

The Sentinel Fund



To watch over and guard

Sentinel OEIC

Fund Manager Quarterly Questionnaire

Period 15

30th Sept 2011 to the 31st Dec 2011

FUND DETAILS

Fund: [Sentinel Enterprise Fund](#)

Managing Group: [Williams de Broë - Assetmaster](#)

Manager: [Laurence Boyle](#)

PERSONNEL

1. Please detail any significant changes to the personnel involved in the management of the fund and the analysis of underlying stocks/funds. In particular, please detail the length and type of experience/qualification for any new team members.

[There have been no changes to the personnel involved in the management of the fund.](#)

2. Please give an approximation of total funds under management by the team managing the portfolio.

[£300m](#)

INVESTMENT POLICY

3. Has there been any change to your investment research systems or your style of management?

[No](#)

4. What changes have you made to the Asset Allocation of the Fund?

[The cash balance that had been allowed to build up has been used to introduce two new UK equity income funds: ACUIM UK Multicap Income fund and RWC Income Opportunities fund, as well as to top up the Ardevora UK Equity income fund.](#)

5. What is the rationale for these changes and what impact do you expect this to have on performance?

[With the anticipation that we could be entering a period of sustained low interest rates and with growth also remaining sluggish, we expect dividend yields in the short term to contribute a greater percentage of total returns. It therefore makes sense to introduce exposure to cash generative, profitable companies capable of sustaining the income yield being generated. Over the long term, we anticipate performance in the fund will continue to be dominated by the china and emerging market exposure, however, the introduction of these funds should help sustain performance over the shorter term whilst also helping to reduce the level of volatility from our equity exposure.](#)

6. What has been your portfolio turnover level and is this higher or lower than you would normally expect?

[Portfolio turnover is consistent with our expectations](#)

7. Are you confident that you have negotiated the best possible terms and have all discounts and rebates against initial charges and AMCs on underlying funds been negotiated by you and notified to Premier so that they can ensure these are received by the fund? Are you actively aiming to reduce the TER of the fund?

Yes. Where possible we buy Institutional share class, however if only retail shares are available we will negotiate a rebate on this share class. TER is a function of what is purchased; our aim is to provide performance net of fees.

8. Please list any funds where the underlying TER of the fund NET of any rebate is greater than 1.5%. (If yes please complete the additional TER slide in the IC quarterly presentation)

There are currently three funds held within the portfolio with historic TERs greater than 1.5% which are Allianz China A share, Gartmore UK Absolute Return Fund and Investec Africa and Middle East Fund.

9. Please supply 1 or 2 examples of good investments decisions you have made at stock level which have contributed to your performance.

The best performing fund over the last quarter has been the HEXAM Global Emerging Markets fund which not only provided the largest return out of the funds within the portfolio, but also out performed its sector average by 6%. As there was seen to be at least the beginnings of a resolution to the Euro crisis towards the latter half of the quarter, risk on became the order of the day and emerging markets benefitted from a renewed inflow.

10. Please also provide an example of a poor investment and how you have dealt with this to minimise the loss to the fund.

This quarter's worst performing fund was the Allianz RCM China A-Shares fund. The Chinese Domestic market pulled back a little over the quarter as exports contracted and economic growth was predicted to slow slightly. We maintain our conviction, however, that China will continue to be a key driver of global growth and will avoid the 'hard landing' that some had predicted; indeed, Q4 growth is expected to drop, but only slightly, adding credence to the 'soft-landing' scenario.

11. How have you managed the cash content in the portfolio with a view to maximising the return to the fund?

We aim to be fairly fully invested and hence cash should not significantly impact on performance. We have recently used the cash flows to introduce new holdings to the portfolio.

12. Are you happy with your stock selection across each sector?

Yes

13. If, not what changes are you looking to make over the next quarter and why?

N/A

14. Are there any particular factors which you feel have affected the performance or volatility of the fund?

The performance of the fund has reflected the returns and volatility of underlying markets to which we are exposed. We continue to favour China and Emerging Markets which we believe will dominate global growth going forward, these are long term themes being applied to the fund which we acknowledge due to current volatile markets is having an impact on the volatility of the fund. The introduction of some equity income funds we feel should help to dampen down some of this volatility without significantly reducing the medium to long term growth opportunities.