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Form ADV Part 2A Firm Brochure

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This brochure provides information about the qualifications and business practices of Sentinel Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at (802) 229-7410. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sentinel Asset Management, Inc. also is available on the SEC’s web site at www.adviserinfo.sec.gov.

Sentinel Asset Management, Inc. is a registered investment adviser. Registration does not imply a certain level of skill or training.

MATERIAL CHANGES

There have been no material changes to our advisory business since the last annual update of this Brochure, dated March 31, 2015.

Sentinel encourages all current and prospective investors to review the full Brochure in its entirety. Sentinel will provide clients with a new Brochure as necessary based on changes or new information at any time without charge. Currently, clients can request a current version of the full Brochure by contacting Sentinel at (802) 229-7410.

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ADVISORY BUSINESS

Sentinel Asset Management, Inc. (“Sentinel”) is an investment adviser registered with the SEC and has been in business since 1968. Sentinel is wholly owned by NLV Financial Corporation, which is a wholly-owned subsidiary of National Life Holding Company. National Life Holding Company is a Vermont mutual insurance holding company, meaning that it is owned by policyholders of National Life Insurance Company.

Sentinel offers discretionary investment advisory services to various types of institutional clients, and generally provides advice on a variety of different types of investments within Sentinel’s primary investment strategies, which are described below. Although Sentinel predominantly offers investment advice to its clients according to these primary investment strategies, Sentinel also may provide advice to clients on issues related to other types of investments or strategies as necessary during the course of Sentinel’s engagement with a client (*e.g.*, Sentinel may provide investment advice to a client on issues relating to other types of assets that the client may already own). Sentinel generally does not offer non-discretionary investment advisory services to clients.

Sentinel may market its investment advisory services to certain prospective institutional clients using the name Sentinel Institutional Advisory Services. In addition, Sentinel uses Sentinel Investments as a unifying brand name when referring collectively to Sentinel, Sentinel Financial Services Company (one of its broker/dealer affiliates), and its registered transfer agent affiliate.

Following are descriptions of Sentinel’s primary investment strategies. Though our independent investment teams have varying asset class disciplines, they share certain common characteristics: a desire to find attractive returns through the combination of quantitative analysis and deep fundamental research.

THE LARGE CAP CORE STRATEGY seeks consistently strong long-term returns while limiting risk during downturns through a disciplined commitment to bottom-up, fundamental research. The investment team seeks to invest in high quality, large-capitalization companies at attractive valuations. They favor well-established companies with sound fundamentals, including healthy balance sheets, high returns, and quality management teams that focus on strong capital stewardship, sustainable earnings growth, strong free cash flow generation, and improving fundamentals.

THE SMALL/MID CAP STRATEGIES seek growth of capital by investing in a diversified portfolio of companies the team believes have superior business models, solid management teams, sustainable growth potential, and are attractively valued. The investment process is driven by bottom-up, fundamental stock selection. It is a research-intensive methodology designed to identify securities with the potential to deliver strong risk-adjusted returns over multiple market cycles.

THE FIXED INCOME STRATEGIES incorporate a balance of active duration management, yield curve positioning, sector rotation, security selection and tactical trading in order to accomplish the strategy’s intended goal. Sentinel’s fixed income strategies include a government securities

strategy, a low duration strategy designed to manage interest rate risk, and two flexible fixed-income strategies (offered in both the intermediate-term bond space and the non-traditional bond space).

Based on an analysis of current market conditions and the outlook for interest rates and the economy, Sentinel actively allocates to the fixed income sectors, maturities, and securities it believes offer the best relative value and balance between return and risk control within a particular strategy. In conjunction with establishing top-down asset allocation, yield curve and duration positioning, the investment team applies disciplined fundamental analysis to security selection. On an ongoing basis, holdings are adjusted as needed in order to produce optimal positioning to benefit from the team's view of relative value and the economic environment.

THE INTERNATIONAL EQUITY STRATEGY seeks to outperform the MSCI Europe Australia Far East Index (EAFE) over the long term on a total return basis, net of fees. The international equity process seeks companies with high quality management teams, strong balance sheets, attractive growth prospects and strong free cash flow growth, trading at attractive valuations. While a portfolio typically has a large market capitalization bias, the investment team does invest in small- and mid-capitalization companies as well.

THE MULTI ASSET STRATEGIES incorporate multiple underlying investment disciplines into a professionally managed, diversified portfolio of investment securities. Sentinel offers a conservative allocation strategy with an income focus, and a moderate allocation strategy, each combining a team managed approach with flexibility to exploit market inefficiencies within the framework of Sentinel's firm-wide focus to combine quantitative analysis and deep fundamental research.

THE SUSTAINABLE INVESTING STRATEGY blends Sentinel's traditional fundamental analysis with both an exclusionary and qualitative screening process to evaluate companies on an environmental, social and corporate governance basis. Ideally, these companies demonstrate a history of environmental stewardship, good employee and community relations, attention to human rights and labor regulations, and strong corporate governance practices. This approach to long-term investing is for clients who seek to incorporate certain environmental, social and corporate governance practices into the investment process.

More information regarding Sentinel's investment strategies, methods of analysis and the risks associated with investments in any of these strategies is provided under the heading "Methods of Analysis, Investment Strategies and Risk of Loss" below.

Sentinel seeks to meet the needs and expectations of its clients by providing tailored investment advisory services to each client built on core asset class strengths by emphasizing the basics - stocks, bonds, international securities and cash. Sentinel offers tailored investment advisory services to clients within its primary strategies listed above and may offer other strategies to its clients in the future. Clients may impose restrictions on investing in certain securities or types of securities, most of which will be honored unless it is not feasible for Sentinel to incorporate a requested restriction into the management of a client's account, in which case the client will be notified of such an issue. Sentinel consults with each of its clients initially and on an ongoing

basis to ascertain and discuss the client's investment objectives and any restrictions that the client may request. Client portfolios are monitored on an ongoing basis to ensure that any restrictions on a client's portfolio are maintained.

Sentinel does not currently provide portfolio management services to wrap fee programs.

Sentinel may also make available mutual fund model portfolios to investment advisers. These model portfolios may or may not comprise Sentinel Group Funds, Inc. mutual funds (the "Sentinel Funds"), which are advised by Sentinel. As the model portfolio provider, Sentinel designs, monitors and updates the model portfolio. The investment advisers implement the model portfolio for their clients. Under this program, Sentinel currently offers a model **INCOME STRATEGY** portfolio, a managed portfolio of Sentinel advised mutual funds that employs a diversified approach to general income through a total return approach. This strategy is designed for a return of principal rather than strictly dividend yield, and seeks to mitigate sequence of return, inflation and longevity risk using a dynamic approach to asset allocation and portfolio rebalancing.

As of December 31, 2014, Sentinel manages approximately \$27.5 billion in client assets on a discretionary basis and does not manage any client assets on a non-discretionary basis.

FEES AND COMPENSATION

Investment advisory fees charged to clients for investment advisory services performed by Sentinel are negotiated on a case-by-case basis and are established prior to the commencement of the advisory relationship. Advisory fees are based on assets under management, and generally range from 0.45% to 1.00% per annum. The type of client, the number of accounts managed, account size, whether the client wishes to impose restrictions on Sentinel's discretionary authority and the particular investment strategy are all factors, among others, taken into consideration when negotiating investment advisory fees.

In addition, Sentinel manages the general accounts of its affiliated life insurance companies for a fee intended to reflect the actual cost to Sentinel of providing investment advisory services to these affiliates. Sentinel may also provide investment supervisory services to other affiliates and the NL Charitable Foundation for no or a small fee. In addition, Sentinel may be hired by other investment advisers to provide sub-advisory services to an account or a portion of an account for which fees charged by Sentinel may be different from the advisory fees indicated above.

Sentinel reserves the right to negotiate and/or change its fee schedules for new or existing clients, while continuing to charge some or all of its existing clients on the basis of fees and agreements in force prior to the change.

All investment advisory services for which Sentinel exercises discretionary authority are provided pursuant to an investment advisory agreement between Sentinel and each client. Generally, pursuant to such investment advisory agreements, fees are billed for services quarterly

in arrears. Sentinel does not generally accept payments for investment advisory services in advance of the services performed.

Investment advisory agreements generally may be terminated by either Sentinel or the client upon 30 – 90 days written notice to the other party. In cases of termination of an investment advisory agreement or otherwise, fees are prorated for the actual period assets are under management.

The fees charged by Sentinel do not include any custodian fees that a client may have to pay to a custodian. In addition, clients whose custodians provide cash sweep accounts for investment of cash assets may pay an additional advisory fee on the cash portion of their account. Brokerage commissions, transaction charges or other similar charges that may be incurred in connection with the management of a client's account are generally paid out of the assets in the client's account and are in addition to the fees a client pays to Sentinel for investment advisory services. For more information on brokerage costs, see "Brokerage Practices" below.

Fees and expenses of exchange-traded funds ("ETFs") or mutual funds in which a client may invest are fully disclosed in the applicable prospectus. The fees charged by Sentinel are separate and distinct from any fees and expenses charged by ETFs or mutual funds. ETFs and mutual funds generally pay advisory fees to their investment advisers and such fees would be paid indirectly by all ETF investors or mutual fund shareholders. If a client has ETFs or mutual funds in its account, the client is effectively paying both Sentinel and the ETF or mutual fund investment adviser for the management of the assets in the client's portfolio. Any mutual fund shares held in a client's account may also be subject to sales charges, 12b-1 fees, short-term redemption fees and other mutual fund expenses.

Certain accounts of Sentinel's affiliated life insurance companies and accounts of Sentinel's other affiliates and affiliated charitable organizations may be invested in mutual funds for which Sentinel also serves as investment adviser.

Sentinel's non-affiliated investment advisory clients' accounts are not invested in mutual funds for which Sentinel serves as investment adviser. Model portfolios provided to investment advisers may comprise mutual funds advised by Sentinel, in which case Sentinel earns a fee through its investment advisory agreement with the Sentinel Funds based on the mutual fund's average daily net assets. This fee is in addition to any separate advisory fee that may be charged by Sentinel with respect to the model portfolio.

Representatives of Sentinel's broker/dealer affiliate who solicit investment advisory business on behalf of Sentinel may be compensated based on the account size at the inception of the advisory relationship. These individuals are compensated when they sell, in their capacity as representatives of Sentinel's broker/dealer affiliate, mutual funds managed by Sentinel. As a result, these individuals have an incentive to solicit investment advisory services on behalf of Sentinel based on compensation received rather than a client's needs. Sentinel believes these potential conflicts are mitigated because its advisory services are designed for sophisticated institutional clients who are capable of evaluating various investment vehicles and determining which vehicle fits their investment needs.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Sentinel does not receive performance-based fees for any of its investment advisory services.

TYPES OF CLIENTS

Sentinel offers investment advisory services to various types of institutional clients, including registered investment companies (mutual funds)¹; pension and profit sharing plans, charitable organizations, corporations or other business entities and other separate accounts. In addition, Sentinel manages the general accounts of its affiliated life insurance companies and may provide investment advisory services to other affiliated companies or affiliated charitable organizations. The minimum value for an account is generally \$25 million. The minimum may be waived or reduced at Sentinel's discretion.

Sentinel may also provide investment advisers with model mutual fund portfolios.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A description of each primary investment strategy that Sentinel offers is provided above (see "Advisory Business"). In pursuing each investment strategy, Sentinel may use fundamental and/or technical methods of security analyses to determine which securities and other instruments are the most attractive investments. Sentinel uses the following sources of information in researching particular investments for its strategies, among others:

- financial newspapers and magazines;
- inspections of corporate activities;
- investor conferences;
- research materials prepared by others;
- corporate rating services;
- timing services;
- annual reports, prospectuses and other filings with the SEC; and
- company press releases.

Depending on the types of investments each investment strategy emphasizes, Sentinel invests the assets of its clients' accounts in any of the following types of investments:

- equity securities of U.S. or foreign issuers (including exchange-listed and over-the-counter (OTC) common stock, preferred stock, convertible securities and warrants, among others);

¹ The investment advisory services provided and fees charged by Sentinel to the registered investment companies for which it serves as investment adviser are not discussed in this Brochure. This information may be found in the prospectus for the applicable registered investment company.

- corporate or government debt securities of U.S. or foreign issuers or countries (including commercial paper, certificates of deposit and municipal securities, among others);
- investment company securities (including ETFs, variable life insurance funds and registered or unregistered mutual fund shares);
- various derivative instruments (including options contracts, futures contracts and swap agreements, among others); and
- interests in partnerships investing in real estate, oil and gas interests.

As with all investments, you can lose money by investing according to any of Sentinel's strategies. Investing in securities involves the risk of loss of some or all of your investment. You should be prepared to bear the loss of your investment before investing.

Each of Sentinel's strategies involves specific risks. For instance, Sentinel's equity strategies (Large Cap Core Strategy, Small/Mid Cap Strategies, and International Equity Strategy) involve stock market and selection of securities risk. Certain strategies that focus on small or mid size companies (Small/Mid Cap Strategies) also involve specific risks attributable to investments in less established companies. Strategies that utilize investments in non-U.S. securities involve additional risks associated with investments in foreign countries. Fixed income strategies generally involve risks that relate to the fixed income market in general, including credit risk, interest rate risk and income risk, all of which may be heightened if the strategy focuses on lower-quality fixed income securities (also known as "junk bonds"). The Multi Asset Strategies, along with the Sustainable Investing Strategy, involve the same risks as the strategies above in relation to the amount of assets that are managed according to each strategy. These risks and others that may be applicable to Sentinel's strategies are discussed below:

RISKS RELATED TO ALL STRATEGIES:

Active Trading Risk. An active trading approach increases brokerage and other transaction costs and may reduce the performance of a client's portfolio. It may also increase the amount of capital gains tax that a client may have to pay on his or her investment.

Exchange-Traded Funds Risk. Owning an exchange-traded fund ("ETF") generally reflects the risks of owning the underlying securities it is designed to track. ETFs typically trade on a securities exchange and their shares may, at times, trade at a premium or discount to their net asset values. In addition, an ETF may not replicate exactly the performance of the benchmark index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting or number of instruments held by the ETF. Investing in ETFs, which are investment companies, may involve duplication of advisory fees and certain other expenses. A portfolio will incur brokerage costs when purchasing and selling shares of ETFs.

Restricted and Illiquid Securities Risk. Certain securities may be considered illiquid in that they may not be able to be readily resold and resale of some of these securities also may be restricted

by law or contractual provisions. The inability to sell these securities at the most opportune time may negatively affect a client's returns.

RISKS SPECIFIC TO EQUITY STRATEGIES:

Investment Style Risk. A portfolio's investment style, "growth", "value", or "blend", may be out of favor at any particular time. The stocks of "growth" companies may be more sensitive to investor perceptions about company earnings and may be more volatile than the market in general. The stocks of "value" companies may be undervalued by the market for long periods of time.

Stock Market and Selection Risk. The stock market may go down in value, and may go down sharply and unpredictably. The stocks selected by the portfolio manager may underperform the stock market or other investment strategies.

RISKS SPECIFIC TO SMALL AND MID SIZED COMPANIES STRATEGIES:

Stocks of Smaller Companies Risk. The stocks of small and mid capitalization companies typically involve more risk than the stocks of larger companies. These smaller companies may have more limited financial resources and product lines, and may have less seasoned managers. In addition, these stocks may trade less frequently and in lower share volumes, making them subject to wider price fluctuations.

RISKS SPECIFIC TO FIXED INCOME STRATEGIES:

Bank Loan Risk. The market for bank loans may not be highly liquid and, in some cases, the Funds may have to dispose of such securities at a substantial discount from face value. These investments may expose a portfolio to the credit risk of the underlying corporate borrower.

Derivatives Risk. To the extent that a strategy engages in derivatives transactions, derivative investments involve counterparty risk (the risk that the counterparty of the derivative transaction or clearing member used by a portfolio to hold a cleared derivatives contract will be unable or unwilling to honor its financial obligation to a portfolio), basis risk (the risk that the derivative instrument will not fully offset the underlying positions), and liquidity risk (the risk that the portfolio cannot sell the derivative instrument because of an illiquid secondary market). In addition, the portfolio manager may incorrectly forecast the values of securities, currencies or interest rates or other economic factors in using derivatives for the portfolio.

General Fixed Income Securities Risk. The market prices of bonds, including those issued by the U.S. government, go up as interest rates fall, and go down as interest rates rise. As a result, the performance of a client's portfolio will fluctuate with conditions in the bond markets. Bonds with longer durations are generally more sensitive to interest rate changes than those with shorter durations. In the case of corporate bonds and commercial paper, values may fluctuate as perceptions of credit quality change. In addition, corporate bonds may be downgraded or default. Fixed-income securities may also be difficult to purchase and sell in adverse market conditions. During periods of declining interest rates, or for other reasons, bonds may be "called", or redeemed, by the bond issuer prior to the bond's maturity date, resulting in an

investor receiving payment earlier than expected. This may reduce a client's income if the proceeds are reinvested at a lower interest rate.

Government Securities Risk. Economic, business, or political developments may affect the ability of government-sponsored guarantors to repay principal and to make interest payments on the securities in which the portfolio invests. In addition, certain of these securities, including those issued or guaranteed by FNMA (Federal National Mortgage Association, or Fannie Mae) and FHLMC (Federal Home Loan Mortgage Corporation, or Freddie Mac), are not backed by the full faith and credit of the U.S. government.

Income Risk. Because a portfolio can only distribute what it earns, a portfolio's distributions may decline when prevailing interest rates fall or when the portfolio experiences defaults on debt securities it holds.

Inflation-Linked Investments Risk. Unlike traditional fixed-income securities, the principal and interest payments of inflation-linked investments are adjusted periodically based on the inflation rate. Inflation-linked investments would include Treasury Inflation Protected Securities ("TIPS"), which are U.S. government bonds whose principal automatically is adjusted for inflation as measured by the Consumer Price Index for All Urban Consumers ("CPI-U") and other inflation-indexed securities issued by the U.S. Department of Treasury and non-U.S. sovereign entities. The value of inflation-linked investments may be vulnerable to changes in expectations of inflation or interest rates, and there is no guarantee that the use of these instruments will be successful.

Leverage Risk. Certain transactions, such as derivative transactions, reverse repurchase agreements and forward commitment transactions, may result in a form of economic leverage. These transactions may expose a portfolio to greater risk and increase its costs. Certain transactions in derivatives involve substantial leverage risk and may expose a portfolio to potential losses that exceed the amount originally invested by the portfolio.

Lower-Quality Bonds Risk. Lower-rated bonds are more speculative and likely to default than higher-quality bonds. Lower-rated bond values also tend to fluctuate more widely in value.

Mortgage-Backed Securities Risk. Mortgage-backed securities represent interests in "pools" of mortgages and are subject to certain additional risks. When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated causing the value of these securities to fall. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce a client's returns because the portfolio manager may have to reinvest that money at the lower prevailing interest rates. These securities also are subject to risk of default on the underlying mortgage, particularly during periods of economic downturn.

Municipal Securities Risk. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders.

Short Sales Risk. Short sale transactions involving TBA securities involve leverage risk because they can result in investment exposure greater than the amount of the initial investment. Entering into a short position involves speculative exposure risk. If the price of the security increases between the date of the short sale and the date on which a portfolio replaces the security, the portfolio may incur a loss (without a limit).

To-Be-Announced ("TBA") Securities Risk. In a TBA securities transaction, a portfolio commits to purchase certain securities for a fixed price at a future date. TBA securities include when-issued and delayed delivery securities and forward commitments. TBA securities involve the risk that the security a portfolio buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, a portfolio loses both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

RISKS SPECIFIC TO STRATEGIES WITH FOREIGN INVESTMENTS:

General Foreign Securities Risk. Investments in foreign securities may be affected unfavorably by changes in currency rates or exchange control regulations, or political or social instability in the particular foreign country or region.

Emerging Markets Risk. The risks of foreign investments are usually much greater for emerging markets. Investments in emerging markets may be considered speculative. Emerging markets are riskier because they develop unevenly and may never fully develop. In addition, many emerging securities markets have lower trading volumes and less liquidity than developed markets.

Foreign Banks and Securities Depositories Risk. Some foreign banks and securities depositories in which foreign securities may be held are recently organized or new to the foreign custody business. In addition, there may be limited or no regulatory oversight over their operations. Also, the laws of certain countries may put limits on the ability to recover assets if a foreign bank, depository or issuer of a security, or any of their agents, goes bankrupt.

RISKS SPECIFIC TO MULTI ASSET STRATEGIES:

Asset Allocation Risk. For the Multi Asset Strategies, in addition to the risks described above for the equity and fixed income portions of such portfolios, the allocations to the various asset classes and market sectors could cause the portfolio to underperform other portfolios with similar investment objectives.

RISKS SPECIFIC TO SUSTAINABLE INVESTING STRATEGY:

Sustainable/Responsible Investing Risk. For the Sustainable Investing Strategy, in addition to the risk described above for the equity and fixed income portions of the portfolio, the portfolio's environmental, social and corporate governance criteria may cause the portfolio to forgo opportunities to buy certain securities, and/or forgo opportunities to gain exposure to certain industries, sectors, regions and countries.

DISCIPLINARY INFORMATION

Sentinel does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of Sentinel's advisory business or the integrity of its management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

One of Sentinel's management persons is registered as a representative of an affiliated broker/dealer.

Sentinel is wholly owned by NLV Financial Corporation, which is wholly owned by the National Life Holding Company, a Vermont mutual insurance holding company. NLV Financial Corporation also directly or indirectly owns National Life Insurance Company ("NLIC") and Life Insurance Company of the Southwest, to whom Sentinel provides investment management services.

Sentinel is also affiliated with Equity Services, Inc. ("ESI"), which is an entity dually registered as a broker/dealer and an investment adviser and is under common ownership with Sentinel. ESI sells securities products through registered representatives who are predominantly also career life insurance agents of NLIC. ESI is the distributor of NLIC's variable life and annuity products.

In addition, Sentinel serves as the investment adviser to the Sentinel Funds and the Sentinel Variable Products Trust Funds. Sentinel is also a partner in Sentinel Financial Services Company, a registered broker/dealer and the principal underwriter for the Sentinel Funds and Sentinel Variable Products Trust Funds.

Any potential conflicts of interests with clients are monitored by Sentinel's Chief Compliance Officer. For additional information, please see "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" and "Brokerage Practices – Trade Aggregation and Allocation Among Clients" below.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Sentinel's Code of Ethics or other procedures require that all of Sentinel's personnel pre-clear all personal securities transactions, except in those issuers with market capitalization in excess of \$25 billion, related derivatives, mutual funds, exchange traded funds, and other market derivatives, and make a written report of all securities transactions within 30 days after the end of each calendar quarter. In addition, all such personnel are prohibited from investing in initial public offerings of stock, and privately placed securities (in the case of privately placed securities, an exception may be made if Sentinel's Chief Executive Officer finds that no conflict of interest will result). All such personnel are prohibited from profiting from short-term (60 days or less) trading, (except with respect to stocks with market caps of more than \$25 billion, related

derivatives, mutual funds, exchange traded funds, and general market derivatives) and no personal transactions are permitted in securities which are currently being purchased or sold for Sentinel's clients (except for stocks with market caps over \$25 billion and related derivatives). Trades in Sentinel Fund shares within 60 days after a corresponding purchase or sale must be precleared, and will not generally be allowed if a profit would result, in the absence of unusual circumstances. All Sentinel personnel are also required to have personal securities transactions transmitted electronically directly from the broker into Sentinel's personal trade monitoring system, or have duplicate confirmations of all personal securities transactions sent to Sentinel's Chief Compliance Officer.

Sentinel will provide a copy of its Code of Ethics, upon request, to any client or prospective client.

NLIC, its affiliates and the Sentinel Funds hold large portfolios of publicly traded securities for investment purposes. It is likely that Sentinel will recommend to its clients the purchase of an issue that may also be in the portfolio of NLIC, an affiliate or the Sentinel mutual funds, but Sentinel will attempt to allocate investment opportunities by a means that is fair to all its clients. In no event will Sentinel's clients sell to or purchase securities from NLIC and its affiliates. In connection with purchases or sales of fixed income and equity securities, client trades may be aggregated with trades in the same security being effected by NLIC or an affiliate. These block trades in which NLIC or an affiliate participates are executed only where Sentinel's investment advisory clients will not be disadvantaged. Sentinel also manages the account of the NLIC Employees Pension Plan, which holds assets funding NLIC's pension liabilities to its home office employees. Please see "Brokerage Practices" below for more information on Sentinel's procedures and practices regarding trade allocation among its clients.

Employees of Sentinel also invest for their own accounts, and employees frequently invest in the same securities that are recommended to clients. An employee account is considered to be any account in which the employee has a beneficial interest, including the accounts of spouses, and children. Client trades take priority over trades of employees, and employee trades generally may not conflict or compete with client orders. All trading by Sentinel employees is governed by Sentinel's Code of Ethics as described above. While employees generally are not permitted to trade in any security while a client has a pending buy or sell order in the same security, such trades are permitted with respect to securities which have total market capitalizations of at least \$25 billion, in options on such securities, or in options or futures on equity indexes, or exchange traded funds, and which are, in the case of individual stocks and options, in amounts of either 1000 shares or less or \$50,000 or less.

For additional information regarding Sentinel's policies and procedures relating to its recommendation of securities in which Sentinel or a related person has a material financial interest, please see "Brokerage Practices – Trade Aggregation and Allocation Among Clients" below.

BROKERAGE PRACTICES

Sentinel supervises the investments of its clients and, as an essential feature thereof, places orders for the purchases and sales of portfolio securities. In doing so, Sentinel supervises the execution of the purchases and sales of portfolio securities, including negotiating the amount of the commission rates paid, in each case at prices it believes to be the best then available, taking into consideration such factors as price, commission, size of order, difficulty of execution and skill required of the executing broker/dealer, as well as the extent to which a broker capable of satisfactory execution may provide research information and statistical and other services to Sentinel.

USE OF RESEARCH AND OTHER SOFT DOLLAR BENEFITS

Section 28(e) of the Securities Exchange Act of 1934 (the “’34 Act”), which was enacted by Congress in connection with the elimination of fixed commission rates on May 1, 1975, provides that, except as agreements such as investment advisory agreements otherwise provide, money managers will not be deemed to have acted unlawfully or to have breached a fiduciary duty if, subject to certain conditions, a broker/dealer is paid in return for brokerage and research services an amount of commission for effecting transactions for accounts, in excess of the amount of commission another broker/dealer would charge for effecting the transaction. Brokerage and research services, as provided in Section 28(e) of the ’34 Act, include advice as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities or purchasers or sellers of securities; furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and performance of accounts; and effecting securities transactions and performing functions incidental thereto (such as clearance and settlement). Research obtained in this manner may be used by Sentinel in servicing any or all of its clients. Clients may benefit from research obtained through the commissions paid by Sentinel’s other client accounts.

Sentinel may cause clients to pay higher brokerage commissions for securities transaction than another broker/dealer would charge for effecting the same transactions due to the execution and research services provided by the selected broker/dealer. In using client brokerage commissions to obtain research or other products or services, Sentinel receives a benefit because it does not have to produce or pay for such research, products or services. Consequently, Sentinel may have an incentive to select or recommend a broker/dealer based on its interest in receiving such research, products or other services, rather than on Sentinel’s clients’ interest in receiving the most favorable execution. However, in causing clients to pay such greater brokerage commissions, Sentinel will determine in good faith that the greater commission is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer, viewed in terms of either a particular transaction or its overall responsibilities to its clients. In addition, although research, market and statistical information from broker/dealers can be useful to Sentinel, such information is only supplemental to Sentinel’s own research effort since the information must still be analyzed, weighed and reviewed by its staff.

Sentinel obtains a number of electronic and other research and information services in exchange for client brokerage commissions. These service providers may include, but are not limited to, Advent Software (trading software), BCA Research (research), Bloomberg (research, market

information and corporate data), Briefing.com (research), CSFB Holt (valuation analysis application), Dow Jones (news), Factset (research, corporate data and portfolio attribution analysis application), Gartner, Inc. (research), Institutional Investor (research and educational services), Instinet (liquidity and trading software), ITG (transaction cost analysis services), Laffer Associates (economic research), LexisNexis (news), Morningstar (mutual fund comparison information), MSCI (international indices data), NYSE (pricing information), Russell Indices (market indices data), Standard & Poor's (research and market index data), SNL (financial information and real estate research), Thomson Reuters (research) and Value Line (research). All equity clients normally receive the benefit of these services but some services are useful only to the International Equity and Sustainable Investing Strategies. Sentinel seeks to ensure that such services, which are used only by the International Equity and Sustainable Investing Strategies teams, are obtained for client commissions only in amounts up to the amounts of commissions used to obtain research and information services incurred by such strategies. Commission rates paid in these transactions may be higher than the minimum possible commission rate. These transactions may be third party arrangements under which Sentinel directs commissions to a broker designated by the research firm. Normally, there is a specific charge for the service and a specific amount of gross commissions that must be directed to the designated brokerage firm.

Sentinel obtains research generally provided to clients of, and access to the securities analysts and investor conferences of, the broker/dealer firms listed below, in exchange for doing brokerage business with these or other firms: BMO Capital, Barclays, Buckingham Research, Capital One Southcoast, Citi Global, Credit Suisse, Deutsche Bank, Friedman Billings Ramsay, Goldman Sachs, ISI Group, Invemed, JP Morgan Chase, Johnson Rice, Keefe Bruyette, Leerink Swann, Macquarie, Merrill Lynch/Bank of America, Morgan Stanley, Needham., Oppenheimer, Piper Jaffray, RBC Capital markets, Raymond James, Robert W. Baird, SG Cowen, Sanford C. Bernstein, Sidoti, Sterne Agee, Stifel, Telsey Advisors, William Blair, and Williams Capital.

Except as noted above, there is no commitment to place portfolio transactions with brokers or dealers who provide investment research. It is not feasible to assign any precise value to services provided by such brokers and dealers to it, nor does the use of such services reduce Sentinel's or its clients' expenses by any measurable or significant amount.

To the extent research and information services are used by the fixed income investing team, Sentinel will not acquire such services with client commissions. Fixed income securities may be purchased from the underwriter at a price which includes underwriting fees or from a bond dealer acting as a principal on a net basis with no brokerage commission paid by the client.

BROKERAGE FOR CLIENT REFERRALS

In selecting broker/dealers to effect client transactions, Sentinel does not consider whether Sentinel or its affiliates received client referrals from a broker/dealer or third party.

DIRECTED BROKERAGE

Generally, Sentinel has full authority and discretion to engage any broker/dealer to execute investment decisions and transactions for the client that, in Sentinel's opinion, is capable of providing best execution on a per-trade basis.

A client may, however, direct Sentinel to use a particular broker/dealer to execute transactions for the client's account. In this circumstance, the client's direction will be in written form authorizing Sentinel to execute all or certain transactions with the particular broker-dealer. If a client directs Sentinel to direct brokerage transactions to a particular broker/dealer, however, the client must understand that: (A) in directing Sentinel to use a particular broker/dealer, Sentinel may not be in a position where it can freely negotiate commission rates or spreads, or select broker/dealers on the basis of best price and execution; (B) such directed brokerage transactions may not be commingled or "batched" for purposes of execution with orders for the same securities for other accounts managed by Sentinel; and (C) accordingly, the client's direction of a particular broker/dealer to execute transactions for the account may result in higher commissions, greater spreads or less favorable net prices than might be the case if Sentinel were empowered to freely negotiate commission rates or spreads, or to select broker/dealers on the basis of best execution.

TRADE AGGREGATION AND ALLOCATION AMONG CLIENTS

Generally investment opportunities are allocated to different clients or accounts for which a given investment opportunity is suitable on a pro rata basis. However, the allocation may be changed from pro rata where a good reason to do so exists, such as that the pro rata allocation would result in such small allocations to a particular client or account that it is not cost effective or meaningful. For fixed income investments, allocations are normally in proportion to cash available for investment in a particular opportunity, but an opportunity judged to be more suitable to a particular account than others may be allocated to such account. Over time, Sentinel seeks to ensure that no other account is favored over others.

In connection with purchases or sales of securities, client trades may be aggregated with trades in the same security being effected by NLIC or an affiliate. These block trades in which NLIC or an affiliate participates are executed only where Sentinel believes its investment advisory clients will not be disadvantaged. With respect to fixed income aggregated trades in which NLIC or affiliated accounts participate, if under the circumstances it is possible that order will not be filled in its entirety, Sentinel will prepare, prior to entering the order or negotiating a principal trade, a written allocation statement which specifies how the transaction will be allocated among the participating accounts. If the aggregated order is filled in its entirety, it shall be allocated in accordance with this allocation statement. If the transaction is only partially completed, the transaction shall be allocated pro rata based on the allocation statement, unless under the particular circumstances of the trade all accounts of clients whose orders are allocated receive fair and equitable treatment and the reason for a different allocation is explained in writing to the Chief Compliance Officer of Sentinel, who approves in writing the proposed allocation no later than one hour after the opening of the markets on the trading day following the day on which the trade was executed. With respect to equity aggregated trades in which NLIC or affiliated accounts participate, orders are entered into Sentinel's order management system prior to

execution, and the order management system normally allocates the transaction pro rata among participating accounts, subject to rounding rules.

Sentinel's trade aggregation and allocation practices are designed, in part, to prevent conflicts of interest that may arise when portfolio managers have responsibility for managing multiple client accounts. All portfolio managers are compensated by a combination of fixed salaries and incentive compensation. The manner in which a portfolio manager's incentive compensation is weighted among the accounts managed may give a portfolio manager an incentive to allocate a particular investment opportunity to a product that has a greater weighting in determining his or her incentive compensation. In addition, Sentinel is affiliated with other companies in National Life Group that maintain accounts managed by Sentinel, including NLIC. Real, potential or apparent conflicts of interest may arise where the same investment opportunities are appropriate for the portfolio of one of those companies or for the portfolios of other clients.

REVIEW OF ACCOUNTS

The performance of in-house management is continually monitored and evaluated by the Chief Executive Officer of Sentinel. Any outside professionals consulted by management to assist them with research, trading and other services are also evaluated by in-house management. The heads of each Strategy Team also continually review the performance of each account.

Sentinel provides its institutional clients written quarterly performance reports and meets in-person on a periodic basis. Sentinel provides written performance reports relating to its management of the accounts of its affiliates and reports in person at least quarterly to the parent company's Board of Directors or one of its committees.

CLIENT REFERRALS AND OTHER COMPENSATION

Sentinel does not receive any economic benefit for providing investment advisory services to its clients other than the investment advisory fees received from its clients pursuant to investment advisory agreements.

Sentinel does not directly or indirectly compensate any person for client referrals. Sentinel may compensate its investment adviser representatives, who are also employees of Sentinel's affiliated broker/dealer, Sentinel Financial Services Company, who solicit clients on behalf of Sentinel for investment advisory services. In such case, Sentinel compensates these individuals based on the size of the client's account at the inception of the advisory relationship. Sentinel pays these individuals in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940 and other applicable law.

CUSTODY

Sentinel does not maintain custody of its client accounts.

INVESTMENT DISCRETION

For accounts managed on a discretionary basis, Sentinel enters into an investment management agreement with the client that sets forth Sentinel's discretionary authority. With respect to these accounts, Sentinel has discretionary authority to determine and execute, without obtaining the client's consent, the type and amount of securities to be bought or sold within each client account. Clients may place limitations on this discretionary authority as to the types of securities or investments in which Sentinel may invest a portfolio's assets or restrictions as to certain securities or investments that are prohibited from being bought or sold for a client's account.

In addition, Sentinel may provide its services on a non-discretionary, model portfolio basis to investment advisers.

VOTING CLIENT SECURITIES

Generally, the investment advisory agreements between Sentinel and its clients delegate proxy voting responsibilities for securities held by its client portfolios to Sentinel.

With respect to clients for which Sentinel has discretionary voting authority, below is a summary of Sentinel's general proxy voting philosophy, policies and procedures for its strategies, including its Sustainable Investing Strategy. If clients wish to direct the vote of a particular solicitation or to obtain information about how Sentinel voted their securities, clients can call the number on the cover page of this brochure. Sentinel's full proxy voting philosophy, policies and procedures are available upon request.

SENTINEL'S GENERAL PROXY VOTING PHILOSOPHY, POLICIES AND PROCEDURES

Sentinel 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 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's clients.

Proxies for accounts are forwarded to a professional designated by the Chief Executive Officer of Sentinel. A Proxy Committee exists to review potential proxy voting policy changes and to decide the outcome of controversial proxy decisions. Sentinel has engaged a third-party proxy agent, currently Institutional Shareholder Services (ISS), to provide Sentinel with an analysis of proxy proposals based on Sentinel's stated proxy voting guidelines. This recommendation is taken into consideration in the analysis of each issue, but Sentinel makes the final voting decisions.

Conflict of Interest Policy

Sentinel will seek to identify material conflicts of interest which may arise between a client account and Sentinel's business relationships. Such a conflict of interest may arise, for example, where Sentinel 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, potentially including securities dealers and investment banks. Where, in the judgment of the Chief Compliance Officer of Sentinel, a material conflict of interest exists, Sentinel will vote proxies in accordance with the following procedures:

- (1) if the proposal to be voted upon is specifically addressed in Sentinel's proxy voting procedures, and does not provide discretion to Sentinel 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 will under no circumstances override that recommendation; and
- (2) if the proposal is not addressed in this Sentinel's proxy voting procedures or Sentinel's proxy voting procedures provide Sentinel with discretion on how to vote, then Sentinel will vote in accordance with the third party proxy voting agent's general recommendation on the proposal.

Using Management Guidance

In general, Sentinel strives for consistency in its proxy voting, but also acknowledges that there are no strict 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 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. However, where conflicts arise between the interests of corporate management and the interests of Sentinel's clients, resolution is always in favor of the latter group.

Proxy Voting Guidelines

Sentinel 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.

Sentinel believes that audit committees should be comprised of financially literate, independent directors and should have the exclusive authority to hire independent auditors. Sentinel 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.

Sentinel 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 considers proposals to approve common stock, preferred stock or stock warrant issues on a case-by-case basis, but will generally vote for proposals to increase common shares for a stock split.

Sentinel will oppose stock-based compensation plans with excessive transfer of shareholder wealth, in the form of dilution to shareholder equity and voting power, to corporate executives and directors.

Except for the Sustainable Investing Strategy, Sentinel's policy is not to favor resolutions related to a sponsor's view of corporate responsibility or citizenship that would impose mandatory constraints on a company's perceived ability to compete in the marketplace.

SENTINEL'S SUSTAINABLE INVESTING STRATEGIES PROXY VOTING PHILOSOPHY, POLICIES AND PROCEDURES

Below is a summary of the proxy voting philosophy, policies and procedures specific to the Sustainable Investing Strategy.

Company Management Recommendations

Sentinel generally believes that recommendations of management on any issue (particularly routine issues) should be given a fair amount of weight in determining how proxy issues should be voted. Thus, on many issues, Sentinel votes are cast in accordance with the recommendations of the company's management. However, Sentinel will normally vote shares against management's position when it runs counter to the Sustainable Investing Strategy guidelines, and Sentinel will also vote shares held in the client accounts against management's recommendation when such position is not in the best interests of the clients.

Proxy Voting Guidelines

Sentinel is committed to the financial interests of its clients, which include, with respect to the Sustainable Investing Strategy, the responsibility of encouraging socially and environmentally responsible behavior at the companies in which clients invest. To achieve those goals, Sentinel generally supports initiatives that support diversity, equality principles, environmental responsibility and human rights, among other initiatives.

FINANCIAL INFORMATION

Sentinel does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, nor has it been the subject of a bankruptcy proceeding.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.