

# 2008 Year-End Tax Letter

January 31, 2009

The following information is being provided to help you prepare your 2008 Federal and state income tax returns. Please remember that each individual taxpayer's status varies and the assistance of a professional tax advisor may be appropriate.

## Federal Obligations

The Sentinel Balanced, Capital Growth, Common Stock, Conservative Allocation, Government Securities, High Yield Bond, International Equity, Mid Cap Value, Short Maturity Government and Sustainable Core Opportunities Funds invest in obligations of the United States and obligations guaranteed by the United States or an agency or instrumentality of the United States ("Federal obligations"). Therefore, a portion of these Funds' dividends are attributable to interest on such Federal obligations.

State law varies as to whether, and what percentage of dividend income attributable to Federal obligations is exempt from state income and/or intangibles tax. We recommend that you consult your tax advisor to determine if any portion of the dividend you received is exempt from state tax.

Listed below is the percentage of the total assets that each Fund invested in either (1) U.S. government obligations (2) or U.S. government agency obligations as of the end of each calendar quarter.

### BALANCED FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	28.86%	28.86%
June 30, 2008	0.00%	30.05%	30.05%
September 30, 2008	0.00%	27.91%	27.91%
December 31, 2008	0.00%	35.78%	35.78%

### CAPITAL GROWTH FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	0.00%	0.00%
June 30, 2008	0.00%	0.73%	0.73%
September 30, 2008	1.11%	0.00%	1.11%
December 31, 2008	0.00%	0.00%	0.00%

### COMMON STOCK FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	0.00%	0.00%
June 30, 2008	0.00%	0.76%	0.76%
September 30, 2008	0.00%	2.18%	2.18%
December 31, 2008	0.00%	0.35%	0.35%

### CONSERVATIVE ALLOCATION FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	46.85%	46.85%
June 30, 2008	0.00%	53.62%	53.62%
September 30, 2008	0.00%	42.59%	42.59%
December 31, 2008	0.00%	50.76%	50.76%

### GOVERNMENT SECURITIES FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	3.95%	86.94%	90.89%
June 30, 2008	0.00%	99.42%	99.42%
September 30, 2008	0.00%	72.19%	72.19%
December 31, 2008	6.93%	99.95%	106.88%

### HIGH YIELD BOND FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	0.00%	0.00%
June 30, 2008	0.00%	11.99%	11.99%
September 30, 2008	0.00%	14.73%	14.73%
December 31, 2008	0.00%	0.00%	0.00%

### INTERNATIONAL EQUITY FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	0.00%	0.00%
June 30, 2008	0.00%	1.72%	1.72%
September 30, 2008	0.00%	4.53%	4.53%
December 31, 2008	0.00%	0.00%	0.00%

### MID CAP VALUE FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	8.15%	8.15%
June 30, 2008	0.00%	4.71%	4.71%
September 30, 2008	0.00%	8.64%	8.64%
December 31, 2008	0.00%	5.00%	5.00%

### SHORT MATURITY GOVERNMENT FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	97.76%	97.76%
June 30, 2008	0.00%	99.00%	99.00%
September 30, 2008	0.00%	97.62%	97.62%
December 31, 2008	0.00%	96.26%	96.26%

### SUSTAINABLE CORE OPPORTUNITIES FUND

Calendar Quarter Ended	(1)	(2)	Total
March 31, 2008	0.00%	0.00%	0.00%
June 30, 2008	0.00%	1.28%	1.28%
September 30, 2008	0.00%	3.43%	3.43%
December 31, 2008	0.00%	0.00%	0.00%

The table below indicates the percentage of interest income earned on Federal obligations (not including repurchase agreements) versus total earnings of each Fund for the calendar year 2008.

	Direct U.S. Govt. Obligations (T-Notes, T-Bonds, T-Bills)	U.S. Govt. Agency Obligations (FHLMCs, FNMA, GNMA, etc.)	Total
Sentinel Balanced Fund	0.01%	56.16%	56.17%
Sentinel Capital Growth Fund	0.04%	0.53%	0.57%
Sentinel Common Stock Fund	0.00%	0.62%	0.62%
Sentinel Conservative Allocation Fund	0.06%	54.96%	55.02%
Sentinel Government Securities Fund	1.42%	98.34%	99.76%
Sentinel High Yield Bond Fund*	0.00%	1.03%	1.03%
Sentinel International Equity Fund	0.00%	0.55%	0.55%
Sentinel Mid Cap Value Fund	0.00%	8.27%	8.27%
Sentinel Short Maturity Government Fund	0.00%	99.47%	99.47%
Sentinel Sustainable Core Opportunities Fund*	0.00%	4.13%	4.13%

\* For the Sentinel High Yield Bond Fund, the percentage of income earned on Federal Obligations (1.03%) relates to income earned for the period 1/1/2008 through 10/03/2008. For the Sentinel Sustainable Core Opportunities Fund, the percentage of income earned on Federal Obligations (4.13%) relates to income earned for the period 07/01/2008 through 12/31/2008.

The Sentinel Georgia Municipal Bond, Growth Leaders, Mid Cap Growth, Small Company, Small/Mid Cap, and Sustainable Growth Opportunities Funds either paid no dividends or had no significant investments in U.S. government obligations or U.S. government agency obligations.

All of the dividends paid by the Sentinel Georgia Municipal Bond Fund are tax-exempt for Federal income tax purposes and no earnings are subject to an alternative minimum tax.

### Sentinel U.S. Treasury Money Market Fund\*\*

During 2008, Sentinel U.S. Treasury Money Market Fund (the "Fund") invested in obligations of the United States and other short-term obligations. Therefore, a portion of the Fund's dividends are attributable to interest on such obligations.

State law varies as to whether and what percentage of dividend income attributable to Federal obligations is exempt from state income and/or intangibles tax. We recommend that you consult your tax advisor to determine if any portion of the dividend you receive is exempt from state tax.

Of the Fund's dividends paid to shareholders from ordinary income during the 12-month period ended December 31, 2008, 99.81% was attributable to investments in U.S. Treasury obligations. In calculating the above percentage, expenses of the Fund have been allocated on a pro rata basis.

Listed below is the percentage of total assets of the Fund invested in obligations of the United States as of the end of each quarter of the Fund's fiscal year and calendar year.

Fiscal Quarter Ended	U.S. Treasury Obligations	Calendar Quarter Ended	U.S. Treasury Obligations
02/28/08	99.65%	03/31/08	91.30%
05/31/08	97.55%	06/30/08	97.85%
08/31/08	97.86%	09/30/08	99.86%
11/30/08	90.18%	12/31/08	89.58%

An investment in the Sentinel U.S. Treasury Money Market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the Fund.

\*\* Effective February 3, 2009 the Sentinel U.S. Treasury Money Market Fund will be renamed. The Fund will now be named the Sentinel Government Money Market Fund.

**If you have questions regarding this information, please call Sentinel Investor Services at 1.800.282.FUND.**

This material does not constitute tax, legal or accounting advice and neither Sentinel Investments nor any of its agents, employees or registered representatives are in the business of offering such advice. Please contact your financial professional or tax accountant for any professional advice.

**Investment return and principal value will vary in any of the funds so that you may have a gain or loss when you sell shares. Consider a fund's objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Funds. Please read it carefully before you invest.**

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