

Fund Manager Quarterly Review



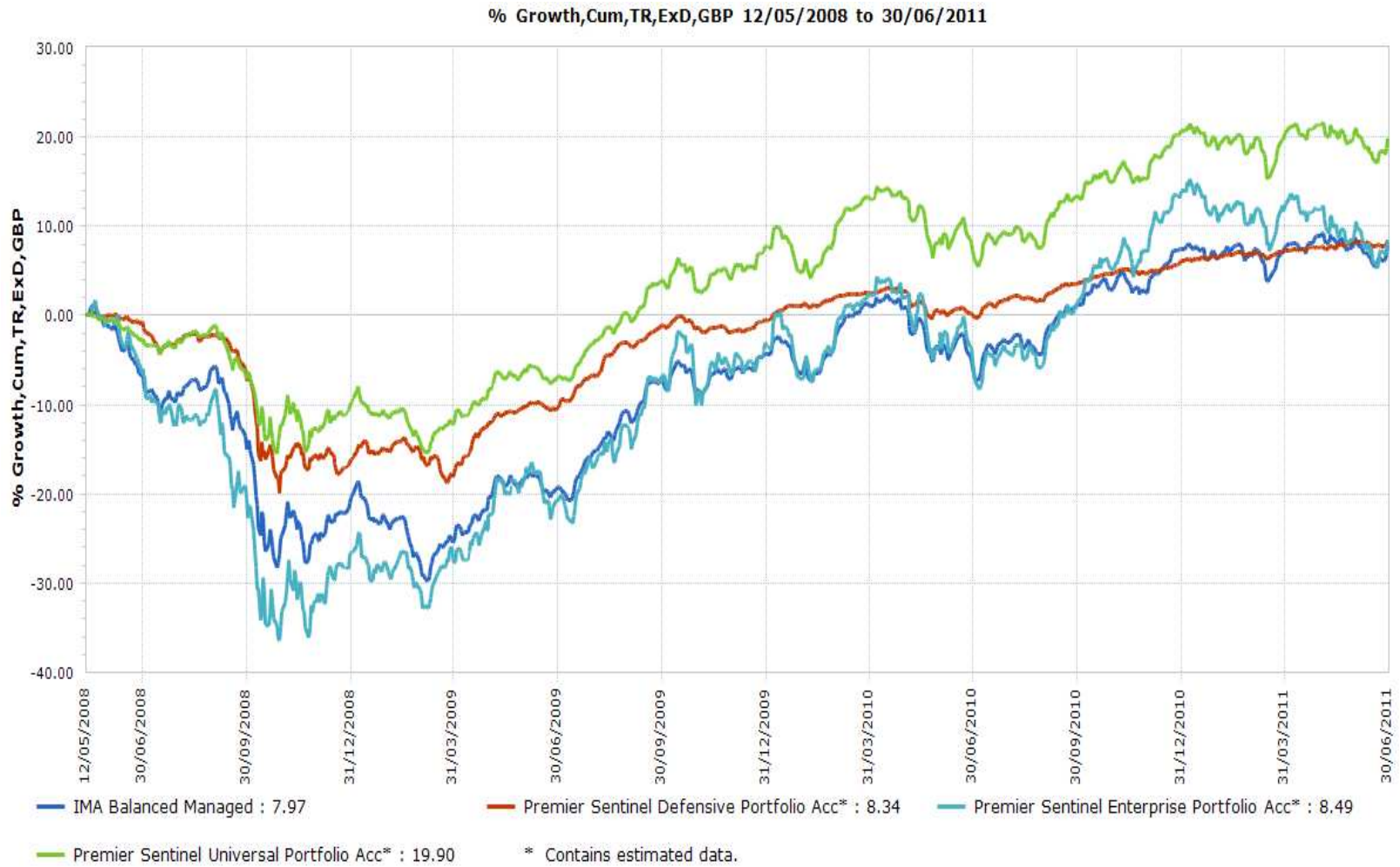
Reporting period: Q2 2011

July 2011

Headlines – Sentinel Universal

- FUM £80.8m today, up from £77.1m as at 31st March 2011
- Tail risk shocks slow growth expectations
- Commodity price, Arab Spring and Tsunami
- US economic growth significantly downgraded
- Greek sovereign debt crisis continues to unsettle markets
- Fear of sovereign risk in US, Japan & UK
- Treasury yields fall on recessionary fears
- EM continue to tighten on rising inflation
- Revised growth expectations leads to sell off in commodity & oil prices
- ECB only developed economy to rise rates
- Investors question whether this is soft patch or something more permanent in absence of further QE

Performance Since Launch



Source: Lipper Hindsight

Performance Review

Discrete Performance	Q2 2011	Q1 2011	Year 2010	Year 2009	Year 2008*	Since Launch**
Sentinel Universal Portfolio	-0.3	-0.3	12.0	19.3	-9.7	19.9
Benchmark	1.7	0.7	12.2	14.2	-8.5	17.0
<i>Difference</i>	-2.0	-0.9	-0.3	5.0	-1.2	2.9
IMA Balanced Managed	0.4	0.2	12.3	20.0	-20.3	8.0
Gilts	2.5	-0.8	7.2	-1.2	12.3	21.0
UK Equities	1.9	1.0	14.5	30.1	-28.6	9.5
Global ex UK Equities	0.3	2.3	16.7	18.9	-16.2	19.2

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 30th June 2010.

Performance Review

Cumulative Performance to 30th June 2011	Three Months	Six Months	One Year	Year to date	Since Launch**
Sentinel Universal Portfolio	-0.3	-0.6	11.8	-0.6	19.9
Benchmark	1.7	2.3	15.6	2.3	17.0
<i>Difference</i>	-2.0	-2.9	-3.8	-2.9	2.9
IMA Balanced	0.4	0.5	14.6	0.5	8.0
Gilts	2.5	1.7	3.1	1.7	21.0
UK Equities	1.9	3.0	25.6	3.0	9.5
Global ex UK Equities	0.3	2.6	22.1	2.6	19.2

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 30th June 2011.

Transactions – Fourth Quarter

Date	Trade	Fund/ Stock Name	Value
14-Apr	BUY	LEGAL & GENERAL DYNAMIC BOND 'I'	£800,000
14-Apr	BUY	JPM GLOBAL CONSUMER TRENDS C ACC	£800,000
18-May	SELL	BLACKROCK AM UK GOLD AND GENERAL ACC	£200,000
18-May	SELL ALL	INVESTEC GLOBAL ENERGY A ACC	£2,257,258

TER Analysis

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

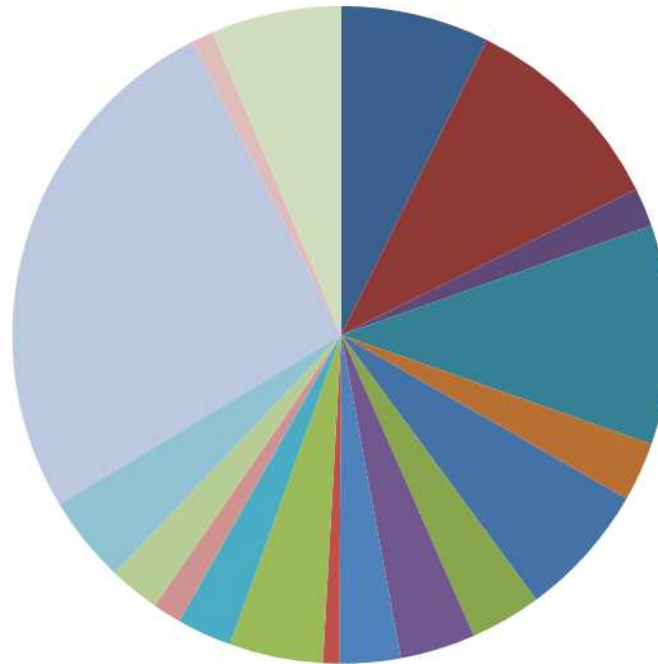
Investment committee require a brief explanation of the reason for selecting this fund(s)

Fund	TER	Reason for selection
Investec Enhanced Natural Resources	1.17% excl performance fee; 3.59% incl performance fee as at 31.03.11	Low volatility exposure to commodities that is able to invest in both direct & equity commodity exposure dependent on the opportunities

Asset Allocation

	Benchmark %	Current Portfolio %	Difference %
UK Equities	30.0	26.1	-3.9
Global ex UK Equities	30.0	38.5	8.5
UK Fixed Interest	40.0	7.7	-32.3
Private Equity	0.0	1.4	1.4
Absolute Return	0.0	7.3	7.3
Commodity	0.0	5.7	5.7
Property	0.0	2.5	2.5
Cash	0.0	10.8	10.8
Total	100.0	100.0	

Asset Allocation



- | | | | |
|---------------------|-----------|--------------------|------------------|
| ■ Absolute Return | ■ Asia | ■ Brazil | ■ BRIC |
| ■ Cash | ■ China | ■ Corporate Bond | ■ Eastern Europe |
| ■ Europe | ■ GEM | ■ Global Bond | ■ Gold |
| ■ Gold Shares | ■ India | ■ Japan | ■ Latin America |
| ■ Natural Resources | ■ Oil | ■ Oil Shares | ■ Private Equity |
| ■ Property | ■ Russia | ■ Specialist Funds | ■ Taiwan |
| ■ UK Equity | ■ UK Gilt | ■ US | ■ World Mining |

Source: North Investment Partners, 30th June 2011.

Outlook

- US growth expectations reduced but reflect a recovering economy rather than another recession – positive for equities
- Believe in ‘temporary’ soft patch supported by healthy corporates, improving unemployment & weaker commodity prices
- Anticipated interest rate rises in US/UK pushed further out
- Uncertainty in the US over end of QEII and raising the Debt Ceiling by 2nd August 2011
- Risks elsewhere, Greek debt crisis continues & hard landing in Emerging Markets as monetary tightening to continue
- Europe continues to diverge between the strongly growing core & the stagnant/contracting periphery
- Japanese growth expected to return to normal by autumn 2011, expectations for 2012 revised upwards
- Weaker oil price helpful but remains a key factor that could stall global growth