

Sentinel Conservative Allocation Fund

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4Q09 December 31, 2009

About the Management Team

Daniel J. Manion, CFA

Lead Portfolio Manager, Domestic Equities
· 17 years with Sentinel
· 23 years of investment experience

David M. Brownlee, CFA

Portfolio Manager, Investment-grade bonds
· 16 years with Sentinel
· 29 years of investment experience

Katherine Schapiro, CFA

Portfolio Manager, International equities
· 4 years with Sentinel
· 28 years of investment experience

Jason Doiron, PRM

Portfolio Manager, High-yield bonds
· 2 years with Sentinel
· 9 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.



Manager Insights

The Sentinel Conservative Allocation Fund produced a total return of 2.26%* for the fourth quarter of 2009. This compares to a 0.20% return for the Barclays Capital U.S. Aggregate Bond Index¹ and a 6.04% return for the S&P 500 Index². The Morningstar Conservative Allocation peer group³ returned 3.01% for the quarter. For the 2009 full year period, the Sentinel Conservative Allocation Fund's total return was 17.34%, compared to the 20.77% return for the Morningstar average. For the full year, the Barclays Capital U.S. Aggregate Bond Index returned 5.93%, while the S&P 500 Index was up 26.46% during the same period.

The Sentinel Conservative Allocation Fund's asset allocation as of December 31, 2009 was 42% equities (including international equities), 45% government bonds, 7% corporate bonds (including high-yield bonds), and 6% cash and equivalents. The fund's corporate bond exposure was markedly reduced, while government bond exposure increased during the quarter, as we sought a lower risk profile for the fund's holdings.

Equity markets in the fourth quarter moderated the aggressive rebound evident from the lows of early March through September. For the full year period, the Technology and Consumer Discretionary sectors outperformed the general market by a wide margin, while the Financials sector underperformed. The Federal Reserve's continuing policy of low rates led investors to chase higher returns with limited regard to company-specific risk. However, fundamental and economic indicators continue to be mixed: asset prices remain depressed, deleveraging continues both in the consumer and corporate sectors, and the unemployment rate reached double-digit levels. We maintained our overweight positions in Healthcare and Industrials, while moderating our exposure to the Information Technology sector. We maintain our preference for Large Cap multinationals, with an emphasis on the defensive Healthcare and Industrial sectors. We also maintained our underweight position in the Financials and Consumer Discretionary sectors, where we believe the risk-reward ratio remains unattractive due to the soft labor market and lack of consumer spending power.

Within the fixed-income market, we saw a decisive reversal of the flight-to-quality trade evident in 2008, which had resulted in strong relative performance for the Sentinel Conservative Allocation Fund. Strong investor demand throughout 2009 propelled the returns of the risk sectors to double digits, leaving U.S. Treasury securities as the worst performing asset class within the fixed-income market. The investment goal of the fund is to provide a high level of current income with limited fluctuations in principal value, thus a large percentage of the fund's assets are invested in U.S. government securities with initial average lives of three years or less.

The Conservative Allocation Fund plans to continue to emphasize quality and yield in this low interest rate environment and expects to continue to maintain high exposure to agency-backed mortgage-backed securities. A sizeable commitment to very high-grade fixed-income securities has the potential to generate an attractive income stream, and act to mitigate overall return volatility that is present in the corporate high-yield bond and equity asset classes, thereby reducing overall portfolio risk for the Sentinel Conservative Allocation Fund.

Important Disclosure

International securities in the Fund's portfolio are subject to political influences, currency fluctuations and economic cycles that may be unrelated to those affecting domestic markets and may experience wider price fluctuations. High yield securities in the Fund's portfolio are subject to higher default risk than investment grade bonds. 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 prepayment risk. These risks may result in greater share price volatility. Convertible securities are subject to the risks associated with both fixed income securities and common stocks. Fund shares are not insured or guaranteed by the U.S. Government or its agencies. 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.

The total annual operating expense ratio for Sentinel Conservative Allocation Fund Class A shares is 1.16%. Expense ratio data is sourced from the Prospectus dated March 31, 2009.

Sentinel Conservative Allocation Fund was called Sentinel Capital Markets Income Fund prior to 11/1/06.

* 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 Barclays Capital U.S. Aggregate Bond Index is an unmanaged index made up of the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, and includes securities that are of investment-grade quality, have at least one year to maturity, and have an outstanding par value of at least \$100 million. An investment cannot be made directly in an index.

2. The Standard & Poor's 500 Index is an unmanaged index considered representative of the U.S. stock market. 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 5 Equity Holdings

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

Company	Industry	% of Fund
ExxonMobil Corp.	Oil, Gas & Consumable Fuels	0.8%
Noble Energy, Inc.	Oil, Gas & Consumable Fuels	0.7
Merck & Co., Inc.	Pharmaceuticals	0.7
International Business Machines Corp.	Computers & Peripherals	0.7
Comcast Corp. (Cl A Special)	Media	0.7
Total		3.6%

Top 5 Fixed Income Holdings

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

Description	% of Fund
U.S. Treasury Note, 3.125, 05/15/2019	8.2%
FNMA Pool - 745093, 5.5, 12/01/2035	5.3
FNMA POOL - AC1241, 5.0, 07/01/2039	5.1
FNMA Pool - 931530, 5.5, 07/01/2039	5.0
FNMA Pool - 745275, 5.0, 02/01/2036	4.5
Total	28.1%

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

	Class A shares		Class C shares		Barclays Capital U.S. Aggregate Bond Index ¹	S&P 500 Index ²
	Without Sales Charge	With Max Sales Charge	Without Sales Charge	With Max Sales Charge		
Year-to-date	17.34%	11.42%	16.27%	15.27%	5.93%	26.46%
1 year	17.34	11.42	16.27	15.27	5.93	26.46
3 years	1.89	0.15	1.01	1.01	6.04	-5.63
5 years	3.21	2.15	2.31	2.31	4.97	0.42
10 years	—	—	—	—	6.33	-0.95
Since inception	6.21	5.41	5.37	5.37	4.60	6.96
Performance inception dates	3/10/03				3/10/03	3/10/03

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. 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. International securities in the Fund's portfolio are subject to political influences, currency fluctuations and economic cycles that may be unrelated to those affecting domestic markets and may experience wider price fluctuations. High yield securities in the Fund's portfolio are subject to higher default risk than investment grade bonds. 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 prepayment risk. These risks may result in greater share price volatility. Convertible securities are subject to the risks associated with both fixed income securities and common stocks. 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.

The following are total annual operating expense ratios for Sentinel Conservative Allocation Fund Class A & C shares; A - 1.16%, C - 2.00%. Expense ratio data is sourced from the Prospectus dated March 31, 2009.

Sentinel Conservative Allocation Fund was called Sentinel Capital Markets Income Fund prior to 11/1/06.

1. The Barclays Capital U.S. Aggregate Bond Index is an unmanaged index made up of the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, and includes securities that are of investment-grade quality, have at least one year to maturity, and have an outstanding par value of at least \$100 million. An investment cannot be made directly in an index.

2. The Standard & Poor's 500 Index is an unmanaged index considered representative of the U.S. stock market. 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.