



## **Minutes of the Adviser Business Solutions Investment Committee Meeting**

**Location:** Premier Offices, Guildford

**Date:** 26/04/2011

**Attending:** Jon Foster, Dave Stamp, Mike Reidy, Ben Armstrong of ABS, Mike Hammond of Premier (acting as ACD), Paul Smith of Premier (Defensive Fund Manager), John Husselbee of North Investments (Universal Fund Manager), Laurence Boyle of Williams De Broe (Enterprise Fund), Joe Freire of JMF-FS, Frank Blackmore of Headley Financial Services

**Apologies:** Richard Anderson of ABS

### **Minutes of previous Meeting**

The IC reviewed the minutes from the previous meeting

FB made reference to TERs , the overall direction seems fine  
DS mentioned that with some of the charges nothing can be done about them although reducing ACD fee would help. This will all be looked at over the next quarter.  
MH explained the make up of TER is ACD charge , fund manager charge and trail to IFA, other major component are the cost of underlying funds and administration and shareholder fee. The TER on Enterprise is 2.7% , Universal is 2.4% and Defensive is 1.7%.

MH wanted to know if anyone had any objections about removing the funds from the FT since represents significant cost. No objections were tabled.

### **Review of Sentinel Enterprise Fund**

Please see accompanying Sentinel Enterprise Quarterly Questionnaire & Review document

LB discussed the Sentinel Quarterly Questionnaire and Presentation.

### **Comments**

LB feels that US will be best performing stock market. He also mentioned that they do not make many macro calls but when they do it is big , for example getting out of Japan.

Overall, the Enterprise fund fell by 1.5% over the reporting period whilst the benchmark was flat. LB commented that this short-term underperformance was due to the Asian



and Emerging Markets which had a relatively poor quarter compared to the developed markets, caused by concerns that rising commodity prices would impact on economic growth and the Japanese Tsunami. LB is still confident that his approach of being overweight in Emerging Market equities is the correct one, despite shorter-term volatility.

At the last meeting the committee asked for a review of the benchmark used to review the performance of the Enterprise fund. After considering a range of options it was felt that the IMA Active Managed was the most appropriate. LB has agreed that he is content to be reviewed against this benchmark..

### **Review of Sentinel Universal Fund**

Please see accompanying Sentinel Universal Quarterly Questionnaire & Review document

JH discussed the Sentinel Quarterly Questionnaire and Presentation.

#### **Comments**

JH commented that fundamental price of oil should be less than \$100 a barrel and that natural disasters have only a short term impact. The US is moving from recovery to expansion ( investment lead rather than consumer lead )  
It has been a challenging quarter yet markets broadly positive

JH remains cautious over the medium-term with a particular eye on inflation and the impact on markets once central banks begin to unwind the financial support given so far. JH is considering buying an inflation hedge for the fund to protect against rising inflation which he feels will remain in place whilst commodity prices remain high.

### **Review of Sentinel Defensive Fund**

Please see accompanying Sentinel Defensive Quarterly Questionnaire & Review document

PS discussed the Sentinel Quarterly Questionnaire and Presentation.

#### **Comments**

PS feels that overall has been a good quarter for the fund although going forward is looking tough to get a return over the benchmark.

PS has shortened the duration of the fund wherever possible to protect against rising interest rates and is hopeful that some of the defensive structured products will kick out over the course of the next 6 months, providing him with further cash to invest.

PS commented that the zero market is starting to look over-bought but that some value still exists to add to existing holdings.



### **IC Review of Managers Performance**

IC agreed that they are fundamentally happy with the performance of all managers. It was agreed that none of the managers are currently under review

### **ACD Discussion**

#### Redemptions

MH provided reports in regards to gross / net sales and monthly repurchases over rolling 12 month period. MH felt these were high and that ABS need to document why there have been so many.

After discussion it became clear that the increase in redemptions at the end of the 2010.11 tax year was due to the advisers advising clients to make fund switches or withdraw funds to ensure CGT allowances were used in full. Further, the movement of funds from OEIC structures to ISAs to use ISA allowances was a contributing factor.

#### **Any other business**

No

#### **Date of next meeting**

TBC @ Premier's Office Guildford