

Sentinel Advisory Corporation

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**FORM ADV PART 2A.
BROCHURE**

This brochure provides information about the qualifications and business practices of Sentinel Advisory Corporation. If you have any questions about the contents of this brochure, please contact us at 508-732-6762. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sentinel Advisory Corporation is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Sentinel Advisory Corporation is 108720 .

Sentinel Advisory Corporation is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

Sentinel Advisory Corporation's registration was granted by the U.S. Securities and Exchange Commission on June 7, 2004. Bruce P. Eshbaugh (CRD No. 2315339) is president and chief compliance officer of the firm and owns one hundred (100%) percent of the firm's equity. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries which have any ownership interest in the firm. Sentinel Advisory Corporation furnishes quarterly valuations to each client showing costs, total market values, unit cost and current price as of the appropriate reporting date for all client positions under management. These exhibits may be accompanied by written comments on the client's portfolio. Such discussion may include, where appropriate, a review of recent economic, political and international events affecting security values and general opinions as to future expectations. Personal or telephone contact often supplants such written comments, keeping clients updated and familiar with developments that affect their portfolios and strengthening the relationship Sentinel maintains with its clients. The firm tailors its advisory services to the individualized needs of its clients. Frequent portfolio reviews are held. Advisory clients may impose restrictions on their accounts. As of December 31, 2011, the firm managed, on a discretionary basis, \$29,837,100 which represented 183 accounts. Sentinel is a manager in the S-MAP Advisory Wrap Program. Investors Capital Advisory Services is the sponsor. Sentinel receives 50 basis points annual fee on portfolios it manages for Investors Capital.

Fees and Compensation

Form ADV Part 2A, Item 5

The firm's fee schedule is as follows: 1.5% annually on the first \$2,000,000 of managed assets; 1.25% on the next \$2,000,000; Fees are negotiable over \$4,000,000. All Fees are billed quarterly, in advance. There is a minimum annual fee charge of \$2,000.00. All fees are negotiable. Clients investing in mutual funds are, in effect, paying two management fees, one to Sentinel and one to the fund's investment advisor.

Performance-Based Fees and Side-By-Side Management

Not applicable.

Form ADV Part 2A, Item 6

Types of Clients

Form ADV Part 2A, Item 7

The firm has as clients: individuals, trusts, estates and pension and profit sharing plans.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

The firm predominantly employs fundamental processes in the analysis of securities. Secondly, the firm may make use of technical or momentum analysis to judge the timeliness of a particular investment. Investment strategies will include long term purchases, short term purchases, margin transactions, option writing and short sales.

Disciplinary Information

Form ADV Part 2A, Item 9

Not applicable

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Not applicable

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

Sentinel Advisory has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Sentinel Advisory Corporation strives to conduct its business in keeping with the highest ethical standards. The limits on Sentinel Advisory Corporation, its officers, directors employees is that, when effecting transactions for such internal accounts in securities recommended to clients, the clients' interests come first. Client transactions are given preference over any transactions of Sentinel Advisory Corporation, its officers, directors and employees. Where transactions for clients are effected on any given day, when Sentinel Advisory Corporation or any of the individuals above named also have transactions in the same security, every attempt is made to see that clients receive the best price. Such situations arise only infrequently.

Brokerage Practices

Form ADV Part 2A, Item 12

Sentinel Advisory Corporation asks prospective clients to choose a broker through whom trades will be executed on their behalf. A limited power-of-attorney is on file for each account. Although commissions to such brokers may exceed those charged by others, personal considerations of the client may dictate the continuation of the relationship. While Sentinel does not effect transactions with other brokerage firms without first obtaining client approval and another limited power, there may be circumstances in the future where transactions will be conducted with brokers not previously approved by the client (i.e., orders placed with banks, trust companies or other custodians). Under circumstances where a client asks Sentinel for information on a broker, fundamental research and its follow-up are the major factors in the selection of that broker, and the client is informed that such research may be used for the benefit of all clients. Sentinel may not be able to influence commission rates. As in any such arrangement, not all fundamental research for which the client is charged will necessarily be used for that client or any other. No specific procedures or organized methodology is used to direct clients in any particular broker direction. Research provided includes company and industry reports, economic, political and international studies and continuous updating of equities within the purview of the specific firm. In addition:

- A. The client should review the existence and terms of the advisor's brokerage placement practices;
- B. The client who directs the advisor to use a specific broker may pay higher commissions on some transactions than might otherwise be attainable by the advisor, or may receive less favorable executions than might otherwise be attainable by the advisor, or both;
- C. The client may forego any benefit from the savings on execution costs that the advisor could obtain for its clients through negotiating volume discounts on batched transactions;
- D. A client directing brokerage may not be able to participate in an allocation of shares of a new issue if those new issue shares are provided by another broker;
- E. The client may direct the advisor to use a particular broker from whom the advisor receives or may receive referrals and the advisor may derive a benefit from this, and/or;

F. A client who directs brokerage may prevent an advisor from "paying up" (which Section 28 (e) allows for) to receive research-related products and services available from brokers

Soft-Dollar Arrangements

Generally, in addition to a broker's ability to provide the "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm and, because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm theoretically could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade, member FINRA/SIPC/NFA is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge. In some cases, with a particular client's consent, we may consider a broker-dealer's provision of non-research products and/or services (i.e., products or services that we do not use in making investment decisions or executing transactions for clients). In such cases, however, the products or services involved are used solely for the benefit of the client in whose account the commissions or other fees are incurred.

Research and Brokerage Products and Services. "Research" products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that

provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

Other Uses and Products. The firm may use some products or services not only as "research" and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but for our administrative and other purposes as well. In these instances, we make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable making investment decisions and executing transactions is paid with commission dollars and we bear the cost of the balance. Our interest in making such an allocation differs from clients' interest, in that we have an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that the firm must pay directly.

Mutual Fund Transactions. Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, we may, consistent with our duty of best execution, determine to cause client accounts to pay transaction fees when purchasing shares of certain no-load mutual funds through TD Ameritrade in order to obtain "research". This research may not be used for the exclusive benefit of the clients who pay transaction fees in purchasing mutual fund shares.

Amount and Manner of Payment. A broker-dealer through which the firm wishes to use soft dollars may establish "credits" arising out of brokerage business done in the past, which may be used to pay, or reimburse the firm for, specified expenses. In other cases, a broker-dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The actual level of transactional business the firm does with a particular broker-dealer during any period may be less than such a suggested level, but may exceed that level and may generate unused soft dollar "credits." Where a client has authorized us to consider a broker-dealer's provision of services outside the Section 28(e) safe harbor, a broker-dealer may generate "credits" based on transactions effected in the past and allow the firm to use such "soft dollars" to acquire services and products provided by third parties. We do not exclude a broker-dealer from receiving business simply because the broker-dealer has not been identified as providing soft dollar research products and services, although we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

Sentinel Advisory Corporation was a participant in the TD Ameritrade Institutional Advisor Direct referral program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"). TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Sentinel Advisory Corporation receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure below.)

As disclosed above, Sentinel participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Sentinel's participation in the program and the investment advice it gives to its clients, although Sentinel

receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Sentinel by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Sentinel's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Sentinel but may not benefit its client accounts. These products and services may assist Sentinel in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Sentinel manage and further develop its business enterprise. The benefits received by Sentinel [or its related persons] do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Sentinel Advisory endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Sentinel [or its related persons] in and of itself creates a potential conflict of interest and may indirectly influence Sentinel's choice of TD Ameritrade for custody and brokerage services.

As a result of past participation in TD Ameritrade's AdvisorDirect program (the "referral program"); Sentinel Advisory received client referrals from TD Ameritrade. TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Sentinel and has no responsibility for Sentinel's management of client portfolios or Sentinel's other advice or services. Advisor is no longer participating in the referral program for purposes of receiving client referrals but it is obligated to pay TD Ameritrade an on-going fee for each successful client relationship established as a result of past referrals. This fee is usually a percentage (not to exceed 15%) of the advisory fee that the client pays to Sentinel ("Solicitation Fee"). Sentinel will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Sentinel from any of a referred client's family members who hired Sentinel on the recommendation of such referred client. Sentinel Advisory will not charge clients referred to it through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its other clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients.

Although not required, Sentinel Advisory may recommend TD Ameritrade to clients for custody and brokerage services. As part of its fiduciary duty to clients, Sentinel Advisory seeks at all times to put the interests of its clients first. Sentinel Advisory acknowledges its duty to seek best execution of trades for client accounts. [Trades for client accounts held in custody at TD Ameritrade may be executed through a different broker-dealer than trades for Sentinel Advisory's other clients. Thus, trades for accounts custodied at TD Ameritrade may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.]

Sentinel Advisory acts in the capacity of advisor for certain clients solicited by Trustmont Advisory

representatives. Sentinel utilizes its own fee schedule, and reallows one percent of all fees to Trustmont.

Review of Accounts

Form ADV Part 2A, Item 13

Together, Bruce P. Eshbaugh, CFA, President and Peter B. Eshbaugh, CIO share equally in the daily review of all accounts, studying company fundamentals and general market conditions. Such reviews take place each business day and at other non-business hours. Rapidly changing markets and economic events, any unexpected volatility in the market or in specific securities, causes review and discussion, if not definitive action. All accounts receive equal consideration in the timing of reviews. Matters discussed include the scope of gains and losses, their impact on portfolio values and the relationship of such against carefully defined client objectives.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Sentinel Advisory Corporation into solicitation arrangements with Investors Capital Corporation and Trustmont Advisory.

As a result of past participation in TD Ameritrade's AdvisorDirect program (the "referral program"); Sentinel Advisory received client referrals from TD Ameritrade, member FINRA/SIPC/NFA. TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Sentinel and has no responsibility for Sentinel's management of client portfolios or Sentinel's other advice or services. Advisor is no longer participating in the referral program for purposes of receiving client referrals but it is obligated to pay TD Ameritrade an on-going fee for each successful client relationship established as a result of past referrals. This fee is usually a percentage (not to exceed 15%) of the advisory fee that the client pays to Sentinel ("Solicitation Fee"). Sentinel will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Sentinel from any of a referred client's family members who hired Sentinel on the recommendation of such referred client. Sentinel Advisory will not charge clients referred to it through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its other clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients.

Sentinel's participation in Advisor Direct raises potential conflicts of interest. TD Ameritrade will most likely refer clients through Advisor Direct to investment advisors who encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Sentinel may have an incentive to recommend to clients that the assets under management with Sentinel be custodied at TD Ameritrade and to place transactions for clients through TD Ameritrade. In addition, Sentinel has agreed not to solicit clients referred to it through Advisor Direct to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians except when its fiduciary duty requires doing so.

Although not required, Sentinel Advisory may recommend TD Ameritrade to clients for custody and brokerage services. As part of its fiduciary duty to clients, Sentinel Advisory seeks at all times to put the interests of its clients first. Sentinel Advisory acknowledges its duty to seek best execution of trades for client accounts. [Trades for client accounts held in custody at TD Ameritrade may be executed through a different broker-dealer than trades for Sentinel Advisory's other clients. Thus, trades for accounts custodied at TD Ameritrade may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.]

Custody

Form ADV Part 2A, Item 15

Not applicable

Investment Discretion

Form ADV Part 2A, Item 16

The firm takes discretionary authority as disclosed above through the use of a Limited Power of Attorney. The services of an outside qualified custodian are used.

Voting Client Securities

Form ADV Part 2A, Item 17

The firm shall not vote proxy statements on behalf of advisory clients.

Financial Information

Form ADV Part 2A, Item 18

No financial information is required as part of this narrative as the firm does not receive fees more than six months in advance.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Not applicable

Additional Information

None

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March 28, 2012

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Bruce Eshbaugh that supplements the Sentinel Advisory Corporation brochure. You should have received a copy of that brochure. Please contact Bruce Eshbaugh, chief compliance officer, if you did not receive Sentinel Advisory Corporation's brochure or if you have any questions about the contents of this supplement.

Additional information about Bruce P. Eshbaugh is available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Form ADV Part 2B, Item 2

Sentinel Advisory Corporation's investment committee: Peter B. Eshbaugh, CIO, was born in 1937, and graduated Lehigh University with a B.S. in Finance in 1959. He was President of Sentinel Advisory Corporation from its incorporation in September, 1977 until June 30, 2005, at which point Bruce P. Eshbaugh, CFA, became President. Born in 1962, Bruce took an M.A. in English Literary Studies at Royal Holloway and Bedford New College, University of London and an M.Sc. in Financial Economics from The School of Oriental and African Studies, University of London. Bruce is a CFA charterholder. He was President of Sentinel Distributors from January, 2001 to January 2003. From 1997 to January, 2002, he was Vice President, National Sales, Icon Funds, Englewood, CO.

Disciplinary Information

Form ADV Part 2B, Item 3

Not applicable/None

Other Business Activities

Form ADV Part 2B, Item 4

Not applicable

Additional Compensation

Form ADV Part 2B, Item 5

None

Supervision

Form ADV Part 2B, Item 6

Not applicable

Requirements for State-Registered Advisers

Form ADV Part 2B, Item 7

Not applicable at this time.