



Sentinel OEIC

Fund Manager Quarterly Questionnaire

Period 4

31st January 2009 to the 30th April 2009

FUND DETAILS

Fund: [Sentinel Enterprise Fund](#)

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

Manager: [Laurence Boyle](#)

PERSONNEL

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 team during the quarter](#)

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

[£250m](#)

INVESTMENT POLICY

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

[No](#)

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

[Significant changes to the asset allocation during the quarter have seen the weighting to commodities increase through the addition of a gold fund. Overall weightings to commodities were however then brought back down by the sale of the conditional long short commodity Fund. Emerging market equity has been increased at the expense of cash.](#)

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

[Whilst the US is generally believed to be the economy first into and out of recession we anticipate that Asian and Emerging Markets will follow closely behind and hence Europe may prove to be the market that lags the recovery.](#)

[With regard to gold, the shares have been hit with the negative sentiment towards commodities, whereas the miners will be a net beneficiary of the shake out as they are significant users of fuel and steel. The gold shares are currently pricing very low relative to their historical relationship to gold. The fact that China as the worlds 5th largest gold owner still only has 2% of GDP invested here further supports the potential for increased demand.](#)

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

[The fund is still experiencing net inflows and turnover is predominantly a representation of this.](#)

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.

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

The Schroder UK Alpha fund has added significant alpha for the reporting period returning 25.9% compared with the FTSE Allshare return of 6.1%. This fund had been placed under scrutiny having underperformed during September and October last year however our confidence in the fund manager's ability has been rewarded with the fund now again adding positive alpha for the total holding period.

Our strategy of overweighting emerging markets was rewarded in particular the Hexam Global Emerging markets fund which returned 34.6% compared with the MSCI emerging markets return of 22.5%.

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

Over the reporting period the Cartesian 130/30 fund has lagged the FTSE All share index, such that for the total holding period this fund now provides a small underperformance versus the All Share. The fund is currently defensively positioned in its long book with overweights to Pharmaceuticals, utilities and food retail and has maintained a negative stance within its short book to cyclicals such as industrial and consumer stocks. Whilst the recent swing in market sentiment may see this fund continue to lag the market over the short term, the defensive nature of the fund provides some protection should this rally see a reversal. The fund will remain on our monitor list over the short term.

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 impact performance.

Are you happy with your stock selection across each sector?

Yes

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

N/A

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.