

T h e S e n t i n e l F u n d



T o w a t c h o v e r a n d g u a r d

Sentinel Annual Report and Financial Statements (audited)

For the period from 1st August 2010 to 31st July 2011

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## MANAGEMENT AND ADMINISTRATION

The Authorised Corporate Director ("ACD") and registered office of the Sentinel Fund ("the Company"):

### PREMIER PORTFOLIO MANAGERS LIMITED

Eastgate Court, High Street,  
Guildford, Surrey, GU1 3DE

Premier Portfolio Managers Limited is authorised and regulated by the Financial Services Authority ("FSA") and is a member of the Investment Management Association ("IMA"). Premier Portfolio Managers Limited and Premier Fund Managers Limited are both members of the Premier Asset Management Marketing Group.

**DIRECTORS OF THE ACD:** Mike O'Shea (Chairman)  
Neil Macpherson (Finance Director)  
Simon Weldon (Managing Director, Sales and Marketing)  
Mark Friend (Managing Director, Operations)  
Mike Hammond (IFA Sales Director)

**INVESTMENT ADVISER:** Premier Fund Managers Limited is the Investment Adviser to the Sentinel Defensive Portfolio, the Sentinel Enterprise Portfolio and the Sentinel Universal Portfolio.

Premier Fund Managers Limited has appointed Williams de Broë Limited as sub-Investment Adviser to the Sentinel Enterprise Portfolio and North Investment Partners Limited as sub-Investment Adviser to the Sentinel Universal Portfolio.

**DEPOSITARY:** The Royal Bank of Scotland plc  
Trustee & Depositary Services  
The Broadstone,  
50 South Gyle Crescent,  
Edinburgh, EH12 9UZ

**AUDITOR:** KPMG Audit PLC\*  
15 Canada Square,  
Canary Wharf,  
London, E14 5GL

**ADMINISTRATOR & REGISTRAR:** Northern Trust Global Services Limited  
50 Bank Street,  
Canary Wharf,  
London, E14 1BT

### COMPANY INFORMATION

The Sentinel Fund is an Investment Company with Variable Capital under regulation 12 of the Open-Ended Investment Company Regulations and incorporated in England and Wales under registered number IC000658 and authorised by the FSA with effect from 1st May 2008. Shareholders are not liable for the debts of the Company. At the year end the Company contained three sub-funds, the Sentinel Defensive Portfolio, the Sentinel Enterprise Portfolio and the Sentinel Universal Portfolio.

The Company is a non-UCITS Retail scheme which complies with the FSA's Collective Investment Schemes sourcebook and is structured as an umbrella company so that different sub-funds may be established from time to time by the ACD with the approval of the FSA and the agreement of the Depositary.

\*On 31<sup>st</sup> July 2011, KPMG Audit PLC replaced Grant Thornton UK LLP as auditor to the Sentinel Funds.

### STATEMENT OF ACD AND DEPOSITARY'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS OF THE SCHEME

The Open-Ended Investment Companies Regulations 2001 and the FSA's Collective Investment Schemes sourcebook ("the Regulations") require the ACD to prepare accounts for each annual accounting period, which give a true and fair view of the financial position of the scheme as at the end of the year and of the net revenue and the net capital gains or losses on the property of the scheme for the year then ended. In preparing the accounts, the ACD is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- comply with the disclosure requirements of the Statement of Recommended Practice 'Financial Statements of Authorised Funds', issued by the IMA in October 2010 and the Instrument of Incorporation.
- follow UK generally accepted accounting principles and applicable accounting standards.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation.
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the Regulations.

The Depositary is responsible for safeguarding the property of the scheme and must take reasonable care to ensure that the scheme is managed by the ACD in compliance with the Regulations and the provisions of the Instrument of Incorporation and Prospectus.

The ACD and Depositary are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### IMPORTANT NOTE

As part of an internal re-structuring in 2011 The Royal Bank of Scotland Group plc transferred its Trustee and Depositary Services business from The Royal Bank of Scotland plc to National Westminster Bank plc and consequently National Westminster Bank plc was appointed as Depositary of the Fund on 30th September 2011.

As Depositary, National Westminster Bank plc will have the same duties and responsibilities as The Royal Bank of Scotland plc and the change of Depositary will have no impact on the way the Fund is operated.

## MANAGEMENT AND ADMINISTRATION

### REPORT OF THE ACD TO THE SHAREHOLDERS OF THE COMPANY

The ACD, as sole director, presents its report and the audited financial statements of the Company for the year from 1st August 2010 to 31st July 2011.

The Company is a non-UCITS scheme which complies with the FSA's Collective Investment Schemes sourcebook. The shareholders are not liable for the debts of the Company.

The Investment Objectives and Policies of each sub-fund of the Company are covered in the section for each sub-fund. The sub-funds of an umbrella company should be invested as if they were a single company. The names and addresses of the ACD, the Depositary and the Auditor are detailed on page 2.

In the future there may be other sub-funds of the Company. As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more other sub-funds of the Company.

### DIRECTORS' STATEMENT

In accordance with the Regulations, we hereby certify the report on behalf of the directors of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)  
25th November 2011

Mark Friend  
Managing Director, Operations (of the ACD)

### REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS FOR THE YEAR FROM 1ST AUGUST 2010 TO 31ST JULY 2011 FOR THE SENTINEL DEFENSIVE PORTFOLIO, THE SENTINEL ENTERPRISE PORTFOLIO AND THE SENTINEL UNIVERSAL PORTFOLIO AS SUB-FUNDS OF THE SENTINEL FUND ('THE COMPANY')

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it. It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the FSA's Collective Investment Schemes sourcebook, the Open-Ended Investment Companies Regulations 2001 and the Instrument of Incorporation in relation to the pricing of, and dealings in, shares in the Company, the application of the income of the Company, and the investment and borrowing powers and restrictions applicable to the Company.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary, it is our opinion that:

- the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and
- the application of the Company's income have, in all material respects, been carried out in accordance with the provisions of:
- the Regulations and
- the Open-Ended Investment Companies Regulations 2001 and
- the Instrument of Incorporation of the Company

and that, in all material respects, the investment and borrowing powers and restrictions applicable to the Company, in accordance with the provision of the Regulations and Instrument of Incorporation, have been observed.

The Royal Bank of Scotland plc  
Trustee & Depositary Services  
25th November 2011

## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF THE SENTINEL FUNDS

We have audited the financial statements of the Sentinel funds for the year ended 31st July 2011 set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Services Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Authorised Corporate Director and the Auditor

As explained more fully in the Statement of ACD's Responsibilities set out on page 3 the ACD is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Company as at 31st July 2011 and of the net revenue and the net capital gains on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds and the COLL Rules.

### Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

In our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of our audit.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

**Richard Scott-Hopkins**

for and on behalf of KPMG Audit Plc

Registered Auditor

Chartered Accountants

London, England

25th November 2011

# THE SENTINEL FUND AGGREGATED FINANCIAL STATEMENTS

## STATEMENT OF TOTAL RETURN

For the year ended 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
Income			
Net capital gains	2	15,081	12,316
Revenue	3	1,610	1,017
Expenses	4	(2,785)	(1,992)
Finance costs: Interest	6	(1)	(6)
Net expense before taxation		(1,176)	(981)
Taxation	5	7	(24)
Net expense after taxation		(1,169)	(1,005)
Total return before distributions		13,912	11,311
Finance costs: Distributions	6	3	(62)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>13,915</b>	<b>11,249</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st July 2011

	Note	31/07/11 £'000	31/07/10 £'000
<b>Opening net assets attributable to shareholders</b>		<b>134,918</b>	<b>87,809</b>
Amounts receivable on issue of shares		63,047	69,190
Amounts payable on cancellation of shares		(30,694)	(33,324)
		32,353	35,866
Dilution levy		10	36
Stamp duty reserve tax		(140)	(113)
Change in net assets attributable to shareholders from investment activities		13,915	11,249
Retained distributions on accumulation shares	6	-	71
<b>Closing net assets attributable to shareholders</b>		<b>181,056</b>	<b>134,918</b>

## BALANCE SHEET

As at 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
<b>ASSETS</b>			
<b>Investment assets</b>		<b>166,843</b>	<b>124,465</b>
Debtors	7	1,315	1,650
Cash and bank balances	8	15,481	11,353
<b>Total other assets</b>		<b>16,796</b>	<b>13,003</b>
<b>Total assets</b>		<b>183,639</b>	<b>137,468</b>
<b>LIABILITIES</b>			
Investment liabilities		(67)	(46)
Creditors	10	(1,107)	(1,388)
Bank overdrafts	9	(1,409)	(1,116)
<b>Total other liabilities</b>		<b>(2,516)</b>	<b>(2,504)</b>
<b>Total liabilities</b>		<b>(2,583)</b>	<b>(2,550)</b>
<b>Net assets attributable to shareholders</b>		<b>181,056</b>	<b>134,918</b>

The notes on pages 6 to 8 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)



Mark Friend  
Managing Director, Operations (of the ACD)

25th November 2011

# THE SENTINEL FUND AGGREGATED FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds', issued by the IMA in October 2010, the FSA's Collective Investment Schemes sourcebook and the Instrument of Incorporation.

#### Revenue Recognition

Revenue from collective investment schemes, and quoted equity and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Accumulation of revenue relating to accumulation units or shares held in collective investment schemes is recognised as revenue and included in the amount available for distribution. Equalisation received from distributions or accumulations on units or shares in collective investment schemes is treated as capital and deducted from the cost of the investment.

The gains and losses arising on investments in structured plans are allocated between revenue and capital according to the nature of the structured plan. This is depending on the extent to which the return is capital or revenue based.

Holders of zero dividend preference shares are preferentially entitled to a return from the capital reserves of an investment company and accordingly returns on zero dividend preference schemes are included within net capital gains.

Bank interest, interest on debt securities, underwriting commission and other revenue are recognised on an accruals basis.

In the case of debt securities, the total revenue arising includes the amortisation of any premium or discount at the time of purchase spread over the life of the security, using the effective interest rate method.

#### Stock Dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the sub-fund. Any enhancement above the cash dividend is treated as capital.

#### Special Dividends

Special dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend.

#### Expenses

For accounting purposes, all expenses (other than SDRT and those relating to the purchase and sale of investments) are charged against revenue for the year on an accruals basis.

#### Distributions

Amounts distributable are calculated after excluding expenses borne by capital as agreed by the ACD and Depositary.

The ACD and Depositary have agreed that 100% of the sub-fund's expenses are borne by revenue.

#### Valuations

All investments are valued at their fair value at noon on 29th July 2011, being the last business day of the financial year. The fair value of equity and non-equity shares is bid price, excluding any accrued interest.

The fair value of dual priced collective investment schemes managed by the ACD is their cancellation price and the fair value of dual priced collective investment schemes which are managed by other management groups is their bid price. The fair value of all single priced collective investment schemes is their single price, taking account of any agreed redemption charges.

Structured plans are valued at the latest price from the product provider.

Delisted and unquoted investments are shown at the ACD's valuation.

Derivative instruments such as futures and options are valued at the price required to close out the contract.

#### Foreign Currencies

Assets and liabilities in currencies other than sterling are translated into sterling at the exchange rates prevailing at noon on the last working day of the accounting period. Transactions in foreign currencies are translated at the exchange rate prevailing at the transaction date. Where forward positions in currencies are held, these are translated at the appropriate forward rate. Any resulting exchange differences in these forward positions are disclosed in 'Net capital gains' on investments in the Statement of Total Return.

#### Taxation

Corporation tax has been provided for at a rate of 20%. Deferred tax is provided in respect of timing differences that have originated but not been reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that they are more likely than not to be recoverable.

#### Dilution Levy

In certain circumstances the ACD may charge a dilution levy, in accordance with the FSA Regulations, on all subscriptions and redemptions of shares, which is paid into the sub-funds and included in the Statement of Change in Net Assets Attributable to Shareholders. The levy is intended to cover certain dealing charges not included in the mid market value of the sub-fund used in calculating the share price, which could have a diluting effect on the performance of the sub-fund.

#### Efficient Portfolio Management

Where appropriate, certain permitted transactions such as derivatives or forward foreign currency transactions are used for efficient portfolio management. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' or 'Expenses' in the Statement of Total Return. Where such transactions are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital gains' in the Statement of Total Return. Any positions on such transactions open at the year end are reflected in the sub-fund's Portfolio of Investments at their fair value.

#### Stamp Duty Reserve Tax (SDRT)

SDRT will be charged to the sub-fund. It is the ACD's view that this will not be material.

#### Management Fee Rebates

Rebates on the underlying Funds' management fees are accounted for on an accruals basis and are subsequently attributed to the relevant Fund's revenue or capital consistent with the fee structure of the underlying Fund.

### 2. NET CAPITAL GAINS

	31/07/11 £'000	31/07/10 £'000
Non-derivative securities	15,186	12,436
Derivative contracts	66	(131)
Forward currency contracts	(86)	9
Currency losses	(111)	(10)
Capital management fee rebates	30	18
Tax on offshore funds	-	(4)
Transaction charges	(4)	(2)
<b>Net capital gains</b>	<b>15,081</b>	<b>12,316</b>

# THE SENTINEL FUND AGGREGATED FINANCIAL STATEMENTS

## 3. REVENUE

	31/07/11 £'000	31/07/10 £'000
Bank interest	11	10
Deposit interest	43	-
Franked distributions	770	231
Franked UK dividends	52	9
Interest on debt securities	153	11
Management fee rebates	197	66
Offshore CIS income	259	-
Overseas dividends	9	51
Unfranked distributions	116	639
	<b>1,610</b>	<b>1,017</b>

## 4. EXPENSES

	31/07/11 £'000	31/07/10 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	2,436	1,696
	<b>2,436</b>	<b>1,696</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	109	79
Safe custody fees	17	4
	<b>126</b>	<b>83</b>
<b>Other expenses:</b>		
Auditor's remuneration	18	14
EMX fees	11	7
FT listing fees	7	-
Price publication fees	3	12
Printing fees	12	-
PRS fees	15	15
Registration fees	157	165
	<b>223</b>	<b>213</b>
<b>Total expenses</b>	<b>2,785</b>	<b>1,992</b>

Irrecoverable VAT is included in the above expenses where relevant.

## 5. TAXATION

(a) The tax charge comprises:

	31/07/11 £'000	31/07/10 £'000
<b>Current tax:</b>		
Corporation tax	-	-
Irrecoverable income tax	(7)	24
<b>Total current tax (note 5 (b))</b>	<b>(7)</b>	<b>24</b>
<b>Total taxation</b>	<b>(7)</b>	<b>24</b>

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	31/07/11 £'000	31/07/10 £'000
Net expense before taxation	(1,176)	(981)
	<b>(1,176)</b>	<b>(981)</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2010: 20%)	(235)	(196)
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(217)	(48)
Irrecoverable income tax	(7)	24
Expenses not utilised in period	448	286
Non-taxable overseas dividends	(2)	(46)
Tax effect of capital management fee rebates	6	4
<b>Current tax charge (note 5 (a))</b>	<b>(7)</b>	<b>24</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future charge:

The Company has not recognised a deferred tax asset of £837,125 (2010: £388,879) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the sub-funds' revenue or capital gains changes.

## 6. FINANCE COSTS

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31/07/11 £'000	31/07/10 £'000
Interim distribution	-	1
Interim accumulation	-	71
Final distribution	-	-
Final accumulation	-	-
	<b>-</b>	<b>72</b>
Add: Revenue deducted on cancellation of shares	3	22
Deduct: Revenue received on issue of shares	(6)	(32)
<b>Net distributions for the year</b>	<b>(3)</b>	<b>62</b>
Interest	1	6
<b>Total finance costs</b>	<b>(2)</b>	<b>68</b>

The difference between the net expense after taxation and the amounts distributed comprises:

Net expense after taxation	(1,169)	(1,005)
Deficit transferred to capital	1,166	1,067
<b>Finance costs: Distributions</b>	<b>(3)</b>	<b>62</b>

# THE SENTINEL FUND AGGREGATED FINANCIAL STATEMENTS

## 7. DEBTORS

	31/07/11 £'000	31/07/10 £'000
Accrued revenue	254	133
Amounts receivable on ACD	94	-
Amounts receivable for issue of shares	770	938
Management fee rebates	102	67
Prepaid expenses	3	2
Recoverable income tax	92	65
Sales awaiting settlement	-	445
	<b>1,315</b>	<b>1,650</b>

## 8. CASH AND BANK BALANCES

	31/07/11 £'000	31/07/10 £'000
Sterling	15,319	11,272
US dollar	5	4
Cash held at clearing house	157	77
<b>Cash and bank balances</b>	<b>15,481</b>	<b>11,353</b>

## 9. BANK OVERDRAFTS

	31/07/11 £'000	31/07/10 £'000
Sterling	1,409	1,116
	<b>1,409</b>	<b>1,116</b>

## 10. CREDITORS

	31/07/11 £'000	31/07/10 £'000
Accrued expenses	288	219
Amounts payable for cancellation of shares	484	615
Purchases awaiting settlement	335	550
Tax provision on unrealised offshore gains	-	4
	<b>1,107</b>	<b>1,388</b>

## 11. RELATED PARTIES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 13. FINANCIAL INSTRUMENTS

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 14. SHARE CLASSES

The required disclosures are set out in the notes to the financial statements of each of the sub-funds.

## 15. PORTFOLIO TRANSACTION COSTS

	31/07/11 £'000	31/07/10 £'000
Analysis of total purchase costs:		
Purchases in year before transaction costs	61,158	66,664
Commissions	27	18
Taxes	24	7
<b>Total purchase costs</b>	<b>51</b>	<b>25</b>
<b>Gross purchases total</b>	<b>61,209</b>	<b>66,689</b>
Analysis of total sale costs:		
Gross sales before transaction costs	33,977	43,604
Commissions	(5)	(13)
<b>Total sale costs</b>	<b>(5)</b>	<b>(13)</b>
<b>Total sales net of transaction costs</b>	<b>33,972</b>	<b>43,591</b>

# SENTINEL DEFENSIVE PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
---------------	----------	---------

#### Income Shares

2008 <sup>1</sup>	100.40	80.05
2009	99.94	81.18
2010	106.13	99.51
2011 <sup>2</sup>	108.90	106.16

#### Accumulation Shares

2008 <sup>1</sup>	100.40	80.15
2009	99.95	81.18
2010	106.14	99.51
2011 <sup>2</sup>	108.91	106.16

### Income/Accumulation Record

Calendar Year	Net Income per Share (p)
---------------	--------------------------

#### Income Shares

2009	-
2010	-
2011 <sup>2</sup>	-

#### Accumulation Shares

2009	-
2010	-
2011 <sup>2</sup>	-

### Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) <sup>3</sup>
-------	-----------------	--------------------------------

#### Income Shares

31/07/2009	86,865	92.42
31/07/2010	434,769	101.06
31/07/2011	464,317	107.79

#### Accumulation Shares

31/07/2009	25,309,387	92.42
31/07/2010	36,377,869	101.07
31/07/2011	45,045,873	107.80

### Total NAV

	NAV of Sub-Fund (£)
31/07/2009	23,471,543
31/07/2010	37,205,282
31/07/2011	49,058,239

<sup>1</sup> From 13th May 2008 to 31st December 2008.

<sup>2</sup> To 31st July 2011.

<sup>3</sup> The net asset value per share is calculated on a bid basis and excludes any distribution payable.

## TOTAL EXPENSE RATIO (TER)

31/07/11	31/07/10
----------	----------

1.74%	1.80%
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The TER shows the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses of different schemes. The TER for income and accumulation shares is the same.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Sentinel Defensive Portfolio is to provide medium term capital growth from a portfolio of investments.

The investment policy of the sub-fund is to invest principally in a combination of zero dividend preference shares of quoted investment companies and securities which, in the Investment Adviser's opinion, are lower risk securities. The sub-fund may also invest in equities, units in collective investment schemes, fixed interest securities, money market instruments, structured products and other derivative instruments, deposits, warrants, cash and near cash. Investments may be made in immovable property typically through units in collective investment schemes and/or shares of property companies. The sub-fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the sub-fund).

Derivatives may be used by the sub-fund for both investment purposes and for the purposes of efficient portfolio management (including hedging) and the net asset value of the sub-fund may, therefore, at times be highly volatile. However, it is the Investment Adviser's intention that the sub-fund, owing to the portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets or their underlying investments.

The term 'structured products' simply refers to a group of financial instruments (which may be regarded as transferable securities, collective investment schemes or derivatives depending on the product in question) with varying terms, payout and risk profiles on a range of underlying assets. These products frequently combine the potential upside of market performance with limited downside.

They may also provide a fixed return in exchange for accepting a degree of risk or may generate gains from market falls. In addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of the sub-fund should assist with keeping the volatility levels of the sub-fund relatively low.

## INVESTMENT REVIEW

### PERFORMANCE

During the period under review, the Sentinel Defensive Fund returned 6.6%.

### MARKET REVIEW

Following the newly elected Conservative Liberal Democrat Coalition, concern focused on the pending budget cuts and their effect on both short term and long term economic growth. Inflation remained at high levels and was unlikely to fall back quickly following the introduction of the increase in Value Added Tax (VAT). The 3 Month London Interbank Offered Rate (LIBOR) gradually rose as a potential rate rise was considered in an attempt to control inflation.

## SENTINEL DEFENSIVE PORTFOLIO

Positive data throughout the period was scarce and resulted in the Monetary Policy Committee (MPC) continuing to remain split as to the future direction of the UK. Uncertainty persisted as to whether elevated inflation or weak growth posed the greatest threat to the recovery of the UK economy. This was exacerbated by the lack of stability over the future of the euro and the sovereign strength of member nations. These factors contributed to a bleak and uncertain future both internationally and domestically. Towards the end of the reporting period, 3 Month sterling LIBOR flattened as the expectations of an early rate rise became unlikely given the economic picture and the MPC's willingness to tolerate elevated inflation; future deflation was now the concern.

### PORTFOLIO ACTIVITY

With equity markets performing well, and interest rate expectations pushed back, the Zero Dividend Preference Share (Zero) sub sector achieved an impressive capital appreciation. The potential for zeros to yield less improves as rates remain low, and accordingly, leads to capital growth from the sector. In addition, although asset cover figures were already high in the zero market, equity market strength further improves the likelihood of receiving a zero's full entitlement back at maturity. Sharp rises in the risk free rate or significant declines in equity markets continue to be the main risk to this sector. For this reason the Fund maintains the majority of exposure to zeros with significant asset covers to provide a degree of protection should equity markets fall.

Rising equity markets also resulted in a positive performance for our synthetic zeros and other structured products. However, persistent sovereign debt concerns towards the latter part of the period resulted in weaker equity markets and rising credit spreads. These can generally be difficult markets for structured products, although this was mitigated by holdings that have significant downside protection and issued by banks with strong credit metrics.

The Alternative Assets sub sector enhanced returns over the period. Overall Net Asset Values were positive, but the volatile equity markets towards the end of the reporting period provided testing times for the management of the underlying funds. Holdings such as Brevan Howard Macro provided positive returns in falling markets, benefiting from the volatility.

New additions to the Fund were investments in the form of Convertible Unsecured Loan Stock (CULS). These holdings offer a high degree of capital protection with low but reasonable returns, and the potential for significant equity upside if the issuing companies perform well. The Fund actively manages any cash balances to obtain superior returns.

### OUTLOOK

The Fund is positioned for capital growth and is defensive in nature. The key risks to this growth are rapidly declining equity markets or sharply rising interest rates. The Fund continues to monitor the equity market risk and the duration (a measure of interest rate risk) of the Fund to mitigate these risks.

Source: Premier Fund Managers Limited, August 2011. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

The top ten purchases and sales during the year were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Credit Agricole CIB 0.95% 21/03/2011	1,900	HSBC Bank Bermudan Warrants FTSE 100	1,900
Ecofin Water & Power Opportunities CULS 6% 31/07/2016	1,520	HSBC FTSE 100 Autocallable Warrants 11/12/2014	1,116
Electra Private Equity 5% Convertible 29/12/2017	1,466	Goldman Sachs International Structure FTSE 100 04/10/2016	1,111
Morgan Stanley 6 Year FTSE 100 0% 27/03/2017	1,300	MW Tops (USD) MW Tops (GBP)	1,095 1,006
Morgan Stanley 6 Year FTSE 100 6.25% 23/11/2016	1,250	RBS UK Defensive Autocall 2 6.75%	927
HSBC FTSE 100 Autocallable Warrants 16/05/2014	1,203	FRM Credit Alpha Barclays FTSE Synthetic Zero 2011	854 821
HSBC EPRA Europe 7% Capital Acc Call Warrants 07/12/2015	1,079	GE Capital FRN 11/05/2011 HSBC FTSE 100 Autocallable Warrants 16/05/2014	800 800
Alternative Investment Strategies Sterling Hedged	938		
F&C Private Equity ZDP	909		
Nomura FTSE Synthetic Zero 2014	899		
<b>Total purchases during the year were</b>	<b>31,371</b>	<b>Total sales during the year were</b>	<b>19,469</b>

# SENTINEL DEFENSIVE PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st July 2011

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %	Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
	<b>FIXED INTEREST 8.88% (5.52%)</b>						
	<b>Global 3.20% (5.52%)</b>						
500,000	GE Capital FRN 17/05/2012	517	1.05	1,410,000	The Cayenne Trust	1,805	3.68
400,000	Lloyds TSB FRN 29/04/2016	353	0.72	1,868,000	Utilico Finance 2012 ZDP	3,143	6.41
700,000	UBS AG London FRN 28/09/2012	702	1.43	400,000	Utilico Finance 2014 ZDP	570	1.16
		<b>1,572</b>	<b>3.20</b>			<b>20,889</b>	<b>42.59</b>
	<b>United Kingdom 5.68% (0.00%)</b>				<b>STRUCTURED PLANS 37.03% (32.38%)</b>		
500,000	Barclays 0% MTN 08/02/2012	675	1.38	400,000	Barclays 6 Year FTSE 100/S&P 500 Autocall 10% 12/07/2015	455	0.93
364,963	Barclays 0% MTN 16/10/2014	442	0.90	550,000	Barclays FTSE Synthetic Zero 2011	752	1.53
1,425,000	Ecofin Water & Power Opportunities 6% 31/07/2016	1,507	3.07	1,050,000	Barclays FTSE Synthetic Zero 2013	1,487	3.03
150,000	Edinburgh Dragon Trust 3.5% 31/01/2018	160	0.33	900,000	Barclays FTSE Synthetic Zero 2015	990	2.02
		<b>2,784</b>	<b>5.68</b>	3,350	Barclays iPath S&P 500	32	0.07
	<b>FUNDS OF HEDGE FUNDS 9.16% (16.71%)</b>			1,000,000	Goldman Sachs FTSE 100 Certificates 29/12/2014	1,478	3.01
	<b>Global 5.03% (10.01%)</b>			585,000	Goldman Sachs International Structure FTSE 100 04/10/2016	624	1.27
800,000	Alternative Investment Strategies Sterling Hedged	888	1.81	250,000	HSBC Bank FR MTN 10/09/2012	251	0.51
29,954	BH Macro (USD)	533	1.09	225,000	HSBC EPRA Europe 7% Capital Acc Call Warrants 07/12/2015	263	0.54
45,000	BH Global (GBP)	502	1.02	1,500,000	HSBC FTSE 100 Autocallable Warrants 16/05/2014	1,512	3.08
585,661	FRM Credit Alpha	433	0.88	290,000	Merrill Lynch Capital Accumulation ELDeRS 28A	416	0.85
156,558	FRM Diversified Alpha	111	0.23	450,000	Merrill Lynch FTSE 100 Call Warrants 13/08/2015	480	0.98
		<b>2,467</b>	<b>5.03</b>	700,000	Morgan Stanley 3 Year FTSE 100 0% 28/03/2014	717	1.46
	<b>United Kingdom 4.13% (6.70%)</b>			1,300,000	Morgan Stanley 6 Year FTSE 100 0% 27/03/2017	1,310	2.67
900,000	Dexion Absolute (GBP)	1,288	2.62	1,245,000	Morgan Stanley 6 Year FTSE 100 6.25% 23/11/2016	1,303	2.66
458,274	Dexion Equity Alternative	507	1.03	250,000	Nomura FTSE Synthetic Zero 2014	249	0.51
247,697	Goldman Sachs Dynamic Opportunities (GBP)	234	0.48	1,200,000	Rabobank FTSE Synthetic Zero 2012	1,285	2.62
		<b>2,029</b>	<b>4.13</b>	600,000	RBS FTSE Synthetic Zero 14/12/2011	669	1.36
	<b>INVESTMENT TRUSTS 42.59% (33.22%)</b>			200,000	Santander 3 Year House Price Index Linked Note	198	0.40
	<b>Delisted Securities 0.00% (0.00%)</b>			1,350	Societe Generale Synthetic Zero 2013	2,005	4.09
432,531	Battersea Power Station Warrants 31/05/2026 <sup>2</sup>	-	-	8,170	Societe Generale Synthetic Zero 20/12/2013	502	1.02
388,941	Investec Capital Accumulator <sup>2</sup>	-	-	900,000	Symphony FTSE Synthetic Zero 2013	1,186	2.42
17,408	Royal London UK Equity & Income ZDP <sup>2</sup>	-	-			<b>18,164</b>	<b>37.03</b>
25,900	Zero Preference Growth Trust <sup>2</sup>	-	-		<b>FORWARD FX CURRENCY CONTRACTS 0.02% (0.08%)</b>		
		-	-	800,000	Sold USD Brought GBP 501,253.13 for settlement on 10/11/2011	9	0.02
	<b>United Kingdom 42.59% (33.22%)</b>					<b>9</b>	<b>0.02</b>
406,000	Aberforth Geared Income ZDP	472	0.96		<b>FUTURES -0.14% (0.12%)</b>		
576,284	Battersea Power Station	17	0.03	(5)	September 2011 Liffe Long Gilt Future	(20)	(0.04)
469,100	Burford Capital <sup>1</sup>	577	1.18	(100)	September 2011 Liffe Short Gilt Future	(47)	(0.10)
675,000	Cayenne Trust 3.25% 31/07/2016	695	1.42			<b>(67)</b>	<b>(0.14)</b>
702,000	Ecofin Water & Power Finance ZDP	886	1.81		<b>OPTIONS 0.00% (0.00%)</b>		
1,425	Electra Private Equity CULS 5% 29/12/2017	1,568	3.20	50	UEU1C Y 6000	2	-
1,050,000	Electra Private Equity ZDP 2016	1,255	2.56			<b>2</b>	<b>-</b>
1,370,000	Epic Securities ZDP	1,887	3.85		<b>Total Value of Investments</b>	<b>47,849</b>	<b>97.54</b>
1,330,000	F&C Private Equity ZDP	1,686	3.44		<b>Net Other Assets</b>	<b>1,209</b>	<b>2.46</b>
100,000	Invesco Perpetual ZDP 2011	135	0.28		<b>Total Net Assets</b>	<b>49,058</b>	<b>100.00</b>
189,294	JPMorgan Private Equity 2015 ZDP	130	0.26				
3,905,038	JPMorgan Private Equity Limited 2015 ZDP	2,626	5.35				
2,780,576	Jupiter Second Split Trust ZDP	952	1.94				
300,000	Juridica Investments <sup>1</sup>	291	0.59				
171,000	JZ Capital Partner ZDP	491	1.00				
238,095	Premier Energy & Water Trust	427	0.87				
600,000	M&G High Income Investment Trust	477	0.97				
800,000	Nomura Bank International 0% MTN 29/05/2014	797	1.63				
192,963	Real Estate Opportunities	2	-				

Figures in brackets represent sector distribution at 31st July 2010.

<sup>1</sup> Listed on AIM

<sup>2</sup> Securities in liquidation/delisted

# SENTINEL DEFENSIVE PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the year ended 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
Income			
Net capital gains	2	3,208	2,714
Revenue	3	184	38
Expenses	4	(759)	(543)
Finance costs: Interest	6	(1)	(1)
Net expense before taxation		(576)	(506)
Taxation	5	-	-
Net expense after taxation		(576)	(506)
Total return before distributions		2,632	2,208
Finance costs: Distributions	6	-	-
Change in net assets attributable to shareholders from investment activities		2,632	2,208

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st July 2011

	31/07/11 £'000	31/07/10 £'000
Opening net assets attributable to shareholders	37,205	23,472
Amounts receivable on issue of shares	15,983	19,747
Amounts payable on cancellation of shares	(6,745)	(8,223)
	9,238	11,524
Dilution levy	8	25
Stamp duty reserve tax	(25)	(24)
Change in net assets attributable to shareholders from investment activities	2,632	2,208
Closing net assets attributable to shareholders	49,058	37,205

## BALANCE SHEET

As at 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
<b>ASSETS</b>			
Investment assets		47,916	32,707
Debtors	7	147	469
Cash and bank balances	8	1,952	4,870
Total other assets		2,099	5,339
Total assets		50,015	38,046
<b>LIABILITIES</b>			
Investment liabilities		(67)	(46)
Creditors	10	(382)	(344)
Bank overdrafts	9	(508)	(451)
Total other liabilities		(890)	(795)
Total liabilities		(957)	(841)
Net assets attributable to shareholders		49,058	37,205

The notes on pages 13 to 15 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)

Mark Friend  
Managing Director, Operations (of the ACD)

25th November 2011

# SENTINEL DEFENSIVE PORTFOLIO

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on pages 6 to 8.

### 2. NET CAPITAL GAINS

	31/07/11 £'000	31/07/10 £'000
Non-derivative securities	3,348	2,837
Derivative contracts	66	(131)
Forward currency contracts	(86)	9
Currency losses	(118)	(1)
Capital management fee rebates	-	1
Transaction charges	(2)	(1)
<b>Net capital gains</b>	<b>3,208</b>	<b>2,714</b>

### 3. REVENUE

	31/07/11 £'000	31/07/10 £'000
Bank interest	6	4
Franked UK dividends	25	23
Interest on debt securities	153	11
	<b>184</b>	<b>38</b>

### 4. EXPENSES

	31/07/11 £'000	31/07/10 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	652	449
	<b>652</b>	<b>449</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	30	22
Safe custody fees	6	2
	<b>36</b>	<b>24</b>
<b>Other expenses:</b>		
Auditor's remuneration	6	6
EMX fees	3	2
Price publication fees	3	3
Printing fees	4	-
PRS fees	5	5
Registration fees	50	54
	<b>71</b>	<b>70</b>
<b>Total expenses</b>	<b>759</b>	<b>543</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAXATION

(a) The tax charge comprises:

	31/07/11 £'000	31/07/10 £'000
<b>Current tax:</b>		
Total current tax (note 5 (b))	-	-
<b>Total taxation</b>	<b>-</b>	<b>-</b>

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	31/07/11 £'000	31/07/10 £'000
Net expense before taxation	(576)	(506)
	<b>(576)</b>	<b>(506)</b>

Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2010: 20%)

(115)	(101)
-------	-------

**Effects of:**

Franked UK dividends and distributions not subject to taxation	(5)	(5)
Expenses not utilised in period	120	106

<b>Current tax charge (note 5 (a))</b>	<b>-</b>	<b>-</b>
--	----------	----------

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £287,544 (2010: £167,418) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the sub-fund's revenue or capital gains changes.

# SENTINEL DEFENSIVE PORTFOLIO

## 6. FINANCE COSTS

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31/07/11 £'000	31/07/10 £'000
Interim distribution	-	-
Interim accumulation	-	-
Final distribution	-	-
Final accumulation	-	-
	<hr/>	<hr/>
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
	<hr/>	<hr/>
<b>Net distributions for the year</b>	<b>-</b>	<b>-</b>
Interest	1	1
	<hr/>	<hr/>
<b>Total finance costs</b>	<b>1</b>	<b>1</b>

The difference between the net expense after taxation and the amounts distributed comprises:

Net expense after taxation	(576)	(506)
Deficit transferred to capital	576	506
	<hr/>	<hr/>
<b>Finance costs: Distributions</b>	<b>-</b>	<b>-</b>

## 7. DEBTORS

	31/07/11 £'000	31/07/10 £'000
Accrued revenue	11	5
Amounts receivable for issue of shares	135	464
Prepaid expenses	1	-
	<hr/>	<hr/>
	<b>147</b>	<b>469</b>

## 8. CASH AND BANK BALANCES

	31/07/11 £'000	31/07/10 £'000
Sterling	1,794	4,793
US dollar	1	-
Cash held at clearing house	157	77
	<hr/>	<hr/>
<b>Cash and bank balances</b>	<b>1,952</b>	<b>4,870</b>

## 9. BANK OVERDRAFTS

	31/07/11 £'000	31/07/10 £'000
Sterling	508	451
	<hr/>	<hr/>
	<b>508</b>	<b>451</b>

## 10. CREDITORS

	31/07/11 £'000	31/07/10 £'000
Accrued expenses	80	63
Amounts payable for cancellation of shares	50	217
Purchases awaiting settlement	252	64
	<hr/>	<hr/>
	<b>382</b>	<b>344</b>

## 11. RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2010: £nil).

## 13. FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The investment adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The sub-fund holds positions in structured plans. The purpose of the plans are to provide a certain level of capital protection albeit with a limited potential return, dependent on the movement of underlying market indices. The use of structured plans is intended to reduce the volatility of the overall portfolio although in extreme market conditions this may not be the case. The portfolio statement on page 11, shows that 37.03% (2010: 32.38%) of the sub-fund's portfolio consists of investments in structured plans.

As the sub-fund holds Structured Plans it is exposed to market risk arising from market movements of the FTSE 100.

### Currency Risk

The currency profile of the sub-fund's financial instruments at the balance sheet date (including short term debtors and creditors) was:

### Currency exposure as at 31st July 2011

Currency	Portfolio of Investments £'000	Forward Currency Contracts £'000	Net other Assets £'000	Total £'000	Total Exposure %
US dollar	-	9	-	9	0.02
	-	9	-	9	0.02
Sterling	47,840	-	1,209	49,049	99.98
<b>Total</b>	<b>47,840</b>	<b>9</b>	<b>1,209</b>	<b>49,058</b>	<b>100.00</b>

# SENTINEL DEFENSIVE PORTFOLIO

## Currency exposure as at 31st July 2010

Currency	Portfolio of Investments £'000	Forward Currency Contracts £'000	Net other Assets £'000	Total £'000	Total Exposure %
US dollar	1,531	(1,284)	-	247	0.66
	<b>1,531</b>	<b>(1,284)</b>	<b>-</b>	<b>247</b>	<b>0.66</b>
Sterling	31,100	1,314	4,544	36,958	99.34
<b>Total</b>	<b>32,631</b>	<b>30</b>	<b>4,544</b>	<b>37,205</b>	<b>100.00</b>

There was significant indirect foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any material direct interest rate risk as the majority of financial assets are in collective investment schemes, investment trusts and structured plans, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

The sub-fund will be exposed to some interest rate risk as its financial assets include zero dividend preference shares as disclosed in the portfolio of investments on page 11. Other than this the only interest-bearing financial asset of the sub-fund is bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall due within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the investment adviser as an acceptable counterparty and from recognised product providers.

The sub-fund is exposed to counterparty risk with the issuers of structured plans.

The sub-fund is exposed to a credit risk whereby the issuer of ZDP's may default on its obligations.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the balance sheet where applicable.

### Derivatives and Forward Transactions

Derivatives used during the year comprise forward foreign currency contracts, futures and options contracts. Forward foreign currency contracts are used to manage currency risk arising from investing in overseas securities. Futures and options are used to hedge the market risk associated with other holdings or for investment purposes as permitted by the sub-fund's investment objective and policy. Open positions at the balance sheet date, are disclosed as either 'Investment Assets' or 'Investment Liabilities' in the balance sheet. Unrealised gain/(losses) on forward foreign exchange transactions are taken to capital. The value of these investments may fluctuate significantly. Derivatives may be used by the sub-fund for both investment purposes and for the purposes of efficient portfolio management (including hedging). Amounts treated as revenue and capital respectively are shown in notes 2 and 3.

## 14. SHARE CLASSES

The sub-fund currently has two types of share. The AMC on each share class is as follows:

Income: 1.50%

Accumulation: 1.50%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 9. All share classes have the same rights on winding up. The taxation and income are apportioned equally based on the weighted proportion of each share class.

## 15. PORTFOLIO TRANSACTION COSTS

	31/07/11 £'000	31/07/10 £'000
Analysis of total purchase costs:		
Purchases in year before transaction costs	31,326	24,362
Commissions	26	12
Taxes	19	7
<b>Total purchase costs</b>	<b>45</b>	<b>19</b>
<b>Gross purchases total</b>	<b>31,371</b>	<b>24,381</b>
Analysis of total sale costs:		
Gross sales before transaction costs	19,473	15,638
Commissions	(4)	(7)
<b>Total sale costs</b>	<b>(4)</b>	<b>(7)</b>
<b>Total sales net of transaction costs</b>	<b>19,469</b>	<b>15,631</b>

## DISTRIBUTION TABLE

Expenses exceeded income during the year, as a result no distributions were paid. (2010: same)

# SENTINEL ENTERPRISE PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
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### Income Shares

2008 <sup>1</sup>	101.70	63.40
2009	98.31	67.12
2010	113.93	91.67
2011 <sup>2</sup>	115.18	105.44

### Accumulation Shares

2008 <sup>1</sup>	101.70	63.57
2009	98.31	67.12
2010	113.96	91.70
2011 <sup>2</sup>	115.21	105.24

### Income/Accumulation Record

Calendar Year	Net Income per Share (p)
---------------	--------------------------

### Income Shares

2009	-
2010	-
2011 <sup>2</sup>	-

### Accumulation Shares

2009	-
2010	-
2011 <sup>2</sup>	-

### Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) <sup>3</sup>
-------	-----------------	--------------------------------

### Income Shares

31/07/2009	126,744	82.86
31/07/2010	351,600	95.92
31/07/2011	436,250	108.42

### Accumulation Shares

31/07/2009	30,077,981	82.86
31/07/2010	38,631,861	95.96
31/07/2011	46,286,485	108.24

### Total NAV

	NAV of Sub-Fund (£)
31/07/2009	25,029,109
31/07/2010	37,406,787
31/07/2011	50,574,471

<sup>1</sup> From 13<sup>th</sup> May 2008 to 31st December 2008.

<sup>2</sup> To 31st July 2011.

<sup>3</sup> The net asset value per share is calculated on a bid basis and excludes any distribution payable.

## TOTAL EXPENSE RATIO (TER)

31/07/11      31/07/10

2.68%      2.79%

The TER shows the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses of different schemes. The TER for income and accumulation shares is the same.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Sentinel Enterprise Portfolio is to provide long term capital growth from a portfolio of investments.

The investment policy of the sub-fund is to invest mainly in units of equity and fixed interest based collective investment schemes, the majority of which will be UK investment funds. The sub-fund may also invest in equities, fixed interest securities, money market instruments, structured products and other derivative instruments, deposits, warrants, cash and near cash. Investments may be made indirectly in immovable property typically through units in collective investment schemes and/or shares in property companies. The sub-fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the sub-fund).

Derivatives may be used by the sub-fund for both investment purposes and for the purposes of efficient portfolio management (including hedging) and the net asset value of the sub-fund may, therefore, at times be highly volatile. However, it is the Investment Adviser's intention that the sub-fund, owing to the portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets or their underlying investments.

The term 'structured products' simply refers to a group of financial instruments (which may be regarded as transferable securities, collective investment schemes or derivatives depending on the product in question) with varying terms, payout and risk profiles on a range of underlying assets.

## INVESTMENT REVIEW

### PERFORMANCE

Over the reporting period from 1<sup>st</sup> August 2010 to 31<sup>st</sup> July 2011 the Fund returned 13.0%.

### MARKET REVIEW

Over the last twelve months the market can be categorised as a game of two halves. The second half of 2010 saw a return to optimism as solutions for the debt crisis were deemed to be at least possible, if not yet in hand, and therefore markets focussed on a return to growth and continued infrastructure spend in emerging markets. The first half of 2011, however, reintroduced fears over the European Sovereign debt crisis, concerns over the US debt mountain, and fears that China's attempts to cool their overheating economy could lead to lacklustre growth across the whole globe.

The price of gold has risen steadily throughout the year, and whilst these strong returns will place the commodity at risk of bouts of profit taking, we do not expect to see a reversal in gold's rise until a much greater degree of confidence returns to riskier assets. There is still a significant arbitrage between the price of gold and the price of gold mining equities.

Corporate earnings have been strong, margins have been expanded and balance sheets are in rude health and benefitting from steady cash flow such that the macroeconomic environment is now disconnected from company fundamentals.

# SENTINEL ENTERPRISE PORTFOLIO

## PORTFOLIO ACTIVITY

Over the reporting period we have remained steadfast with our views that Japan is suffering a long term structural decline and, as such, have maintained our zero weighting. We also believe that Europe will suffer headwinds due to the Sovereign debt crisis and that better opportunities within the developed economies remain in the US and UK. We have therefore maintained a zero weighting to Europe and continue to allocate approximately 20% of the total portfolio to the US and a further 20% to the UK.

We introduced two new holdings to the Fund over the last year:

**Altus Resource Capital:** This fund is focussed on generating capital growth through active value investment in resource equities. The fund is managed by a unique team of industry professionals with proven track records. Investment is heavily weighted towards gold production, and the quality junior gold miners. Investment decisions are based on comprehensive fundamentals, robust technical analysis of geological, mineralogical and mining risks, and detailed market analysis of sector, commodity and political risk.

**Old Mutual UK Dynamic Equity:** The aim of the fund is to produce strong returns in up markets which can compete at the very top levels of the long-only world, whilst enhancing returns through stock specific shorts. Shorting stocks will only occur where the fund manager believes that they can add positive performance, shorts will not be undertaken for pairing purposes or to hedge any market risk. The fund will try to protect capital in a market downturn but is not an absolute return fund and will probably lose money in the down markets. The fund uses the FTSE 250 Index as its benchmark.

## OUTLOOK

We believe that the macro environment will improve over the next six to twelve months. We expect inflation rates to fall and with this taking the pressure off interest rates they will remain lower for considerably longer than was originally expected. The probability that the Federal Reserve Bank will now launch its third round of Quantitative Easing has steadily risen and this could be as early as this autumn if the macroeconomic environment so dictates. The Bank of England may well follow. There now needs to be a period of political stability, which will allow markets to refocus on company fundamentals.

Source: Williams de Broe, August 2011. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

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The top ten purchases and total sales during the year were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
Old Mutual Dublin UK Dynamic Equity 'I'	1,779		
Altus Resource Capital	1,748		
Martin Currie North America Alpha "B"	950		
Gartmore US Growth 'P'	569	There were no sales during the year	
Martin Currie China "B"	511		
Neptune Latin America	508		
Hexam Global Emerging Markets 'I'	500		
Allianz RCM China "A" (USD)	398		
Investec Africa & Middle East 'I'	36		
Smith & Williamson Revera UK Dynamic Retail	10		
<b>Total purchases during the year were</b>	<b>7,013</b>	<b>Total sales during the year were</b>	<b>Nil</b>

# SENTINEL ENTERPRISE PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st July 2011

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>COLLECTIVE INVESTMENT SCHEMES 93.24% (92.26%)</b>			
<b>Europe 5.21% (5.65%)</b>			
650,180	Neptune Russia and Greater Russia 'B'	2,633	5.21
		<b>2,633</b>	<b>5.21</b>
<b>Global 44.39% (43.43%)</b>			
2,180	Allianz RCM China 'A' (USD)	1,645	3.25
1,247,504	Altus Resource Capital	2,495	4.93
3,192,679	Hexam Global Emerging Markets 'I'	4,013	7.93
1,229,820	Investec Africa & Middle East 'I'	1,330	2.63
1,891,150	Investec Global Gold 'I'	3,724	7.36
2,944,840	Martin Currie China 'B'	3,222	6.37
219,949	Martin Currie GF Global Resources (USD)	3,566	7.05
2,090,844	Neptune Latin America	2,461	4.87
		<b>22,456</b>	<b>44.39</b>
<b>North America 18.84% (18.78%)</b>			
1,215,676	Gartmore US Growth 'P'	4,889	9.67
4,138,822	Martin Currie North American Alpha 'B'	4,635	9.17
		<b>9,524</b>	<b>18.84</b>
<b>United Kingdom 24.80% (24.40%)</b>			
1,472,000	Gartmore UK Absolute Return 'I'	1,711	3.38
2,668,309	Old Mutual Dublin UK Dynamic Equity 'I'	4,315	8.53
548,742	River & Mercantile UK Equity 'B' Shares	2,062	4.08
2,216,106	River & Mercantile UK Equity		
	Smaller Companies 'A'	2,498	4.94
656,840	Schroder UK Alpha Plus 'A'	828	1.64
1,080,840	Smith & Williamson Revera UK Dynamic Retail	1,128	2.23
		<b>12,542</b>	<b>24.80</b>
<b>Total Value of Investments</b>		<b>47,155</b>	<b>93.24</b>
<b>Net Other Assets</b>		<b>3,419</b>	<b>6.76</b>
<b>Total Net Assets</b>		<b>50,574</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 31st July 2010.

# SENTINEL ENTERPRISE PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the year ended 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
Income			
Net capital gains	2	5,638	4,395
Revenue	3	266	128
Expenses	4	(809)	(582)
Finance costs: Interest	6	-	(2)
Net expense before taxation		(543)	(456)
Taxation	5	-	(2)
Net expense after taxation		(543)	(458)
Total return before distributions		5,095	3,937
Finance costs: Distributions	6	-	-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>5,095</b>	<b>3,937</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st July 2011

	31/07/11 £'000	31/07/10 £'000
<b>Opening net assets attributable to shareholders</b>	<b>37,407</b>	<b>25,029</b>
Amounts receivable on issue of shares	24,077	20,565
Amounts payable on cancellation of shares	(15,931)	(12,082)
	8,146	8,483
Dilution levy	-	1
Stamp duty reserve tax	(74)	(43)
Change in net assets attributable to shareholders from investment activities	5,095	3,937
<b>Closing net assets attributable to shareholders</b>	<b>50,574</b>	<b>37,407</b>

## BALANCE SHEET

As at 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
<b>ASSETS</b>			
<b>Investment assets</b>		<b>47,155</b>	<b>34,511</b>
Debtors	7	485	242
Cash and bank balances	8	4,089	3,488
<b>Total other assets</b>		<b>4,574</b>	<b>3,730</b>
<b>Total assets</b>		<b>51,729</b>	<b>38,241</b>
<b>LIABILITIES</b>			
Creditors	10	(511)	(358)
Bank overdrafts	9	(644)	(476)
<b>Total liabilities</b>		<b>(1,155)</b>	<b>(834)</b>
<b>Net assets attributable to shareholders</b>		<b>50,574</b>	<b>37,407</b>

The notes on pages 20 to 22 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)



Mark Friend  
Managing Director, Operations (of the ACD)

25th November 2011

# SENTINEL ENTERPRISE PORTFOLIO

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on pages 6 to 8.

### 2. NET CAPITAL GAINS

	31/07/11 £'000	31/07/10 £'000
Non-derivative securities	5,631	4,390
Currency gains	7	5
<b>Net capital gains</b>	<b>5,638</b>	<b>4,395</b>

### 3. REVENUE

	31/07/11 £'000	31/07/10 £'000
Bank interest	1	3
Franked CIS revenue	179	-
Franked distributions	-	47
Management fee rebates	81	49
Offshore dividend CIS revenue	5	-
Unfranked distributions	-	29
	<b>266</b>	<b>128</b>

### 4. EXPENSES

	31/07/11 £'000	31/07/10 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	695	488
	<b>695</b>	<b>488</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	32	23
Safe custody fees	4	1
	<b>36</b>	<b>24</b>
<b>Other expenses:</b>		
Auditor's remuneration	6	5
EMX fees	5	2
Price publication fees	3	4
Printing fees	4	-
PRS fees	5	5
Registration fees	55	54
	<b>78</b>	<b>70</b>
<b>Total expenses</b>	<b>809</b>	<b>582</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAXATION

(a) The tax charge comprises:

	31/07/11 £'000	31/07/10 £'000
<b>Current tax:</b>		
Irrecoverable income tax	-	2
<b>Total current tax (note 5 (b))</b>	<b>-</b>	<b>2</b>
<b>Total taxation</b>	<b>-</b>	<b>2</b>

(b) Factors affecting the tax charge for the year:

The tax charge for the year differs from the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	31/07/11 £'000	31/07/10 £'000
Net expense before taxation	(543)	(456)
	<b>(543)</b>	<b>(456)</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2010: 20%)	(109)	(91)
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(37)	(9)
Expenses not utilised in period	146	102
Irrecoverable income tax	-	2
Non-taxable overseas dividends	-	(2)
<b>Current tax charge (note 5 (a))</b>	<b>-</b>	<b>2</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £289,150 (2010: £143,662) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the sub-fund's revenue or capital gains changes.

# SENTINEL ENTERPRISE PORTFOLIO

## 6. FINANCE COSTS

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31/07/11 £'000	31/07/10 £'000
Interim distribution	-	-
Interim accumulation	-	-
Final distribution	-	-
Final accumulation	-	-
	-	-
Add: Revenue deducted on cancellation of shares	-	-
Deduct: Revenue received on issue of shares	-	-
<b>Net distributions for the year</b>	-	-
Interest	-	2
<b>Total finance costs</b>	-	2

The difference between the net expense after taxation and the amounts distributed comprises:

Net expense after taxation	(543)	(458)
Deficit transferred to capital	543	458
<b>Finance costs: Distributions</b>	-	-

## 7. DEBTORS

	31/07/11 £'000	31/07/10 £'000
Accrued income	86	26
Amounts receivable for issue of shares	304	164
Management fee rebates	94	49
Prepaid expenses	1	1
Sales awaiting settlement	-	2
	485	242

## 8. CASH AND BANK BALANCES

	31/07/11 £'000	31/07/10 £'000
Sterling	4,085	3,484
US dollar	4	4
<b>Cash and bank balances</b>	4,089	3,488

## 9. BANK OVERDRAFTS

	31/07/11 £'000	31/07/10 £'000
Sterling	644	476
	644	476

## 10. CREDITORS

	31/07/11 £'000	31/07/10 £'000
Accrued expenses	85	63
Amounts payable for cancellation of shares	343	259
Purchases awaiting settlement	83	36
	511	358

## 11. RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2010: £nil).

## 13. FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The investment adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

### Currency Risk

The currency profile of the sub-fund's financial instruments at the balance sheet date (including short term debtors and creditors) was:

#### Currency exposure as at 31st July 2011

Currency	Portfolio of Investments £'000	Forward Currency Contracts £'000	Net other Assets £'000	Total £'000	Total Exposure %
US dollar	5,211	-	-	5,211	10.30
	5,211	-	-	5,211	10.30
Sterling	41,944	-	3,419	45,363	89.70
<b>Total</b>	<b>47,155</b>	<b>-</b>	<b>3,419</b>	<b>50,574</b>	<b>100.00</b>

#### Currency exposure as at 31st July 2010

Currency	Portfolio of Investments £'000	Forward Currency Contracts £'000	Net other Assets £'000	Total £'000	Total Exposure %
US dollar	4,152	-	4	4,156	11.11
	4,152	-	4	4,156	11.11
Sterling	30,359	-	2,892	33,251	88.89
<b>Total</b>	<b>34,511</b>	<b>-</b>	<b>2,896</b>	<b>37,407</b>	<b>100.00</b>

There was significant indirect foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

# SENTINEL ENTERPRISE PORTFOLIO

## Interest Rate Risk

The sub-fund does not have any direct interest rate risk as the majority of financial assets are in collective investment schemes, which do not pay interest. However, some of the underlying collective investment scheme investments may be directly or indirectly exposed to interest rate risk.

The only interest-bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

## Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall due within one year.

## Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the investment adviser as an acceptable counterparty and from recognised product providers.

The sub-fund is exposed to a credit risk whereby the issuer of securities may default on its obligations.

## Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the balance sheet where applicable.

## Derivatives and Forward Transactions

The sub-fund does not hold any derivatives or forward transactions.

The investment adviser does not use derivative instruments to hedge the investment portfolio against risk.

## 14. SHARE CLASSES

The sub-fund currently has two types of share. The AMC on each share class is as follows:

Income: 1.50%

Accumulation: 1.50%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 16. All the share classes have the same rights on winding up. The taxation and income are apportioned equally based on the weighted proportion of each share class.

## 15. PORTFOLIO TRANSACTION COSTS

	31/07/11 £'000	31/07/10 £'000
Analysis of total purchase costs:		
Purchases in year before transaction costs	7,013	15,515
Commissions	-	-
Taxes	-	-
<b>Total purchase costs</b>	<b>-</b>	<b>-</b>
<b>Gross purchases total</b>	<b>7,013</b>	<b>15,515</b>
Analysis of total sale costs:		
Gross sales before transaction costs	-	7,617
Commissions	-	-
<b>Total sale costs</b>	<b>-</b>	<b>-</b>
<b>Total sales net of transaction costs</b>	<b>-</b>	<b>7,617</b>

## DISTRIBUTION TABLE

Expenses exceeded revenue during the year, as a result no distributions were paid. (2010: same)

# SENTINEL UNIVERSAL PORTFOLIO

## COMPARATIVE TABLES

### Performance Record

Calendar Year	High (p)	Low (p)
---------------	----------	---------

### Income Shares

2008 <sup>1</sup>	100.00	84.24
2009	107.14	75.91
2010	119.76	103.45
2011 <sup>2</sup>	121.80	114.45

### Accumulation Shares

2008 <sup>1</sup>	100.00	84.59
2009	107.76	75.94
2010	120.61	104.19
2011 <sup>2</sup>	122.66	115.26

### Income/Accumulation Record

Calendar Year	Net Income per Share (p)
---------------	--------------------------

### Income Shares

2009	0.5103
2010	0.1265
2011 <sup>2</sup>	-

### Accumulation Shares

2009	0.7888
2010	0.1501
2011 <sup>2</sup>	-

### Net Asset Value (NAV)

As at	Shares in Issue	NAV per Share (p) <sup>3</sup>
-------	-----------------	--------------------------------

### Income Shares

31/07/2009	193,142	96.12
31/07/2010	622,175	108.05
31/07/2011	676,664	118.57

### Accumulation Shares

31/07/2009	40,556,900	96.46
31/07/2010	54,803,188	108.81
31/07/2011	67,520,949	119.40

### Total NAV

	NAV of Sub-Fund (£)
31/07/2009	39,308,481
31/07/2010	60,306,282
31/07/2011	81,423,681

<sup>1</sup> From 13th May 2008 to 31st December 2008.

<sup>2</sup> To 31st July 2011.

<sup>3</sup> The net asset value per share is calculated on a bid basis and excludes any distribution payable.

## TOTAL EXPENSE RATIO (TER)

31/07/11 31/07/10

2.40% 2.48%

The TER shows the annual operating expenses of the sub-fund including the annual management charge and other expenses. It does not include transaction charges. Funds highlight the TER to help you compare the annual operating expenses of different schemes. The TER for income and accumulation shares is the same.

## INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Sentinel Universal Portfolio is to provide capital growth from a portfolio of investments.

The investment policy of the sub-fund is to invest mainly in units of collective investment schemes. The sub-fund may also invest in equities, fixed interest securities, money market instruments, structured products and other derivative instruments, deposits, warrants, cash and near cash. Investment may be made indirectly in immovable property typically through units in collective investment schemes and/or shares in property companies. The sub-fund may also invest in unregulated collective investment schemes such as hedge funds (where investment in such funds would be consistent with the investment objective and policy of the sub-fund).

Derivatives may be used by the sub-fund for both investment purposes and for the purposes of efficient portfolio management (including hedging) and the net asset value of the sub-fund may, therefore, at times be highly volatile. However, it is the Investment Adviser's intention that the sub-fund, owing to the portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets or their underlying investments.

The term 'structured products' simply refers to a group of financial instruments (which may be regarded as transferable securities, collective investment schemes or derivatives depending on the product in question) with varying terms, payout and risk profiles on a range of underlying assets. These products frequently combine the potential upside of market performance with limited downside.

They may also provide a fixed return in exchange for accepting a degree of risk or may generate gains from market falls. In addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of the sub-fund should assist with keeping the volatility levels of the sub-fund relatively low.

## INVESTMENT REVIEW

### PERFORMANCE

During the 12 month period under review, investors in the Sentinel Universal Fund saw a positive return of 9.7%.

### MARKET REVIEW

On the back of strong earnings growth and further monetary stimulus from the Federal Reserve, risk assets performed exceptionally strongly during the first half of the period. In the final four months of 2010, commodities and global equities marched aggressively higher as Ben Bernanke outlined his plans to unleash a further round of Quantitative Easing (QE). News flow at a corporate level also remained extremely positive. Approximately 70% of companies in the Standard & Poors (S&P) 500 reported profits ahead of expectations in the final quarter of 2010. Conversely, gilts fell in value as investors headed for the exits as they sought to take more risk.

2011 was a different story and was characterised by significant market volatility. A spike in the oil price, monetary tightening in emerging markets, continued unrest in the Middle East, supply side shocks resulting from the Japanese disaster, the Eurozone sovereign debt crisis and, toward the end of the period, renewed concerns of a double-dip in the global economy all served to undermine investor confidence. Whilst predictably gilts rallied strongly, it is testament to the strength of underlying company fundamentals that equity markets were broadly flat in the first seven months of 2011.

# SENTINEL UNIVERSAL PORTFOLIO

## PORTFOLIO ACTIVITY

In light of the mounting macro headwinds, we raised some cash in the second half of the period. Following strong performance, we took profits in Investec Global Energy. Whilst we continue to hold the managers in high regard, we were concerned over the likely effect on underlying commodity prices given a potential slowdown in the global economy and the drawing to an end of QE2. Our resource exposure was cut further through the trimming of our position in BlackRock Gold & General. Cash levels stood at approximately 12% at the end of the period.

At a fund selection level, we redeemed our holding in the Salar Convertible Absolute Return Fund and replaced it with Henderson UK Absolute Return. We rate the managers of the Henderson fund extremely highly and believe their long/short equity strategy should deliver better risk adjusted returns than the Salar fund over the medium term.

Schroder Asia Total Return was introduced as a new holding. Fund manager Robin Parbrook has an exceptional track record and wealth of experience managing Asia equity portfolios. Since purchase, the Fund has delivered strong outperformance versus its benchmark.

A purchase of JOHCM UK Equity Income was funded through trimming the position in the FTSE 100 iShare. In an environment of low growth, high quality companies with strong balance sheets and good business models should perform well. These types of companies typically form the backbone of equity income funds.

Within fixed income, we retained our negative outlook for UK sovereign debt and continued to favour strategic bond managers who have the ability to allocate capital right across the fixed income universe. In the current volatile environment, the importance of having an active manager who is constantly evaluating the opportunities in the market is invaluable. As such, we increased our position in the L&G Dynamic Bond Fund.

## OUTLOOK

Although the global economy has clearly slowed in recent months, we do not subscribe to the double-dip scenario and believe that the global economic recovery is still intact, albeit growth in the developed world is likely to be weak. Supply side issues caused by the tragic events in Japan should ease in the second half of the year, as the effort to rebuild Japan and get production back online has been remarkable and has far exceeded expectations. The satisfying of pent up demand, along with a significant fall in commodity prices from their peak, should help growth bounce back in the second half of the year. With yields on the perceived 'safe-havens' of gilts and treasuries near record lows and offering negative real returns, we continue to see good quality equities and parts of the corporate bond market as offering far more attractive risk/reward characteristics than sovereign debt.

Source: North Investment Partners, August 2011. Performance data taken from Financial Express Analytics, quoted on a total return, bid to bid, UK sterling basis. Past performance is not a guide to future returns.

The top ten purchases and sales during the year were as follows:

Purchases	Costs £'000	Sales	Proceeds £'000
JO Hambro UK Equity Income	2,850	Investec Global Energy 'A'	2,257
Schroder International Select Asian	2,745	First State Asia Pacific 'B'	1,963
Martin Currie Japan Alpha 'H'	2,490	Martin Currie Japan Alpha 'H'	1,750
JPMorgan Global Consumer Trends 'C'	2,378	Goldman Sachs Emerging Markets 25/06/2012	1,601
Salar Convertible Absolute Return 'B'	1,430	iShares FTSE 100	1,429
AXA Framlington American Growth	1,180	Gartmore UK Absolute Return 'I'	1,202
Vanguard Equity Index	1,030	Absolute Insight UK Equity Market 'B'	1,065
Investec Enhanced Natural Resources 'I'	1,017	Chirin Absolute Asia Alpha	1,009
First State China Pacific 'B'	960	John Laing Infrastructure	726
Legal & General Dynamic Bond Trust 'I'	800	BlackRock Gold & General 'A'	200
<b>Total purchases during the year were</b>	<b>22,825</b>	<b>Total sales during the year were</b>	<b>14,503</b>

# SENTINEL UNIVERSAL PORTFOLIO

## PORTFOLIO OF INVESTMENTS

As at 31st July 2011

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>EQUITIES 7.20% (3.61%)</b>			
<b>United Kingdom 0.82% (1.02%)</b>			
561,000	Better Capital Limited	670	0.82
		<b>670</b>	<b>0.82</b>
<b>Global 6.38% (2.59%)</b>			
728,593	BlueCrest AllBlue	1,258	1.54
472,000	Schroder Asia Pacific	1,043	1.28
38,000	Schroder Asia Pacific (Sub-Rights)	5	0.01
15,014	Schroder International Select Asian	2,892	3.55
		<b>5,198</b>	<b>6.38</b>
<b>COLLECTIVE INVESTMENT SCHEMES 63.33% (67.82%)</b>			
<b>Europe 0.00% (4.42%)</b>			
<b>Global 24.16% (29.30%)</b>			
1,280,056	AXA Framlington American Growth	3,127	3.84
786,367	First State Asia Pacific Leaders 'B'	3,045	3.74
564,524	First State Greater China Growth	2,432	2.99
316,882	First State Indian Subcontinent	691	0.85
8,835	FRM Credit Alpha	7	0.01
1,656,294	Investec Enhanced Natural Resources 'I'	2,269	2.79
3,082,575	JPMorgan Global Consumer Trends 'C'	3,409	4.19
3,514,280	Martin Currie Japan Alpha 'H'	3,750	4.61
750,856	M&G Optimal Income 'I'	929	1.14
		<b>19,659</b>	<b>24.16</b>
<b>United Kingdom 39.17% (34.10%)</b>			
826,105	Allianz RCM BRIC Stars 'C'	1,518	1.86
2,120,462	Artemis Income 'I'	3,612	4.44
3,040,577	Artemis Strategic Assets Fund 'I'	1,961	2.41
358,441	AXA Framlington UK Select Opportunities	4,448	5.46
158,290	BlackRock Gold and General 'A'	2,560	3.14
892,000	BlackRock UK Emerging Companies	1,124	1.38
830,000	F&C UK Property	807	0.99
310	Goldman Sachs Sterling Liquid Reserves	-	-
2,103,321	JOHambro UK Equity Income 'I'	2,848	3.50
15,894	JPMorgan Income Opportunities Hedged 'C'	1,666	2.05
2,451,964	Legal & General Dynamic Bond Trust 'I'	1,580	1.94
4,539,805	Legal & General UT Growth Trust 'I'	2,510	3.08
579,887	Neptune European Opportunities 'B'	1,961	2.41
2,268,522	Premier Pan European Property Share Fund	1,055	1.30
13,991	Salar Convertible Absolute Return 'B'	1,435	1.76
4,311,118	Schroder Income Maximiser 'A'	1,782	2.19
6,802	Vanguard Equity Index	1,030	1.26
		<b>31,897</b>	<b>39.17</b>
<b>EXCHANGE TRADED FUNDS 13.45% (16.24%)</b>			
<b>Europe 0.86% (0.00%)</b>			
38,000	iShares MSCI Europe Ex-UK	699	0.86
		<b>699</b>	<b>0.86</b>
<b>Far East 0.98% (1.16%)</b>			
27,400	iShares MSCI Far East Ex-Japan	801	0.98
		<b>801</b>	<b>0.98</b>

Holding	Investment	Market Value £'000	Total Value of Sub-Fund %
<b>Global 3.56% (3.32%)</b>			
105,800	iShares MSCI Emerging Markets	2,897	3.56
		<b>2,897</b>	<b>3.56</b>
<b>North America 1.16% (1.38%)</b>			
119,000	iShares S&P 500	944	1.16
		<b>944</b>	<b>1.16</b>
<b>United Kingdom 6.89% (10.38%)</b>			
440,000	iShares FTSE 100	2,560	3.14
266,129	iShares FTSE 250	3,050	3.75
		<b>5,610</b>	<b>6.89</b>
<b>INVESTMENT TRUSTS 3.11% (3.10%)</b>			
<b>Global 2.97% (2.95%)</b>			
894,000	F&C Private Equity ZDP	1,133	1.39
518,942	Invesco Asia Trust	841	1.03
41,800	Invesco Asia Trust (Sub Rights)	14	0.02
227,791	PSource Structured Debt	68	0.08
89,000	Quorum Oil and Gas Technology	369	0.45
		<b>2,425</b>	<b>2.97</b>
<b>Property 0.14% (0.15%)</b>			
150,000	Terra Catalyst <sup>1</sup>	110	0.14
		<b>110</b>	<b>0.14</b>
<b>STRUCTURED PLANS 1.06% (4.16%)</b>			
67,500,000	Goldman Sachs GBP 10 Year Swap Rate Certificates 12/06/2012	68	0.08
1,018,300	Goldman Sachs GBP 10 Year Swap Rate Certificates 20/11/2014	794	0.98
		<b>862</b>	<b>1.06</b>
<b>Total Value of Investments</b>		<b>71,772</b>	<b>88.15</b>
<b>Net Other Assets</b>		<b>9,652</b>	<b>11.85</b>
<b>Total Net Assets</b>		<b>81,424</b>	<b>100.00</b>

Figures in brackets represent sector distribution at 31st July 2010.

<sup>1</sup>Listed on AIM

# SENTINEL UNIVERSAL PORTFOLIO

## STATEMENT OF TOTAL RETURN

For the year ended 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
Income			
Net capital gains	2		6,235
Revenue	3	1,160	851
Expenses	4	(1,217)	(867)
Finance costs: Interest	6	-	(3)
Net expense before taxation		(57)	(19)
Taxation	5	7	(22)
Net expense after taxation		(50)	(41)
Total return before distributions		6,185	5,166
Finance costs: Distributions	6	3	(62)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>6,188</b>	<b>5,104</b>

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st July 2011

	Note	31/07/11 £'000	31/07/10 £'000
<b>Opening net assets attributable to shareholders</b>		<b>60,306</b>	<b>39,308</b>
Amounts receivable on issue of shares		22,987	28,878
Amounts payable on cancellation of shares		(8,018)	(13,019)
		14,969	15,859
Dilution levy		2	10
Stamp duty reserve tax		(41)	(46)
Change in net assets attributable to shareholders from investment activities		6,188	5,104
Retained distributions on accumulation shares	6	-	71
<b>Closing net assets attributable to shareholders</b>		<b>81,424</b>	<b>60,306</b>

## BALANCE SHEET

As at 31st July 2011

	Notes	31/07/11 £'000	31/07/10 £'000
<b>ASSETS</b>			
<b>Investment assets</b>		<b>71,772</b>	<b>57,247</b>
Debtors	7	683	939
Cash and bank balances	8	9,440	2,995
<b>Total other assets</b>		<b>10,123</b>	<b>3,934</b>
<b>Total assets</b>		<b>81,895</b>	<b>61,181</b>
<b>LIABILITIES</b>			
Creditors	10	(214)	(687)
Bank overdrafts	9	(257)	(189)
<b>Total liabilities</b>		<b>(471)</b>	<b>(875)</b>
<b>Net assets attributable to shareholders</b>		<b>81,424</b>	<b>60,306</b>

The notes on pages 27 to 29 are an integral part of these financial statements.

On behalf of Premier Portfolio Managers Limited.



Neil Macpherson  
Finance Director (of the ACD)



Mark Friend  
Managing Director, Operations (of the ACD)

25th November 2011

# SENTINEL UNIVERSAL PORTFOLIO

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies are set out in the aggregated notes to the financial statements on pages 6 to 8.

### 2. NET CAPITAL GAINS

	31/07/11 £'000	31/07/10 £'000
Non-derivative securities	6,207	5,209
Currency losses	-	(14)
Capital management fee rebates	30	17
Tax on offshore funds	-	(4)
Transaction charges	(2)	(1)
<b>Net capital gains</b>	<b>6,235</b>	<b>5,207</b>

### 3. REVENUE

	31/07/11 £'000	31/07/10 £'000
Bank interest	4	3
Franked UK dividends	27	9
Overseas dividends	9	51
Franked distributions	591	161
Unfranked distributions	111	610
Management fee rebates	116	17
Offshore CIS revenue	259	-
Offshore CIS interest	43	-
	<b>1,160</b>	<b>851</b>

### 4. EXPENSES

	31/07/11 £'000	31/07/10 £'000
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	1,089	759
	<b>1,089</b>	<b>759</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	47	34
Safe custody fees	7	1
	<b>54</b>	<b>35</b>
<b>Other expenses:</b>		
Auditor's remuneration	6	3
EMX fees	3	3
FT listing	4	-
Price publication fees	-	5
Printing fees	4	-
PRS fees	5	5
Registration fees	52	57
	<b>74</b>	<b>73</b>
<b>Total expenses</b>	<b>1,217</b>	<b>867</b>

Irrecoverable VAT is included in the above expenses where relevant.

### 5. TAXATION

(a) The tax charge comprises:

	31/07/11 £'000	31/07/10 £'000
<b>Current tax:</b>		
Corporation tax	-	-
Irrecoverable income tax	(7)	22
<b>Total current tax (note 5 (b))</b>	<b>(7)</b>	<b>22</b>
<b>Total taxation</b>	<b>(7)</b>	<b>22</b>

(b) Factors affecting the tax charge for the year:

The tax charge for the year is lower than the special 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEICs). The differences are explained below:

	31/07/11 £'000	31/07/10 £'000
Net expense before taxation	(57)	(19)
	<b>(57)</b>	<b>(19)</b>
Return on ordinary activities multiplied by the special rate of corporation tax of 20% (2010: 20%)	(11)	(4)
<b>Effects of:</b>		
Franked UK dividends and distributions not subject to taxation	(175)	(34)
Expenses not utilised in period	182	78
Irrecoverable income tax	(7)	22
Non-taxable overseas dividends	(2)	(44)
Tax effect of capital management fee rebates	6	4
<b>Current tax charge (note 5 (a))</b>	<b>(7)</b>	<b>22</b>

Authorised OEICs are exempt from tax on capital gains made within the sub-funds.

Factors that may affect the future tax charge:

The sub-fund has not recognised a deferred tax asset of £260,431 (2010: £77,799) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the sub-fund's revenue or capital gains changes.

# SENTINEL UNIVERSAL PORTFOLIO

## 6. FINANCE COSTS

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31/07/11 £'000	31/07/10 £'000
Interim distribution	-	1
Interim accumulation	-	71
Final distribution	-	-
Final accumulation	-	-
	<u>-</u>	<u>72</u>
Add: Revenue deducted on cancellation of shares	3	22
Deduct: Revenue received on issue of shares	(6)	(32)
<b>Net distributions for the year</b>	<b>(3)</b>	<b>62</b>
Interest	-	3
<b>Total finance costs</b>	<b>(3)</b>	<b>65</b>

The difference between the net expense after taxation and the amounts distributed comprises:

Net expense after taxation	(50)	(41)
Deficit transferred to capital	47	103
<b>Finance costs: Distributions</b>	<b>(3)</b>	<b>62</b>

## 7. DEBTORS

	31/07/11 £'000	31/07/10 £'000
Accrued revenue	157	102
Amounts receivable for issue of shares	331	310
Management fee rebates	102	18
Prepaid expenses	1	1
Recoverable income tax	92	63
Sales awaiting settlement	-	445
	<u>683</u>	<u>939</u>

## 8. CASH AND BANK BALANCES

	31/07/11 £'000	31/07/10 £'000
Sterling	9,440	2,995
<b>Cash and bank balances</b>	<b>9,440</b>	<b>2,995</b>

## 9. BANK OVERDRAFTS

	31/07/11 £'000	31/07/10 £'000
Sterling	257	189
	<u>257</u>	<u>189</u>

## 10. CREDITORS

	31/07/11 £'000	31/07/10 £'000
Accrued expenses	123	93
Amounts payable for cancellation of shares	91	139
Purchases awaiting settlement	-	450
Tax provision on unrealised offshore gains	-	4
	<u>214</u>	<u>686</u>

## 11. RELATED PARTIES

### Authorised Corporate Director ("ACD")

The ACD of the sub-fund is Premier Portfolio Managers Limited. Amounts paid to Premier Portfolio Managers Limited in respect of the ACD's periodic charge are disclosed in note 4. Amounts due at the year end are included within accrued expenses on the balance sheet where applicable.

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

There were no contingent liabilities or outstanding commitments at the balance sheet date (2010: £nil).

## 13. FINANCIAL INSTRUMENTS

In pursuing the sub-fund's investment objective, the main risks arising from the sub-fund's financial instruments are market price, currency, interest rate, liquidity and counterparty risk.

### Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the sub-fund might suffer through holding market positions in the face of price movements. The investment adviser considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the sub-fund's investment objective.

The sub-fund holds positions in structured plans. The purpose of the plans are to provide a certain level of capital protection albeit with a limited potential return, dependent on the movement of underlying market indices. The use of structured plans is intended to reduce the volatility of the overall portfolio although in extreme market conditions this may not be the case. The portfolio statement on page 25, shows that 1.06% (2010: 4.16%) of the sub-fund's portfolio consists of investments in structured plans.

The investment adviser does not use derivative instruments to hedge the investment portfolio against market price risks.

### Currency Risk

The currency profile of the sub-fund's financial instruments at the balance sheet date (including short term debtors and creditors) was:

### Currency exposure as at 31st July 2011

Currency	Portfolio of Investments £'000	Net other Assets £'000	Total £'000	Total Exposure %
US dollar	369	-	369	0.45
	<b>369</b>	<b>-</b>	<b>369</b>	<b>0.45</b>
Sterling	71,403	9,652	81,055	99.55
<b>Total</b>	<b>71,772</b>	<b>9,652</b>	<b>81,424</b>	<b>100.00</b>

# SENTINEL UNIVERSAL PORTFOLIO

## Currency exposure as at 31st July 2010

Currency	Portfolio of Investments £'000	Net other Assets £'000	Total £'000	Total Exposure %
US dollar	458	-	458	0.76
	<b>458</b>	<b>-</b>	<b>458</b>	<b>0.76</b>
Sterling	56,789	3,059	59,848	99.24
<b>Total</b>	<b>57,247</b>	<b>3,059</b>	<b>60,306</b>	<b>100.00</b>

There was significant indirect foreign currency exposure within the sub-fund's holdings of collective investment schemes since their assets are denominated in currencies other than sterling, with the effect that their balance sheet and total returns can be affected by exchange rate fluctuations.

### Interest Rate Risk

The sub-fund does not have any direct interest rate risk as the majority of financial assets are in collective investment schemes, investment trusts and structured plans which do not pay interest. However, some of the underlying collective investment scheme investments and structured products may be directly or indirectly exposed to interest rate risk.

As at the balance sheet date 9.75% of the sub-fund's portfolio was invested in assets which pay interest.

The only interest-bearing financial assets of the sub-fund are bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

### Liquidity Risk

The sub-fund's assets comprise mainly readily realisable securities, which can be readily sold. The main liability of the sub-fund is the redemption of any shares that investors wish to sell. All the financial liabilities of the sub-fund fall due within one year.

### Counterparty Risk

The sub-fund will be exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The sub-fund minimises concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The sub-fund only buys and sells investments through brokers which have been approved by the investment adviser as an acceptable counterparty and from recognised product providers.

The sub-fund is exposed to counterparty risk with the issuers of structured plans.

The sub-fund is exposed to a credit risk whereby the issuer of ZDP's may default on its obligations.

### Fair Value of Financial Assets and Financial Liabilities

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the sub-fund disclosed in the balance sheet where applicable.

### Derivatives and Forward Transactions

The sub-fund does not hold any derivatives or forward transactions that could materially impact the value of the sub-fund.

The investment adviser does not use derivative instruments to hedge the investment portfolio against risk.

## 14. SHARE CLASSES

The sub-fund currently has two types of share. The AMC on each share class is as follows:

Income: 1.50%

Accumulation: 1.50%

The net asset value, the net asset value per share and the number of shares in issue are given in the comparative tables on page 23. The distribution per share class is given in the distribution tables below. All the share classes have the same rights on winding up. The taxation and income are apportioned equally based on the weighted proportion of each share class.

## 15. PORTFOLIO TRANSACTION COSTS

	31/07/11 £'000	31/07/10 £'000
Analysis of total purchase costs:		
Purchases in year before transaction costs	22,819	42,302
Commissions	1	6
Taxes	5	-
<b>Total purchase costs</b>	<b>6</b>	<b>6</b>
<b>Gross purchases total</b>	<b>22,825</b>	<b>42,308</b>
Analysis of total sale costs:		
Gross sales before transaction costs	14,504	27,966
Commissions	(1)	(6)
<b>Total sale costs</b>	<b>(1)</b>	<b>(6)</b>
<b>Total sales net of transaction costs</b>	<b>14,503</b>	<b>27,960</b>

## DISTRIBUTION TABLES

For the period from 1st August 2010 to 31st January 2011

### Interim dividend distribution in pence per share

#### Income Shares

	Net		Distribution Paid	
	Income	Equalisation	31/03/11	31/03/10
Group 1	-	-	-	0.1265
Group 2	-	-	-	0.1265

#### Accumulation Shares

	Net		Amount Accumulated	
	Income	Equalisation	31/03/11	31/03/10
Group 1	-	-	-	0.1501
Group 2	-	-	-	0.1501

For the period from 1st February 2011 to 31st July 2011

### Final dividend distribution in pence per share

Expenses exceeded revenue during the period, as a result no distributions were paid. (2010: same)

## Administration Queries

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## This document is issued by:

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You should remember that past performance is not a guide to the future. The price of shares and the income from them may go down as well as up and you may get back less than you invested. Exchange rates will also cause the value of underlying investments to fall or rise. Tax concessions are not guaranteed and may be changed at any time; their value will depend on your individual circumstances. For your protection when dealing, your call may be recorded and monitored. Details of the nature of the investments, the commitment required and fund specific risk warnings are described in the Simplified Prospectus document which is available on request. Large print documents are available on request from the above Guildford address.