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The Sentinel Enterprise Fund

Long-Term themes



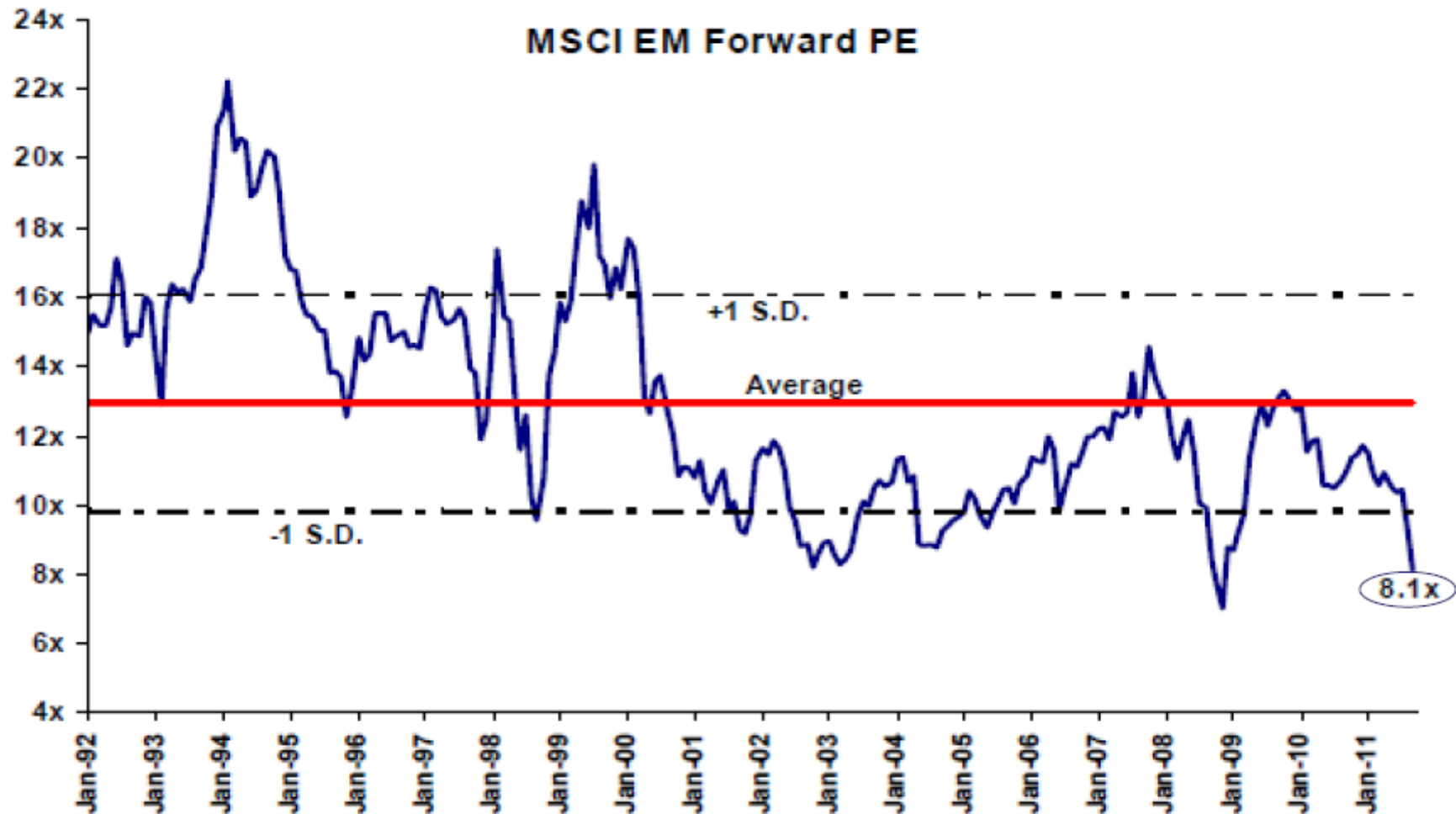
Themes

- Overweight Emerging Markets
- Overweight gold equities
- Zero exposure to Europe and Japan, overweight large cap America

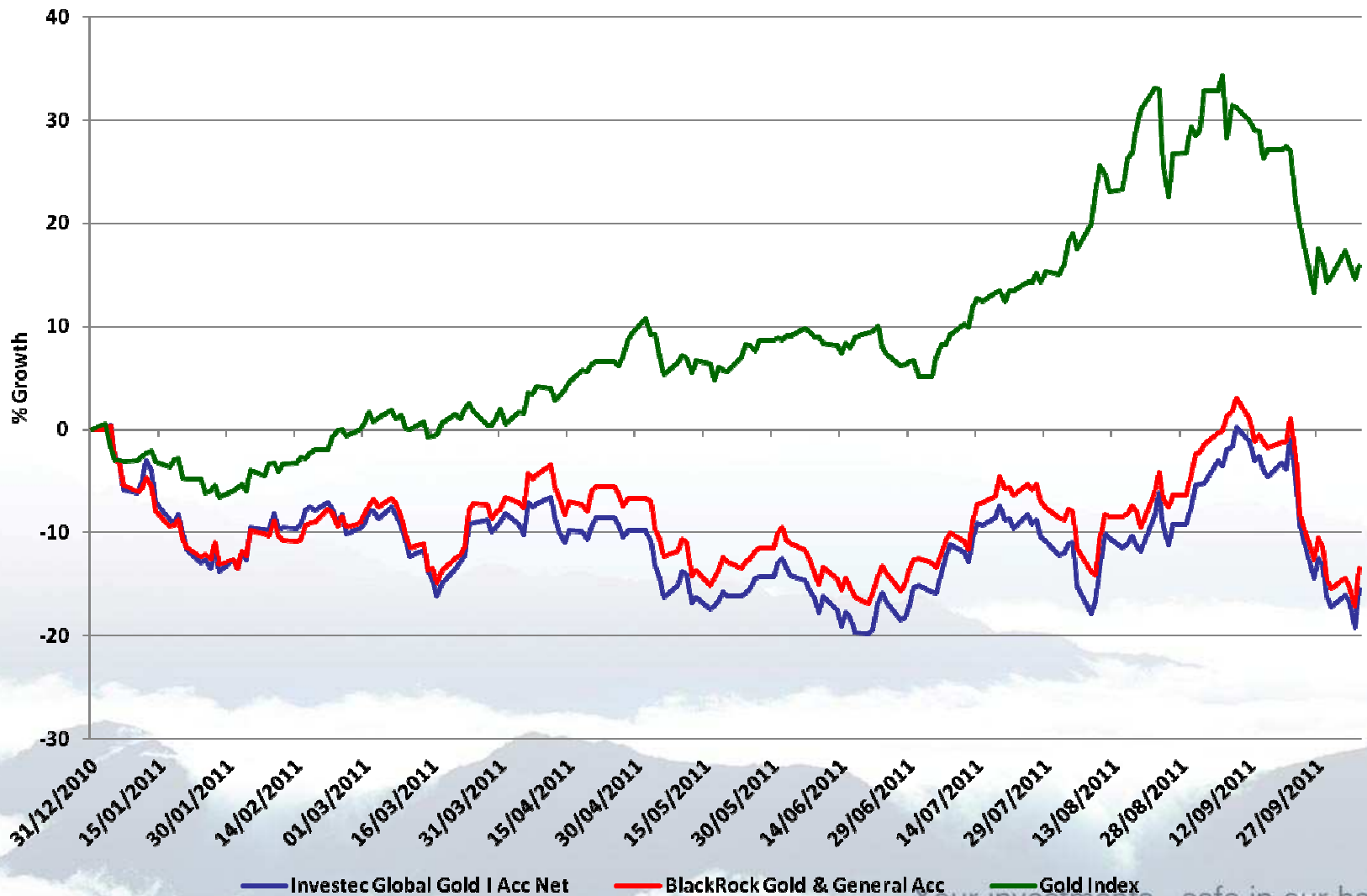


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GEMS P/E Relative to History



Gold Price versus Gold Equities – Year to Date



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Source: Lipper Hindsight. Data to 30/09/2011

Gold Price versus Gold Equities

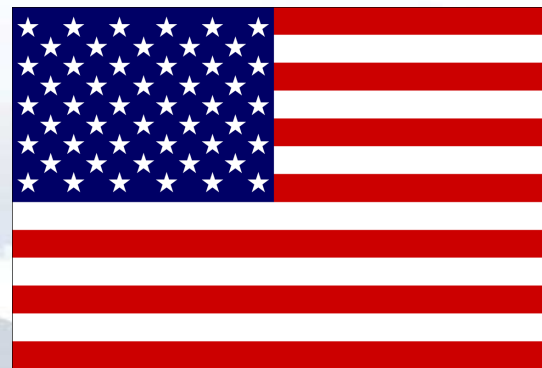
- Continuation of European and US debt and fiscal crises expected to keep interest rates low
- Continued demand for gold jewellery and investment from BRIC economies on GDP growth
- Supply constrained by few new mines, limited producer hedging and lower central bank sales
- Gold equities broadly disconnected from rising price, despite expectations of high earnings



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Europe vs US

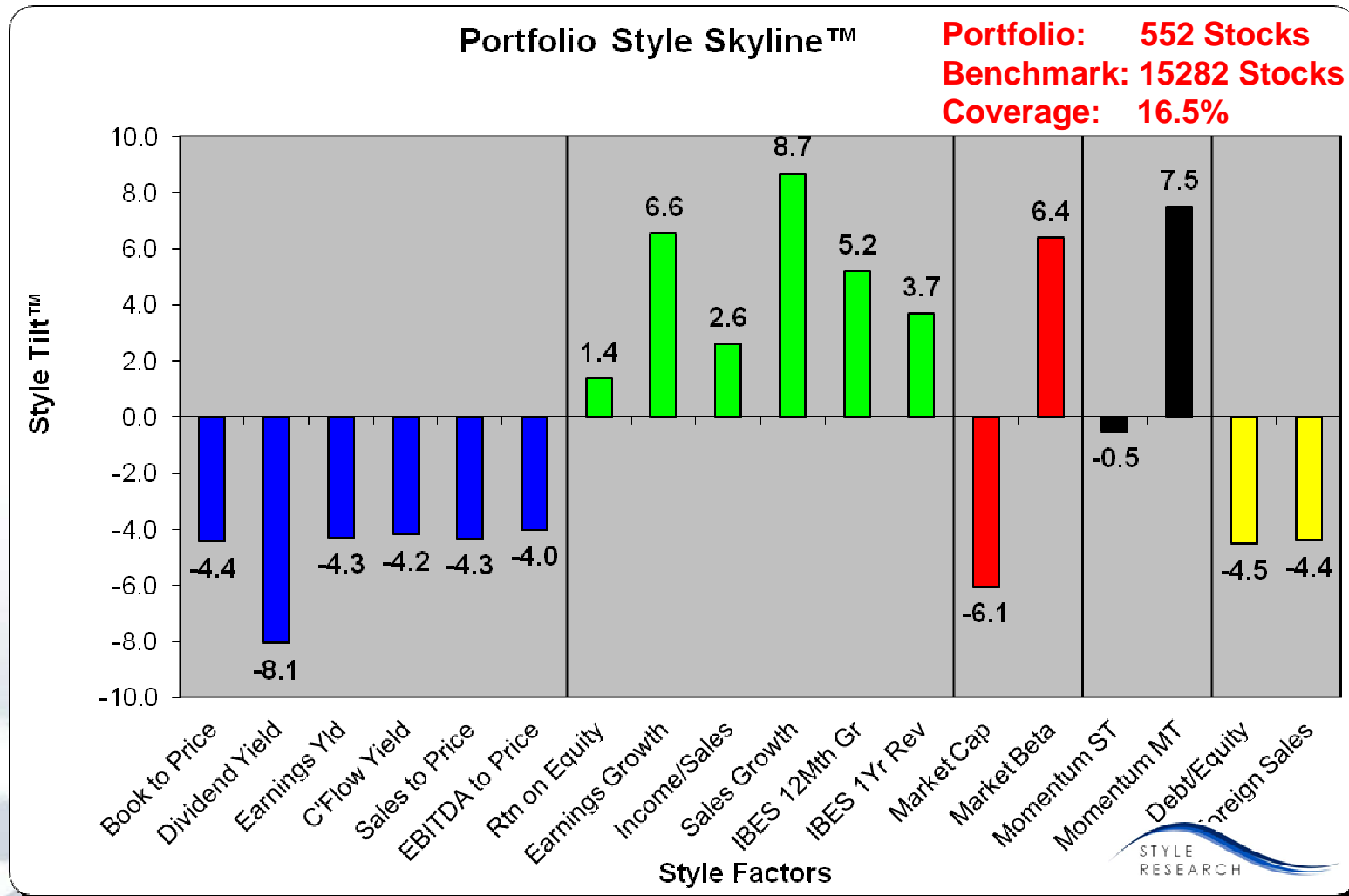
- US has historically always led developed markets out of recession
- America is committed to addressing credit issues, for example, confirming that interest rates would stay low for longer
- The US Government has also said it will allow inflation to rise and still not increase rates until employment levels are picking up sufficiently.



Japan – Headwinds

- Demographics
- Reliance on exports
- Debt to GDP reaching 200%
- Politics unstable

Style Analysis



Style Analysis

- Portfolio has a strong growth bias
- 552 stocks, 16.5% coverage with the Benchmark
- Overweight basic materials, consumer services, industrials
- Underweight Consumer goods, Financials, Healthcare and Utilities
- Risk predominantly being taken through market and sector positioning

Top 4 stock holdings

1. Apple
2. Newmont Mining
3. Gazprom
4. Petrobras

All are part of the largest 500 global companies by market cap

1. Apple



- Market Cap: £353.51bn
- The Group's principal activities are to design, manufacture and market personal computers, mobile communication devices, and portable digital music and video players and sell a variety of related software, services, peripherals, and networking solutions.
- As of September 2011, largest publicly traded company in the world by market capitalisation
- As of September 2011, largest technology company in the world by revenue and profit

2. Newmont Mining



- Market Cap: £30.69bn
- The Group's principal activity is to acquire, develop, explore and produce gold properties worldwide.
- As of December 2010, produced approximately 5.4 million equity ounces of gold annually.
- Held proven reserves of \$93.5 million.

Gazprom



- Market Cap: £114.4bn
- One of the world's largest energy companies
- Its major business lines are geological exploration, production, transportation, storage, processing and marketing of hydrocarbons as well as generation and marketing of heat and electric power.
- Possesses the world's largest natural gas reserves
- With 17 per cent of global gas production, Gazprom Group is the leader among the world's oil and gas companies

4. Petrobras



- Market Cap: £141.1bn
- Brazilian multi-national energy company
- Largest company in Latin America by market capitalisation and revenue
- Also, the largest company headquartered in the Southern Hemisphere by market value
- Eighth largest global company by market value

Conclusions

- Overweight Large Cap Quality Companies across major markets such as USA, China, Brazil, Russia and Australia
- Continue to support emerging markets as drivers of global growth
- Selective developed market exposure where greatest recovery potential is offered
- Support for commodities and gold