

Sentinel Mid Cap Value Fund

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4Q09 December 31, 2009

About the Management Team

Michael A. Steinberg

Portfolio Manager/Analyst
· 42 years of investment experience

Data shown is historical performance for each share class and reflects reinvested distributions. With Sales Charge price performance data includes the maximum 5% sales charge for Class A. 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. For performance current to the most recent month-end, visit www.sentinelinvestments.com.

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Manager Insights

Only a year ago our economy had almost shut down. We faced a near-collapse of the banking system. Credit markets were frozen and consumer confidence was plummeting. Confronted with huge uncertainties, investors sent stocks into a free-fall. The crisis was halted by governments' unprecedented massive monetary and fiscal policy responses.

With the economy and financial system stabilized, investor attention for 2010 will be focused on the strength and durability of the current recovery.

The hope is that the incipient recovery will move to more solid footing and become self-sustaining. If the typical cyclical process unfolds and is not interrupted by any serious unexpected developments, the restocking of depleted inventories will lead to an increase in hiring, which will produce income essential to growth of consumer spending. As capacity utilization rises, higher levels of investment in plants and equipment should develop. In addition, exports should bolster growth.

Obstacles on the Path to Recovery

Despite headwinds from the lingering after-effects of the credit crisis, the economy appears to be broadly following a typical recovery pattern. However, because the stresses from the crisis have only been reduced, not eliminated, the recovery is unusually fragile and vulnerable to being derailed by unanticipated shocks. Areas worth monitoring for their potential to undermine the recovery include, but are not limited to the following:

- **Premature Tightening:** Policy makers are under pressure to address concerns about the size of the Federal deficit and excess liquidity in the system. A premature withdrawal of stimulus could undermine the recovery.
- **Relapse in Residential Home Prices:** The perception that the residential real estate market has turned up has helped buoy consumer sentiment and has aided economic recovery. However, the fundamental supply-demand balance for housing could turn unfavorable. On the supply side of the equation, foreclosures are likely to accelerate and government policies to forestall them have not been, to date, adequate. At the same time, the effective pool of home buyers may be constricted by several factors: rising mortgage rates, the scheduled expiration of government programs designed to encourage home purchases (tax credits for first-time home buyers and government purchases of mortgage-backed securities), and the implementation of tighter credit requirements for home loans by the Federal Housing Administration (FHA) and other lenders.

If the supply-demand balance for home purchases takes an unfavorable turn in 2010, the resulting decline in home prices could swiftly undermine already fragile consumer confidence.

- **Higher Real Long-Term Interest Rates:** In the month of December the yield on the government's 10-year note rose to 3.78% from 3.20%. This substantial rise in real, not nominal, interest rates for this benchmark security may signal that investors, particularly foreigners, are growing weary of extending long-term credit to the U.S. government at around historically low interest rates. With a record supply of government paper to be issued in 2010, a less favorable supply-demand balance may translate into undesirably high real interest rates that weigh heavily on the economy.
- **Credit Contraction:** Credit has been contracting at a steep rate in recent months. No matter the reason, whether the result of reluctance of lenders to extend credit or borrowers to take on debt, if bank loans continue to fall and the broadest measures of the money supply (M2 and reconstructed M3) are not more robust, it will be damaging to the economy.
- **Other Factors:** In the year ahead, developments surrounding sovereign debt risk, protectionist moves by Congress, commercial real estate losses, as well as financial problems at the state and local level could all produce impediments to the economic recovery.

Important Disclosure

Midsized company stocks can be more volatile than large company stocks.

The total annual operating expense ratio for Sentinel Mid Cap Value Fund Class A shares is 1.50%. Expense ratio data is sourced from the Prospectus dated March 31, 2009.

The Sentinel Mid Cap Value Fund is non-diversified and will hold fewer securities than a diversified portfolio. The Fund may be more affected by the performance of a particular stock, either positively or negatively, than a more broadly diversified fund.

Investor expectations for a classic cyclical recovery reflect a defensible base-case thesis, albeit one that will likely be challenged due to the fragile condition of the economy and financial system as well as the unexpected effects from the credit crisis. The fragile nature of the recovery holds the potential for a higher level of market volatility than occurred for much of 2009.

Investment Strategy

Our investment process and strategy is built on rigorous in-house fundamental research to identify businesses with exceptional risk-reward profiles. We believe our expertise and approach are well-suited to the current environment, and we are confident that our investment process has the potential to continue to produce strong long-term investment returns.

Currently one area of focus is identifying businesses that offer remedies to the problems created by the credit crisis. For example, in order to limit further economic and financial dislocations due to the failures of regional banks, the Federal Deposit Insurance Corporation (FDIC) has instituted a program that offers sound institutions opportunities to acquire failed entities at very attractive terms. We have identified several companies which appear particularly well positioned to capitalize on this FDIC program and to achieve outstanding returns on invested capital as a result. We plan to continue to build positions in these selected equities for your portfolio opportunistically.

Top 10 Holdings (% of the total net assets as of December 31, 2009)

Company	Industry	% of Fund
Golar LNG Ltd.	Oil, Gas & Consumable Fuels	7.3%
Arch Capital Group Ltd.	Insurance	6.6
Laboratory Corp. of America Holdings	Health Care Providers & Services	6.3
Willis Group Holdings PLC	Insurance	5.7
Discovery Communications, Inc.	Media	5.4
Ralcorp Holdings, Inc.	Food Products	5.2
Waste Connections, Inc.	Commercial Services & Supplies	5.0
IAC/InterActiveCorp.	Internet Software & Services	4.3
Arrow Energy Ltd.	Oil, Gas & Consumable Fuels	3.5
International Flavors & Fragrances, Inc.	Chemicals	3.4
Total		52.7%

Average Annual Total Returns (as of December 31, 2009)

	Class A shares		Class C shares		Class I shares	Russell Midcap Value Index ¹
	Without Sales Charge	With Max Sales Charge	Without Sales Charge	With Max Sales Charge	Without Sales Charge	
Year-to-date	34.82%	28.09%	33.93%	32.93%	35.85%	34.21%
1 year	34.82	28.09	33.93	32.93	35.85	34.21
3 years	-5.29	-6.89	-5.96	-5.96	-4.74	-6.62
5 years	2.35	1.30	1.61	1.61	2.80	1.98
10 years	—	—	—	—	—	7.58
Since inception	8.40	7.84	7.63	7.63	8.78	7.72
Performance inception dates	4/3/00					4/3/00

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. Midsized company stocks can be more volatile than large company stocks. For performance current to the most recent month-end, visit www.sentinelinvestments.com.

The following are total annual operating expense ratios for Sentinel Mid Cap Value Fund Class A, C, & I shares; A – 1.50%, C – 2.23%, I – 0.94%. All expense ratio data is sourced from the Prospectus dated March 31, 2009.

The Mid Cap Value Fund is a successor to the Synovus Mid Cap Value Fund, which was a successor to a similarly managed collective investment fund, which commenced operations on April 3, 2000. Performance for Class A & C shares from October 24, 2001 to May 4, 2007 is based on the equivalent share class performance of the Synovus Mid Cap Value Fund, adjusted for the current maximum sales load. Performance for Class A & C shares from October 12, to October 24, 2001 is based on the Synovus Mid Cap Value Fund's Institutional Class shares, adjusted for the current maximum sales load and higher expenses. Class A & C shares performance prior to October 12, 2001 is based on the performance of the collective investment fund, adjusted for higher expenses and the current maximum sales load. Class A shares performance has not been adjusted for the higher 12b-1 fee of the Fund's Class A shares as compared to the Synovus Mid Cap Value Fund's Class A shares. If it had, returns would be lower. Performance for Class I shares from October 12, 2001 through May 4, 2007 is based on the Synovus Mid Cap Value Fund's Institutional Class shares. Performance for Class I shares prior to October 12, 2001 is based on the performance of the collective investment fund adjusted for higher expenses.

1. The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. An investment cannot be made directly in an index.

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 wholesaler or Sentinel. Please read the prospectus carefully before you invest.

Sentinel Investments is the unifying brand name for Sentinel Financial Services Company, Sentinel Asset Management, Inc., and Sentinel Administrative Services, Inc.

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For 75 years, Sentinel Investments has offered the sound, prudently managed strategies that are the foundation of any portfolio. We deliver a range of investment solutions managed by focused, dedicated teams of specialists. Though our teams have varying philosophies, they share our firm's most basic values: a commitment to bottom-up, fundamental research; a desire for competitive returns during strong market environments and superior relative performance in down markets; and a commitment to results measured in years, rather than days, weeks or months. Dedicated teams, repeatable disciplines and a commitment to sustainable performance — at Sentinel, these are the essential elements of investing.