

Sentinel Asset Management, Inc.
Proxy Voting Philosophy and Procedures
Revised June, 2007

The proxy voting philosophy and procedures outlined below pertain to the mutual fund accounts managed by Sentinel Asset Management, Inc. (SAM). For externally managed accounts, the subadvisor shall maintain its own proxy voting philosophy and policy.

SENTINEL ASSET MANAGEMENT, INC. PROXY VOTING PHILOSOPHY

In the broadest terms, Sentinel Asset Management, Inc. believes that its primary fiduciary responsibility is to maximize the financial returns of all managed accounts, and votes all proxies with this goal in mind.

Fiduciary Responsibility

Sentinel Asset Management, Inc. has the fiduciary responsibility to make all decisions (including those related to proxy issues) according to the best interests of the ultimate beneficiaries of the various accounts under management. While Sentinel Asset Management, Inc. will carefully review each proxy issue and evaluate the statements of competing parties, the determination of the final vote, and/or resolution of any potential conflict of interest, will be based solely on the best interests of Sentinel Asset Management, Inc. clients and Sentinel Asset Management, Inc. shareholders.

Using Management Guidance

Sentinel Asset Management, Inc. strives for consistency in its proxy voting, but also acknowledges that there are no hard and fast rules guiding all situations, and that specific conditions at two different companies may at times result in different votes on similar proxy resolutions. Since the quality of management is one of the most important considerations of Sentinel Asset Management, Inc. portfolio managers and analysts when making investments, considerable weight is given to the recommendations of a company's management and directors with respect to proxy issues. In many cases, unless such recommendations conflict with the interests of SAC shareholders and Sentinel Asset Management, Inc. clients. Individual issues are always evaluated on their particular merits, and where conflicts arise between the interests of corporate management and the interests of SAC shareholders and Sentinel Asset Management, Inc. clients, resolution is always in favor of the latter group.

Policy on Board of Directors

Sentinel Asset Management, Inc. believes that meaningful, independent oversight of corporate managers is a vital role of a company's Board of Directors. To that end, Sentinel Asset Management, Inc. will generally support proposals seeking a majority of independent directors for the board, as well as proposals requiring independent directors for nominating, audit and compensation committees. Votes on director nominees are made on a case-by-case basis examining such factors as board and committee composition, attendance and governance. Votes for director nominees may be withheld in cases with a lack of independence and/or lack of material financial interest in the company.

Policy on Audit Committee

Sentinel Asset Management, Inc. believes that audit committees should be comprised of financially literate, independent directors and shall vote in favor of such proposals. Further, the audit committee should have the exclusive authority to hire independent auditors. Sentinel Asset Management, Inc. will generally withhold votes for audit committee members who approve significant non-audit relationships with outside auditors, as well as vote against ratification of such outside auditor.

Policy on Proxy Contest Defenses/Anti-takeover Measures

Sentinel Asset Management, Inc. generally opposes proxy contest defenses and anti-takeover measures since they tend to restrict shareholder rights and participation, and often limit the realization of maximum economic values. Sentinel Asset Management, Inc. generally supports shareholder resolutions that serve to reverse previously adopted anti-takeover measures or, in general, enhance shareholder rights. However, as with all proxy issues, Sentinel Asset Management, Inc. conducts an independent review of each proposal and votes in the best interests of its clients.

Anti-takeover measures that Sentinel Asset Management, Inc. that generally opposes:

- Classification of the Board of Directors
- Shareholder rights plans (poison pills)
- Greenmail
- Supermajority rules to approve mergers or amend charter or bylaws
- Authority to place stock with disproportionate voting rights
- Golden Parachutes

Shareholder resolutions that Sentinel Asset Management, Inc. has generally supported:

- Rescind or prohibit any of the above-anti-takeover measures
- Annual voting of directors; repeal classified boards
- Adoption of confidential voting
- Adoption of cumulative voting
- Redeem shareholder rights plans
- Proposals that require shareholder approval of rights plans (poison pills)

Policy on Capital Structure

Sentinel Asset Management, Inc. carefully considers proposals to authorize increased shares, and generally limits authorization to funding needs for the next twelve months or compelling management cases. Sentinel Asset Management, Inc. will generally vote for proposals to increase common shares for a stock split. Other capital structure proposals, such as preferred stock, will be voted for on a case-by-case basis.

Policy on Executive and Director Compensation

Sentinel Asset Management, Inc. believes that stock based compensation plans must be very carefully analyzed to protect the economic interests of shareholders, while providing proper motivation for corporate managers. Such plans should be highly correlated to both individual and

corporate performance. Sentinel Asset Management, Inc. will oppose plans with excessive transfer of shareholder wealth, in the form of dilution to shareholder equity and voting power, to corporate executives and directors. Sentinel Asset Management, Inc. will consider other factors such as other corporate incentives, corporate performance, industry, terms and duration in its decision. Although each plan will be voted on a case-by-case basis, Sentinel Asset Management, Inc. will generally vote against plans which do not meet several criteria. Sentinel Asset Management, Inc. standards for option plan approval include: (1) dilution of less than 2% per annum, (2) strike prices either indexed against a relevant industry or market benchmark, or set at a premium to the current stock price, (3) strike prices set systematically, (4) options cost expensed, and (5) material revisions to plans voted by shareholders. Sentinel Asset Management, Inc. believes that these criteria will set votes in favor of plans that meet the overriding goal aligning management and shareholder interests, while providing reasonable economic incentives for managers. Sentinel Asset Management, Inc. will generally vote against option repricing, and will vote for proposals requiring shareholder approval to reprice options. Sentinel Asset Management, Inc. may withhold votes for director nominees in the event of option repricing without shareholder approval. Director compensation plans are viewed on a case-by-case basis, with the goal of protecting economic interests of shareholders and aligning interests of directors with shareholders. Employee Stock Purchase plans are voted on a case-by-case basis.

Policy on Mergers and Corporate Restructurings

All mergers, acquisitions and restructurings are voted on a case-by-case basis taking into account financial benefits and acquisition price.

Social and Environmental Issues

In recent years, a number of shareholder resolutions have been placed in corporate proxy statements that would require a company to alter its normal business practices in order to comply with the sponsor's view of corporate responsibility or citizenship. Example of such proposals include requests that a company:

- allow shareholder control of corporate charitable contributions
- exit the nuclear power business
- adopt the MacBride Principles
- adopt the Valdez Principles
- stop doing business with the US Department of Defense
- stop using animals for product testing
- make donations to a pro-life or pro-choice advocate
- stop donations to a pro-life or pro-choice advocate
- move its annual meeting to a town with better public transportation

While Sentinel Asset Management, Inc.'s directors, officers, employees and clients may have personal views with respect to each of these and other issues, it is Sentinel Asset Management, Inc.'s corporate policy not to favor resolutions that would impose mandatory constraints on a company's perceived ability to compete in the marketplace. In practice, this generally means voting against these shareholder resolutions.

Conflict of Interest Policy

Sentinel Asset Management, inc. will seek to identify material conflicts of interest which may arise between a Fund and Sentinel Asset Management's business relationships. Such a conflict of

interest may arise, for example, where Sentinel Asset Management, Inc., manages assets for a pension plan or other investment account of the company soliciting the proxy, or seeks to serve in such a capacity. A conflict may also arise where the company soliciting the proxy regularly does business with Sentinel Asset Management, Inc., potentially including securities dealers and investment banks. Where, in the judgment of the Chief Compliance Officer, a material conflict of interest exists, Sentinel Asset Management, Inc. will vote proxies in accordance with the following procedures:

- (1) If the proposal to be voted upon is specifically addressed in this Philosophy and Procedures, and does not provide discretion to Sentinel Asset Management, Inc. on how to vote the matter, then the proxy will be voted in accordance with the recommendation of the third party proxy voting agent, and Sentinel Asset Management, Inc. will under no circumstances override that recommendation; and
- (2) If the proposal is not addressed in this Philosophy and Procedures or this Philosophy and Procedures provides Sentinel Asset management, Inc. with discretion on how to vote, then Sentinel Asset Management, inc. will vote in accordance with the third party proxy voting agent's general recommendation on the proposal.

Policy With Respect to Securities Lending

With respect to securities lending transactions, Sentinel Asset Management, Inc. seeks to balance the economic benefits of continuing to participate in an open securities lending transaction against the inability to vote proxies. If Sentinel Asset Management, inc. determines that a vote involves matters that would have a material effect on the Fund's investment in securities that are out on loan, it will attempt to recall the Fund's portfolio securities that are on loan in order to be able to vote proxies relating to such securities.

PROXY VOTING PROCEDURES

Proxies for all accounts are forwarded to a single professional (currently Matthew McGeary) designated by the CEO of Sentinel Asset Management, Inc.. A Corporate Governance and Proxy Voting Committee exists to review potential proxy voting policy changes and to decide the outcome of controversial proxy decisions.

- Upon receipt, proxies are verified to insure that Sentinel Asset Management, Inc. or its affiliates own the shares to be voted as of the record date on the proxy statement, and to cross-check that the number of shares/votes indicated on the proxy is correct. This is verified via Investor Responsibility Research Center (IRRC).
- Every effort is made to insure that proxies are forwarded to Sentinel Asset Management, Inc. by IRRC sufficiently in advance of each company's annual meeting to allow ample time to research the issues, vote and return the proxy.
- Once all proxies for an individual issue/company have arrived, the specific issues to be voted are researched. IRRC provides Sentinel Asset Management, Inc. with an analysis of the issues based on our stated proxy voting guidelines. This recommendation is taken into consideration in the analysis of each issue; Sentinel Asset Management, Inc. makes the final voting decisions. When, in the judgment of the "designated professional," the infrequent,

controversial item arises on a proxy ballot, s/he will search out the opinions and recommendations of senior management who, acting as a “committee,” will determine the ultimate vote.

- Based on this research, the proxies are voted by the above-noted designee, who has final discretion on individual issues (except as noted above).
- After the proxies have been voted, each individual proxy vote is recorded in IRRC, and a copy filed. IRRC records: actual vote on each resolution, number of shares voted, whether vote was for or against management’s recommendation, and the date the proxy was voted. The copies are filed in the Sentinel Asset Management, Inc. library. This file is maintained electronically and in the investment library for a period of 5 years.