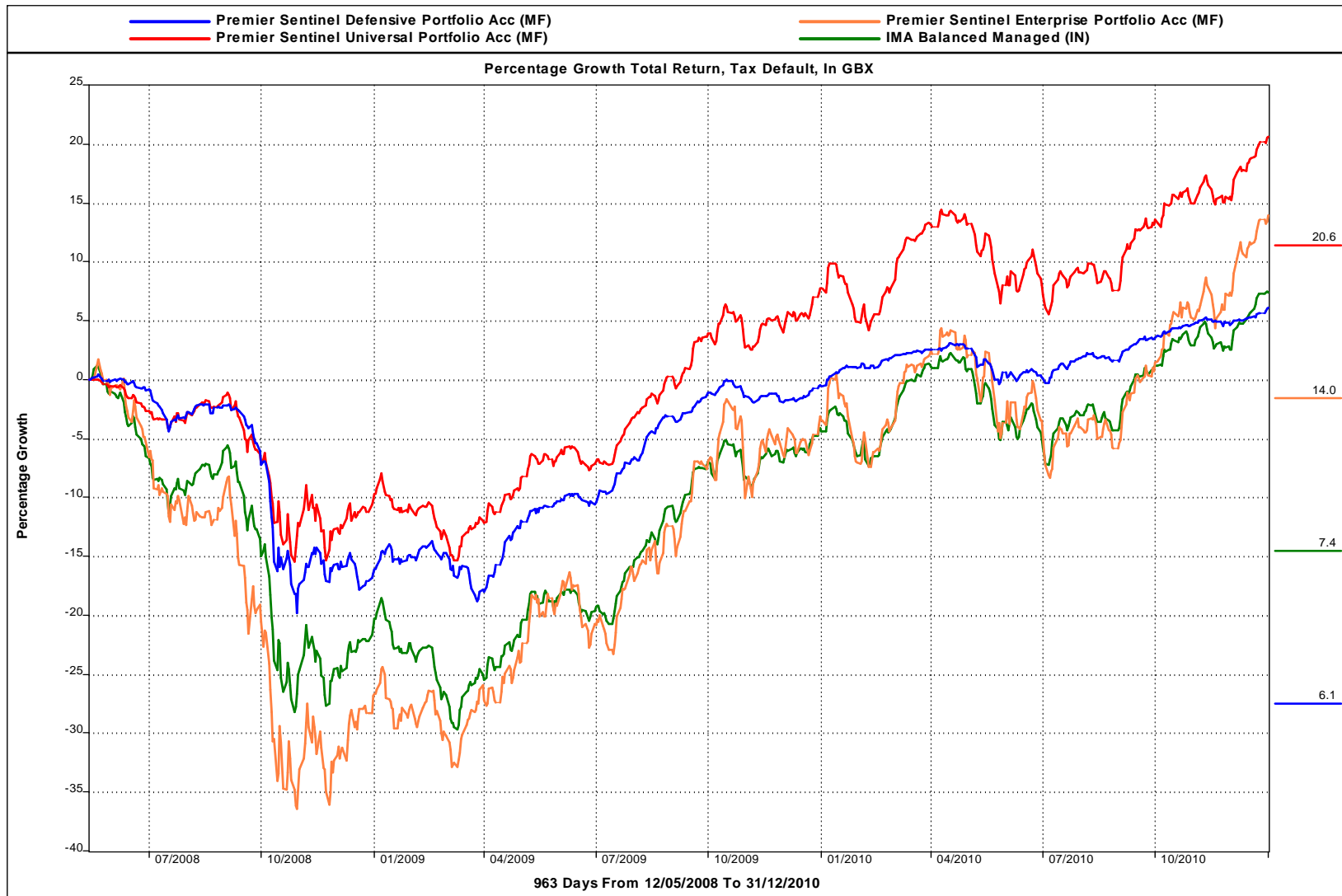
January 2011

North

## Headlines – Sentinel Universal

- FuM £72.9m today, up from £65.5m as at 30<sup>th</sup> September 2010
- Risk appetite continues from late August
- US economic growth too slow, unemployment too high
- US embarks upon QEII, a further \$600bn liquidity to avert Double Dip
- Fed target the stockmarket and the wealth effect
- No real surprise from Mid Term US Elections
- Commodities and Emerging Markets perform strongly
- US Treasury and Gilt ten year bond yields rise sharply
- Ireland is the latest Euro member to be bailed out
- EU/ ECB acting quicker but still no long term solution
- Fears of overheating/ rising inflation in Emerging Markets

# Performance Since Launch



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



Source: Lipper Hindsight

# Performance Review

Discrete Performance	Q4 2010	Q3 2010	Year 2010	Year 2009	Year 2008*	Since Launch**
Sentinel Universal Portfolio	6.2	5.9	12.0	19.3	-9.7	20.6
Benchmark	4.3	8.0	12.1	14.2	-8.5	14.3
<i>Difference</i>	1.9	-2.1	-0.1	5.1	-1.2	6.3
IMA Balanced	6.1	7.4	12.3	20.0	-20.3	7.4
Gilts	-2.1	3.6	7.2	-1.2	12.3	18.9
UK Equities	7.3	13.8	14.3	29.9	-28.4	6.3
Global ex UK Equities	9.9	8.2	16.7	18.9	-16.2	16.2

Benchmark 30% UK Equity (FT All Share), 30% Global ex UK Equity (FT World ex UK) & 40% UK Gilts (FT British Govt All Stocks).

\*Performance period 12/5/2008 to 31/12/2008.

\*\*Launch date 12/5/2008.

Source: Lipper Hindsight. Bid to bid, income reinvested in sterling terms. All data to 31<sup>st</sup> 2010.

# Performance Review

Cumulative Performance	Three Months	Six Months	One Year	Year to date	Since Launch**
Sentinel Universal Portfolio	6.2	12.5	12.0	12.0	20.6
Benchmark	4.3	12.9	12.1	12.1	14.3
<i>Difference</i>	1.9	-0.4	-0.1	-0.1	6.3
IMA Balanced	6.1	14.0	12.3	12.3	7.4
Gilts	-2.1	1.5	7.2	7.2	18.9
UK Equities	7.3	22.1	14.3	14.3	6.3
Global ex UK Equities	9.9	19.1	16.7	16.7	16.2

Benchmark 30% UK Equity (FT All Share), 30% Global ex UK Equity (FT World ex UK) & 40% UK Gilts (FT British Govt All Stocks).

\*\*Launch date 12/5/2008.

Source: Lipper Hindsight. Bid to bid, income reinvested in sterling terms. All data to 31<sup>st</sup> December 2010.

## Transactions – Fourth Quarter

Date	Trade	Fund Name	Value £
09-Nov	SELL ALL	ABSOLUTE INSIGHT UK EQUITY MARKET NEUTRAL	1,064,000
10-Nov	BUY	ARTEMIS STRATEGIC ASSETS 'I' ACC	678,000
10-Nov	BUY	JPM GLOBAL CONSUMER TRENDS C ACC	226,000
10-Nov	BUY	ARTEMIS INCOME 'I' FUND GBP	678,000
10-Nov	BUY	INVESTEC ENHANCED NATURAL RESOURCES ACC	1,017,000
11-Nov	BUY	JPM GLOBAL CONSUMER TRENDS C ACC	226,000
12-Nov	BUY	JPM GLOBAL CONSUMER TRENDS C ACC	226,000
18-Nov	SELL ALL	WHITE TIGER ASIA	999,000
22-Nov	BUY	JOHN LAING INFRASTRUCTURE	679,000
03-Dec	SELL	GOLDMAN SACHS EMERGING MARKETS CARRY EXCESS RETURN	1,608,000
03-Dec	BUY	SCHRODER ASIAPACIFIC-ORD	482,000
03-Dec	BUY	SCHRODER ASIAPACIFIC-ORD	138,000
03-Dec	BUY	INVESCO ASIA TRUST	281,000
03-Dec	BUY	INVESCO ASIA TRUST	441,000
06-Dec	SELL	FIRST STATE ASIA PACIFIC LEADERS B ACC	1,963,000
07-Dec	BUY	SCHRODER ISF ASIAN TOTAL RETURN	1,372,500
08-Dec	BUY	SCHRODER ISF ASIAN TOTAL RETURN	1,372,500
10-Dec	SELL	GARTMORE UK ABSOLUTE RETURN I ACC	400,000
10-Dec	BUY	INVESCO ASIA TRUST	441,000
13-Dec	SELL	GARTMORE UK ABSOLUTE RETURN I ACC	160,000
14-Dec	SELL	GARTMORE UK ABSOLUTE RETURN I ACC	160,000
15-Dec	SELL	GARTMORE UK ABSOLUTE RETURN I ACC	160,000
16-Dec	SELL	GARTMORE UK ABSOLUTE RETURN I ACC	160,000
17-Dec	SELL ALL	GARTMORE UK ABSOLUTE RETURN I ACC	160,000
17-Dec	BUY	INVESCO ASIA TRUST	441,000
20-Dec	BUY	ISHARES MSCI EMERGING MARKET INC	712,500
20-Dec	BUY	ISHARES MSCI EUROPE EX-UK (IEUK)	712,000
20-Dec	BUY	SALAR CONVERTIBLE ABSOLUTE RETURN B DIST GBP	1,430,000
20-Dec	SELL	ISHARES FTSE 100 (ISF)	1,426,000
20-Dec	BUY	JOHCM UK EQUITY INCOME FUND - INCOME	2,850,000

Source: North Investment Partners, 31<sup>st</sup> December 2010.

# TER Analysis

- Please list any underlying funds with a TER greater than 1.5% net of any rebate.

Investment committee require a brief explanation of the reason for selecting this fund(s)

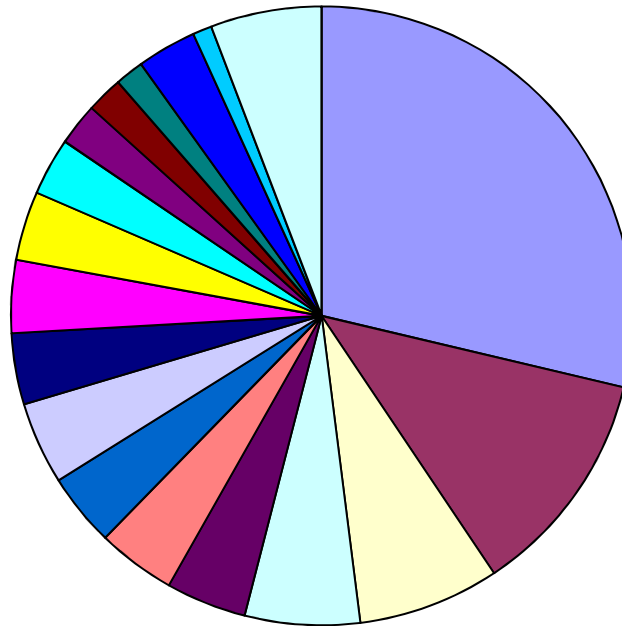
Fund	TER	Reason for selection
White Tiger Asia	Increased to 6% during period under review.	Fund decreased dramatically in size. TER increased as a result. After negotiations with fund manager the decision was taken to sell the holding in mid November

# Asset Allocation

<b>Asset Class</b>	<b>Benchmark</b>	<b>Current</b>	<b>Difference</b>
	<b>%</b>	<b>%</b>	<b>%</b>
UK Equities	30.0	28.7	-1.3
Global ex UK Equities	30.0	36.7	6.7
UK Fixed Interest	40.0	7.4	-32.6
Private Equity	0.0	1.5	1.5
Absolute Return	0.0	6.0	6.0
Commodity	0.0	10.3	10.3
Property	0.0	3.6	3.6
Cash	0.0	5.8	5.8
Total	100.0	100.0	

Source: North Investment Partners, 31<sup>st</sup> December 2010.

# Asset Allocation



- UK Equity
- Japan
- Europe
- BRIC
- India
- Asia
- Gold Shares
- Global Consumer
- China
- Cash
- Corporate Bond
- US
- Property
- Private Equity
- Absolute Return
- GEM
- Oil Shares
- Natural Resources

Source: North Investment Partners, 31<sup>st</sup> December 2010.

# Outlook

- Markets do not equal economies
- Gradual recovery continues in Developed economies
- US prefers to spend to gain traction in their economy
- UK & European spending cuts & tax rises ratified last year will be implemented this year
- Inflation, except in the UK, is an issue for Emerging Markets
- Corporate cash flow supports equities, how will they spend it?
- EU/ ECB need to agree on a more permanent solution
- Markets can act quicker than governments
- Main concerns – China overheating & Commodity prices
- Cautious approach remains prudent