

Sentinel Small Company Fund

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4Q09 December 31, 2009

About the Management Team

Charles C. Schwartz, CFA

Lead Portfolio Manager
· 13 years with Sentinel
· 18 years of investment experience

Betsy G. Pecor, CFA

Co-Portfolio Manager
· 9 years with Sentinel
· 13 years of investment experience

Matthew J. McGeary, CFA

Equity Analyst
· 4 years with Sentinel
· 10 years of investment experience

Carole M. Hersam, CFA

Equity Analyst
· 8 years with Sentinel
· 13 years of investment experience

Matthew R. Spitznagle, CFA

Equity Analyst
· 4 years with Sentinel
· 14 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. Small company stocks can be more volatile than large company stocks. For performance current to the most recent month-end, visit www.sentinelinvestments.com.



Manager Insights

For the fourth quarter of 2009, the Sentinel Small Company Fund* was up 4.30%** , which compares to the 3.87% return for the Russell 2000 Index¹, the 5.12% return for the S&P 600 Index², and a 4.79% return for the Morningstar Small Cap Growth category³. For the year, the Fund rose by 27.27%, which compares to the 27.17% return for the Russell 2000 Index and the 25.57% return for the S&P 600 Index. However, the fund's return did lag the 35.46% return of the Morningstar Small Cap Growth category.

After one of the worst markets we have ever experienced in 2008, the new year started out with considerable volatility and a downward bias—before staging a nice surge over the ensuing nine months that helped take the sting out of the prior year's declines. Growth stocks were meaningful outperformers versus value stocks in the year. Additionally, there was a significant low-quality / momentum-based nature to the market rally within small caps. In this very challenging market, the Fund's behavior was consistent with our conservative growth investment discipline, performing better than the small-cap benchmarks (Russell 2000 & S&P 600) but did lag our more aggressive Morningstar Small Cap Growth peers.

In the fourth quarter, the fund's holdings in Energy and Industrials did well compared to the corresponding sectors in the Russell 2000 Index. Within Energy, our overweight and stock selection in Equipment & Services was beneficial to returns. Noteworthy performers included our positions in Carbo Ceramics and Core Labs. Our stock selection in the Capital Goods and Services groups within the Industrials sector helped our relative performance in the quarter. However, our results in Materials and Financials lagged the Russell 2000 Index in the fourth quarter. Our underperformance in the Materials sector was largely due to our lack of exposure to the Paper & Forest Products group, as well as relative weakness in our Containers & Packaging holdings. Within the Financials sector, we did not keep pace with our positions in the Diversified Financials group.

For the year, the fund's holdings in the Financials and Energy sectors did very well compared to the corresponding sectors in the Russell 2000 Index. Our underweight in Banks and stock selection among Banks within the Financials sector were both very beneficial to returns. Solid performance in the sector was driven by our holdings in Affiliated Managers Group and Portfolio Recovery Assoc. Within the Energy sector, good performance was the result of a strong showing from our Equipment and Services holdings for the quarter. Standout performers in Energy were Natco Group and Dril-Quip. We experienced some relative weakness from our positions in the Consumer Discretionary and Materials sectors compared to the Russell 2000 in the period. Our underperformance in the Consumer Discretionary sector was largely due to relative weakness in our Services and Apparel holdings. Within the Materials sector, we did not keep pace with our positions in the Containers & Packaging group and were hurt by a lack of exposure to the Chemicals industry.

We believe our focus on building a well-balanced portfolio of high-quality small companies that have solid financial characteristics, while maintaining a critical eye on valuation, has the potential to continue to deliver solid risk-adjusted returns. A disciplined execution of our conservative growth style has served our shareholders well in the past and we are taking prudent measures to align the fund for continued long-term success. As always, we appreciate your confidence in us, and we will do our very best to help you achieve your investment goals.

Important Disclosure

*Class A shares and Class C shares of the Small Company Fund are closed to new investors as of January 29, 2010, subject to certain exceptions. Existing shareholders may continue to purchase shares and reinvest dividends and capital gains. Please see the supplement dated January 4, 2010 to the Prospectus for more information.

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

The total annual operating expense ratio for Sentinel Small Company Fund Class A shares is 1.22%. Expense ratio data is sourced from the Prospectus dated March 31, 2009.

Certain Sentinel Funds have adopted a redemption fee. For the Small Company Fund, a fee of 2% will be assessed on the redemption of shares held for 30 calendar days or less.

** Performance for Class A shares only at net asset value. Performance data shown does not include the effects of any sales charge. If it did, returns would be lower.

1. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in an index.

2. The Standard & Poor's SmallCap 600 Index measures the performance of 600 companies with market capitalization of \$300 million to \$1.5 billion. An investment cannot be made directly in an index.

3. An average of funds within the particular category as determined by Morningstar based on investment styles as measured by their underlying portfolio holdings.

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

Company	Industry	% of Fund
NICE-Systems Ltd. (ADS)	Software	1.8%
Waste Connections, Inc.	Commercial Services & Supplies	1.6
Open Text Corp.	Internet Software & Services	1.6
ANSYS, Inc.	Software	1.5
Mettler-Toledo International, Inc.	Life Sciences Tools & Services	1.5
Endurance Specialty Holdings Ltd.	Insurance	1.4
ManTech International Corp.	IT Services	1.4
Core Laboratories N.V.	Energy Equipment & Services	1.3
Copart, Inc.	Commercial Services & Supplies	1.3
Superior Energy Services, Inc.	Energy Equipment & Services	1.3
Total		14.7%

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

	Class A shares*		Class C shares* ¹		Class I shares ²	Russell 2000 Index ³	S&P Small Cap 600 Index ⁴
	Without Sales Charge	With Max Sales Charge	Without Sales Charge	With Max Sales Charge	Without Sales Charge		
Year-to-date	27.27%	20.92%	26.27%	25.27%	27.91%	27.17%	25.57%
1 year	27.27	20.92	26.27	25.27	27.91	27.17	25.57
3 years	-2.28	-3.95	-3.14	-3.14	-1.93	-6.07	-4.80
5 years	3.05	2.01	2.21	2.21	3.28	0.51	1.36
10 years	8.83	8.26	7.83	7.83	8.95	3.51	6.35
Since inception	10.43	10.10	9.28	9.28	10.50	7.78	9.50
Performance inception dates			3/1/93			3/1/93	2/28/93

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. Small 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 Small Company Fund Class A, C, & I shares; A – 1.22%, C – 1.99%, I – 0.83%. All expense ratio data is sourced from the Prospectus dated March 31, 2009.

Certain Sentinel Funds have adopted a redemption fee. For the Small Company Fund, a fee of 2% will be assessed on the redemption of shares held for 30 calendar days or less.

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1. Performance of the Class C shares prior to July 9, 2001 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 March 1, 1993, which was the inception date of the Fund.

2. Performance of the Class I shares prior to their inception on May 4, 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 March 1, 1993, which was the inception date of the Fund.

3. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index. An investment cannot be made directly in an index.

4. The Standard & Poor's SmallCap 600 Index measures the performance of 600 companies with market capitalization of \$300 million to \$1.5 billion. 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.

Sentinel Funds are distributed by Sentinel Financial Services Company, One National Life Drive, Montpelier, VT 05604, 800.233.4332, sentinelinvestments.com.



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.