

# Sentinel Balanced Fund

# Ba

2Q10 June 30, 2010

## Share Class Symbol CUSIP

A	SEBLX	817270200
C	SBACX	817270697
I	SIBLX	81728B817

## Objective

Seeks a combination of growth of capital and current income, with relatively low risk and relatively low fluctuations in value, by investing in both common stocks and bonds. Allocation is based on which asset class appears to offer better value.

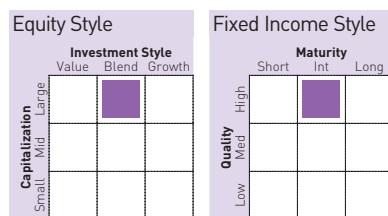
## Lipper Category

Mixed-Asset Target Allocation Growth

## Morningstar Category

Moderate Allocation

## Morningstar Style Box<sup>1</sup>



## Morningstar Ratings<sup>2</sup>

	Class A	Class A-LW	Cat. size
Overall	★★★★	★★★★	963
3 year	★★★	★★★★	963
5 year	★★★	★★★★	807
10 year	★★★★	★★★★	436

## Committed to Consistency Since 1938

### Effective Combination

The Fund combines the best ideas from Sentinel Common Stock Fund and Sentinel Government Securities Fund to provide investors with exposure to both equities and fixed income securities.

### Team Approach

Dan Manion and David Brownlee actively manage the portfolio and frequently discuss appropriate allocation weightings based on market and economic conditions.

### Experience

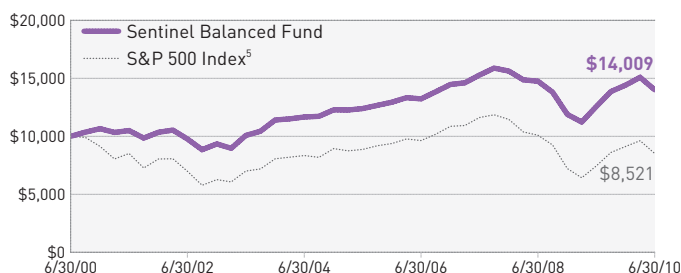
The management team offers investors 50 years of combined investment experience.

## Performance (as of June 30, 2010)

	Class A shares		Class C shares <sup>3</sup>		Class I shares <sup>4</sup>	S&P 500 Index <sup>5</sup>	Barclays Capital U.S. Aggregate Bond Index <sup>6</sup>
	Without Sales Charge	With Max Sales Charge	Without Sales Charge	With Max Sales Charge	Without Sales Charge		
Cumulative YTD	-2.84%	-7.67%	-3.24%	-4.20%	-2.87%	-6.65%	5.33%
Average Annual Total Returns							
1 year	11.47	5.87	10.55	9.55	11.36	14.43	9.50
3 years	-2.85	-4.50	-3.77	-3.77	-2.95	-9.81	7.55
5 years	2.48	1.43	1.51	1.51	2.42	-0.79	5.54
10 years	3.43	2.90	2.44	2.44	3.40	-1.59	6.47
Since inception	8.41	8.34	7.30	7.30	8.41	—	—

## Growth of a \$10,000 Investment (Class A shares without sales charge)

June 30, 2000 - June 30, 2010



The graph is for illustrative purposes only and reflects the hypothetical growth of a \$10,000 investment with all distributions reinvested. Past performance does not predict future results. Performance shown in the graph and calendar year total returns reflects expenses and management fees, but does not reflect sales charges. If performance had included the appropriate sales charge, returns would be lower.

## Calendar-Year Total Returns

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Class A at NAV	8.64%	-2.91%	-9.69%	22.05%	7.68%	5.37%	11.79%	7.97%	-23.90%	21.28%
S&P 500 Index <sup>5</sup>	-9.10	-11.89	-22.10	28.68	10.88	4.91	15.79	5.49	-37.00	26.46

## Important Disclosure

Data shown is historical performance for each share class and reflects reinvested distributions. With Max Sales Charge performance data includes the maximum 5% sales charge for Class A shares and the 1% CDSC for Class C shares. Class I shares do not impose a sales charge. Only eligible investors may purchase Class I shares, as described in the Prospectus. Investment return and principal value will vary so that you may have a gain or loss when you sell shares. Past performance does not guarantee future results; current performance may be higher or lower than data quoted. The Fund is subject to interest rate risk. Bond values will generally decrease when interest rates rise and will generally increase when interest rates fall. Mortgage-backed securities (MBS) are subject to pre-payment risk. Large company stocks as a group could fall out of favor with the market and underperform investments that focus on small and mid-sized company stocks. Fund shares are not insured or guaranteed by the U.S. government or its agencies. For performance current to the most recent month-end, visit [www.sentinelinvestments.com](http://www.sentinelinvestments.com).

The following are total annual operating expense ratios for Sentinel Balanced Fund Class A, C, & I shares; A - 1.20%, C - 2.15%, I - 1.62%. All expense ratio data is sourced from the prospectus dated March 30, 2010.

- The Morningstar style box provides a graphical representation of the investment style of stocks and mutual funds.
- Morningstar ratings reflect historical risk-adjusted performance as of June 30, 2010 and are subject to change every month. Ratings are based on a risk-adjusted return measure that accounts for variations in monthly performance (including the effects of sales charges, loads and redemption fees) emphasizing downward variations and rewarding consistent performance. Ten percent of the funds in a category receive five stars, 22.5% four stars, 35% three stars, 22.5% two stars and 10% one star. The Overall Rating reflects a weighted average of a fund's 3-, 5- and 10-year (if applicable) risk adjusted performance. Morningstar Load-Waived Ratings supplement Morningstar Ratings for Class A shares by recalculating measures that are load-adjusted without the effects of the front-end sales charge. Load Waived ratings should only be considered by investors who are not subject to the Fund's front-end sales charge.
- Performance of the Class C shares prior to May 4, 1998 is based on the performance of the Fund's Class A shares, adjusted to reflect that Class C shares do not charge a front-end sales charge but may be subject to a contingent deferred sales charge, and adjusted for Class C's higher expenses. The "since inception" performance data for Class C shares is calculated from November 15, 1938, which was the inception date of the Fund.
- Performance of the Class I shares prior to their inception on August 27, 2007 is based on the performance of the Fund's Class A shares, restated to reflect that Class I shares are not subject to a sales charge. The "since inception" performance data for Class I shares is calculated from November 15, 1938, which was the inception date of the Fund.
- The Standard & Poor's 500 Index is an unmanaged index of 500 widely held U.S. equity securities chosen for market size, liquidity, and industry group representation. An investment cannot be made directly in an index.
- The Barclays Capital U.S. Aggregate Bond Index is an unmanaged index that measures the U.S. investment grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. An investment cannot be made directly in an index.

## Fund Facts (Class A shares)

Inception	11/15/38
Total net assets (millions) <sup>1</sup>	\$212.07
Min. initial investment	\$1,000
Number of holdings	165
Wtd median mkt cap (millions)	\$33,044
Total annual operating expenses <sup>2</sup>	1.20%
Total annual turnover <sup>3</sup>	80%
Market cap distribution	
<\$3b	2.3%
\$3b-\$12b	10.3%
\$12b-\$25b	25.5%
\$25b-\$50b	24.9%
>\$50b	37.0%
Cash and equivalents	3.84%

## Key Statistics (Class A Shares)

Based on a trailing 3-year period

Alpha <sup>4</sup>	2.86%
Benchmark <sup>5</sup>	0.00%
Beta <sup>6</sup>	0.65
Benchmark <sup>5</sup>	1.00
Standard deviation <sup>7</sup>	13.61%
Benchmark <sup>5</sup>	20.73%
Sharpe ratio <sup>8</sup>	-0.24
Benchmark <sup>5</sup>	-0.45
R-squared <sup>9</sup>	97.76%
Benchmark <sup>5</sup>	100.00%

## About the Management Team

### Daniel J. Manion, CFA

Equity Portfolio Manager  
 · 17 years with Sentinel  
 · 23 years of investment experience

### David M. Brownlee, CFA

Bond Portfolio Manager  
 · 17 years with Sentinel  
 · 29 years of investment experience

**NOT FDIC INSURED**

**MAY LOSE VALUE**

**NO BANK GUARANTEE**

**Consider a fund's objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Fund and is available from your financial advisor or Sentinel. Please read the prospectus carefully before you invest.**

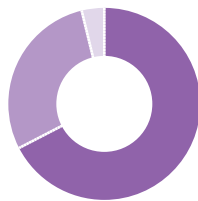
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## Top 10 Equity Holdings (Percent of total equity portfolio as of June 30, 2010)

Company	Industry	% of Equity Portfolio
ExxonMobil Corp.	Oil, Gas & Consumable Fuels	3.1%
United Technologies Corp.	Aerospace & Defense	2.3
Johnson & Johnson	Pharmaceuticals	2.2
Procter & Gamble Co.	Household Products	2.1
PepsiCo, Inc.	Beverages	1.9
Chevron Corp.	Oil, Gas & Consumable Fuels	1.9
International Business Machines Corp.	IT Services	1.9
Time Warner, Inc.	Media	1.8
Microsoft Corp.	Software	1.7
EOG Resources, Inc.	Oil, Gas & Consumable Fuels	1.5
<b>Total (Percent of equity portfolio)</b>		<b>20.4%</b>

## Asset Mix\*



● Stocks	67.4%
● Bonds	28.8%
● Cash and equivalents	3.8%

\*Due to rounding, values may not total 100%.

## Equity Sector Allocation\*

Equity Sector Allocation*	Sentinel Balanced Fund (% of Equity Portfolio)	S&P 500 Index
Information Technology	18.3%	18.7%
Health Care	15.2	12.1
Industrials	14.8	10.4
Financials	12.9	16.3
Consumer Staples	11.0	11.5
Energy	11.0	10.7
Consumer Discretionary	8.6	10.1
Materials	3.7	3.4
Telecommunication Services	3.4	3.0
Utilities	1.0	3.8

## Important Disclosure

All data as of June 30, 2010 unless otherwise noted. The composition of the Fund's holdings is subject to change.

1. Total net assets of all share classes.
  2. Expense ratio before custodian credits and reimbursements. Source: Prospectus dated March 30, 2010.
  3. Total annual turnover quoted from November 30, 2009 annual report.
  4. Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk (as measured by beta).
  5. Benchmark index used is Standard and Poor's 500 Index.
  6. Beta is a measure of a fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market, and a portfolio with a beta less than 1 is less volatile than the market.
  7. Standard deviation is a statistical measure of the volatility of the fund's returns.
  8. Sharpe ratio uses standard deviation and excess return to determine reward per unit of risk.
  9. R-squared measures the degree to which a fund's behavior is related to an external benchmark index.
- Sources: FactSet, Morningstar

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For more than 75 years, Sentinel Investments has offered sound investment solutions built around core asset strengths, a disciplined investment philosophy and a foundation of independent fundamental research. We see our role as stewards of your investment capital, seeking competitive returns in strong market environments and superior relative performance in down markets. We are committed to quality, consistency and sustainable results, measured in years, rather than days, weeks or months.