

Finding the sweet spot between risk and return

Disclaimer

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns (except for figures of one year or less, which are simple total returns) including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Forward-looking statements:

Certain statements in this document are forward-looking. Forward-looking statements (“FLS”) are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may,” “will,” “should,” “could,” “expect,” “anticipate,” “intend,” “plan,” “believe,” or “estimate,” or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Sentry Investments and the portfolio manager believe to be reasonable assumptions, neither Sentry Investments nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

Employing an investment process that delivers consistent returns



- Brendan Wood TopGun Asset Manager Award 2009
- Brendan Wood International TopGun Portfolio Manager Award 2009 and 2010: Sandy McIntyre, Kevin MacLean, Michael Simpson and Dennis Mitchell

Employing an investment process that delivers consistent returns (cont'd)



LIPPER
FUND AWARDS 2010
CANADA

Sentry Canadian Income Fund*

Best fund over 5 years in the Canadian income trust equity category

Sentry Small Cap Income Fund

Best fund over 3 years in the Canadian small/mid-cap equity category

Sentry Precious Metals Growth Fund**

Best fund over 3 and 5 years in the precious metals equity category

*Also winner of Canadian Income Trust Fund of the Year in 2005, and a finalist in 2006, 2007 and 2008

**Also a winner of a 2007 and 2008 Canadian Lipper Fund Award for best risk-adjusted performance over three years in the precious metals category

Lipper and Lipper corporate marks are proprietary trademarks of Lipper, a Thomson Reuters Company. © 2010 Thomson Reuters. All rights reserved. Any copying, republication or redistribution of Lipper content is expressly prohibited without the prior written consent of Thomson Reuters.

The pig and the tortoise

Two symbols that are at the heart of Sentry's approach to equity and fixed-income investing:



- The PIG: signifies the sheer size of the baby boomer population – the people we invest for, working their way through the proverbial python of their employment years, facing the inevitable need for reliable income



- The TORTOISE: symbolizes our management style of 'slow and steady' wins the race

Canada's wake-up call: The new age of health care

By 2036, the number of senior citizens is projected to more than double, outnumbering children for the first time – a demographic shift that will bog down the health care system.

2009 – There were 4.7 million seniors in Canada.

2036 – The number of seniors is set to reach 10.9 million.

When you invest, you have to invest to a “view of the future.”

Our “view”

- Inflation is not an issue; debt repayment and slow growth in Europe and the U.S. are deflationary. This means:
 - Get used to low interest rates.
 - Make sure the borrower is capable of repaying the loan.
 - Risk must be priced appropriately.
- Bank of Canada has initiated a tightening cycle, that will take short-term interest rates possibly as high as 3.00% (from 0.25%). This is a long-term tightening to normalize interest rates.
- Tightening in the U.S. and Europe is not a 2010 story. Late 2011 is more likely.
- Slow growth is our most likely outcome; this is not likely to be a vibrant business cycle.

Cycles: Business, market, asset mix, price

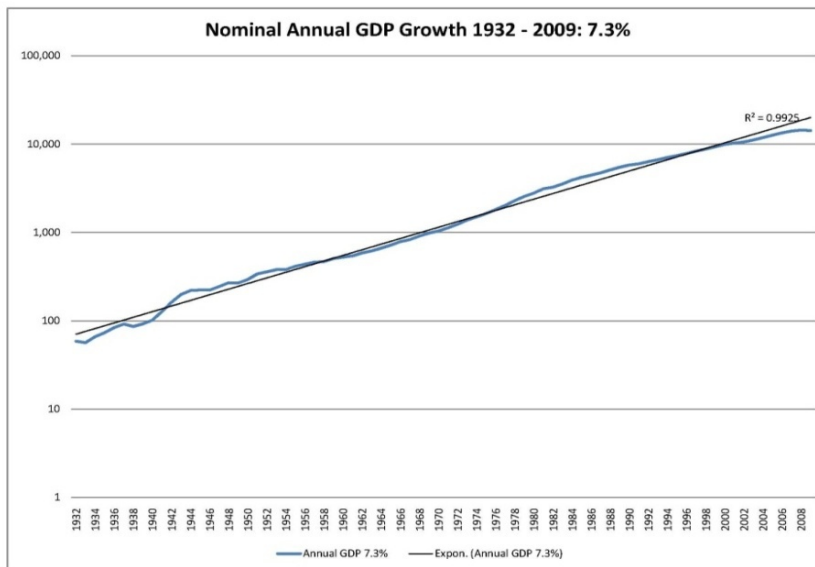
Where are we in each cycle?

- Early stage of the business cycle: first tightening in U.S. and Europe is likely a 2011 event; invest for a full business cycle.
- Completed year one of the market cycle: reflexive rebound from extreme pessimism of Q1 2009 is complete. The year two correction started in April.
- Institutional and retail flight to safety drove asset mix shift from equity to fixed income and cash; rotation out of cash into bonds is continuing, rotation into equities is yet to come.
- Prices reached cyclical and secular extremes: 10-year U.S. Treasury touched 2.1%; S&P 500 traded at 9x cycle average earnings.

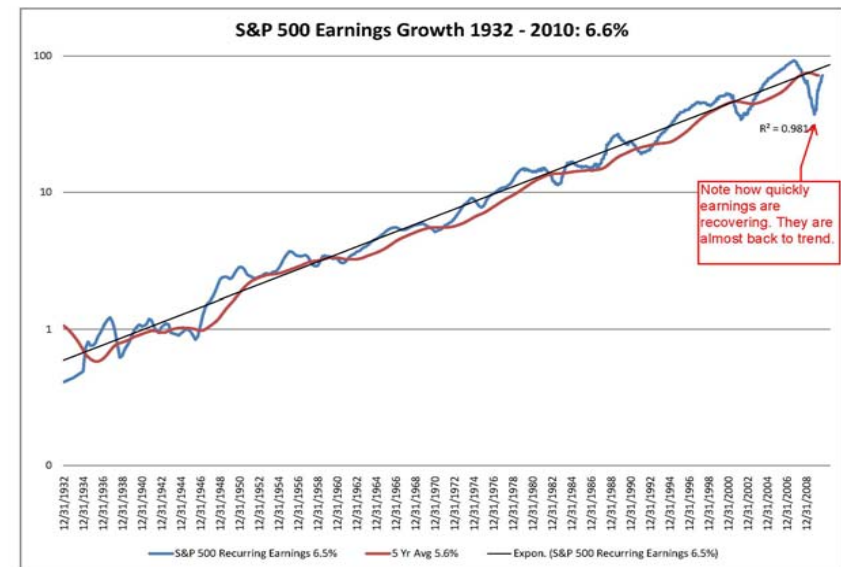
Each down cycle has been completed; invest for the next cycle.

Why do you own equities?

Nominal GDP growth = Long-term earnings growth



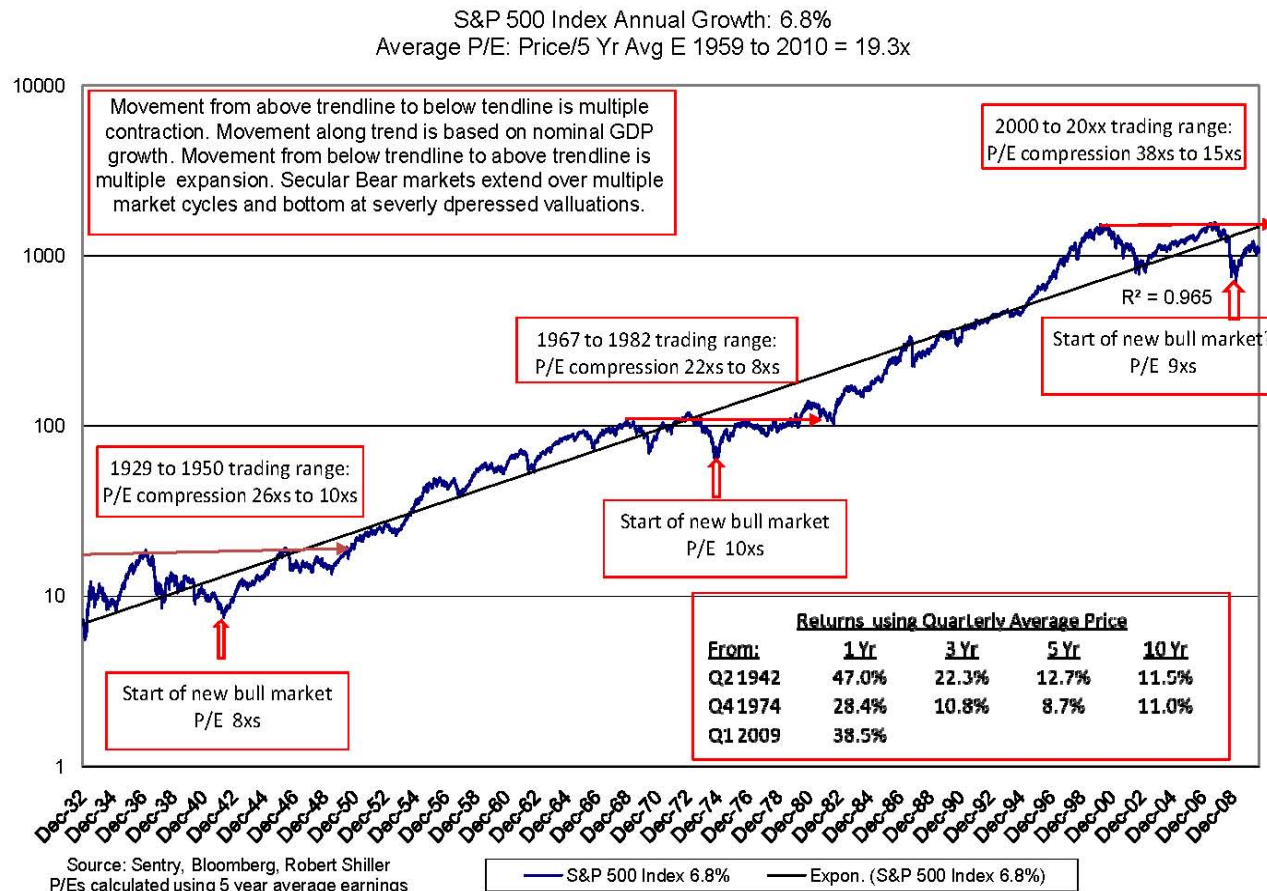
Source: U.S. Bureau of Economic Analysis



Source: Robert Shiller, Bloomberg, Sentry

- Earnings are more cyclical than the economy; you have to know where you are in the business cycle.
- We have just completed year 1 of what is normally a four-year business cycle.

The market follows earnings which follow GDP



- The market is cyclical. We are early in the cycle.
- Secular bull markets go from lower left to upper right, and have a series of higher highs and higher lows. They return capital appreciation of about 7% plus dividends.
- Secular bear markets go sideways for many years. The low is an exhausted market at low valuation. This is a great entry point.

But I'm afraid to invest!

- So is everyone else. With fear comes opportunity, the best opportunities for investors are equities and corporate debt.

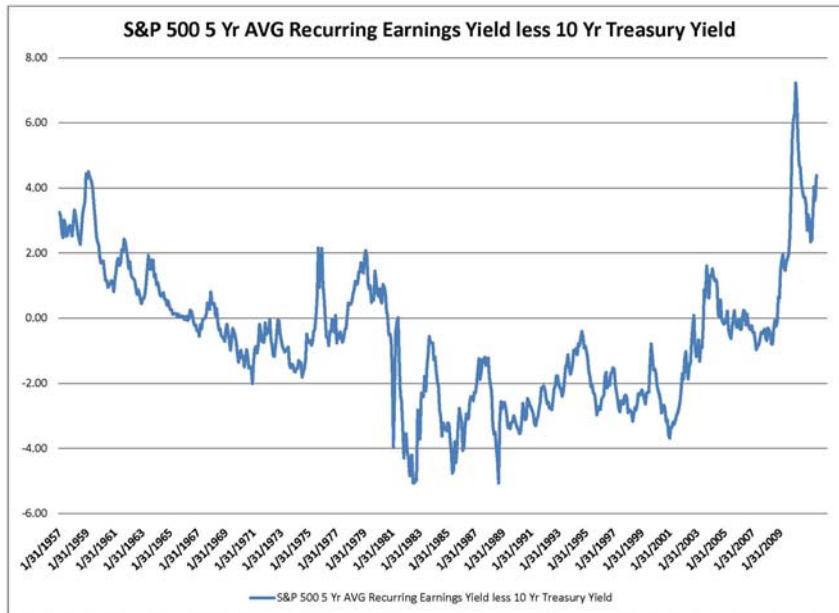
How do I know if I am paying too much?

- A five-year Government of Canada bond yields approximately 2.2%.
- A GIC pays interest; you earn about \$2.10 for each \$100 invested for five years.
- An investment-grade corporate bond pays interest; you earn about \$3.40 for each \$100 invested for five years.
- A quality portfolio of Canadian dividend stocks will earn you about \$5.00 or more for each \$100 invested.

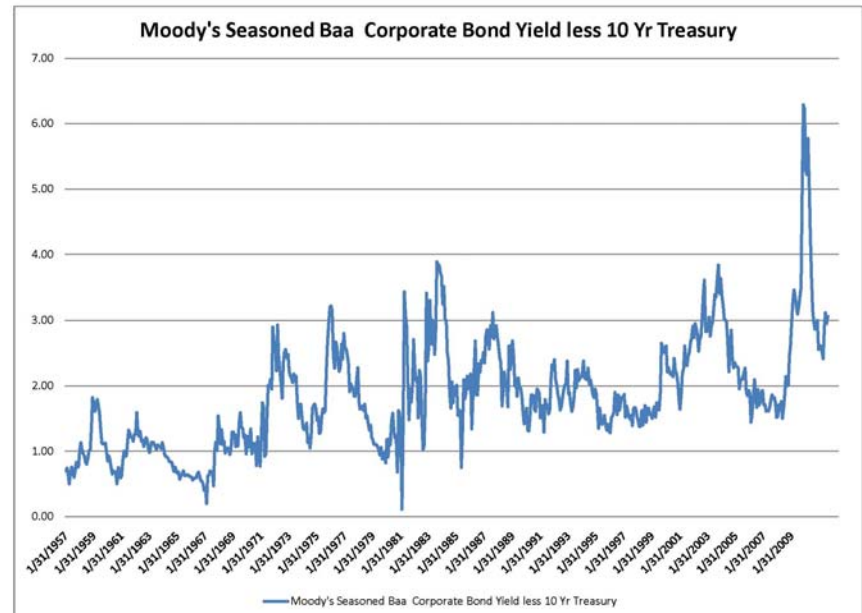
But I only want stuff that is stable on my statement or goes up in price.

- Do not drive forward while looking backwards. Cheap stuff has a better chance of price appreciation than expensive stuff.

Stuff that is cheap



Source: Sentry, Bloomberg

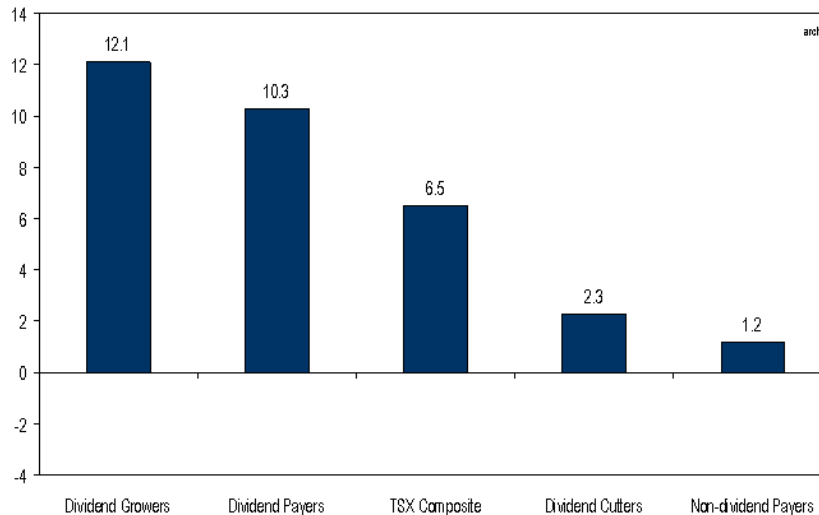


Source: Sentry, Bloomberg

Large U.S. companies offer the best relative price opportunities since 1958. Investment-grade U.S. bonds still offer spreads consistent with recessions. We are looking south for opportunities!

Which equities outperform over the long term?

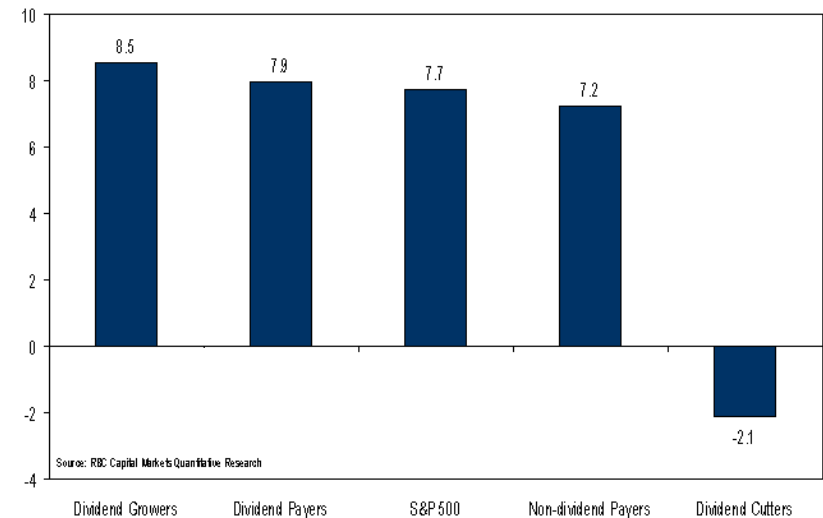
Total portfolio returns
(Dec 1986 – Apr 2010, equal weighted, %)



Source: RBC Capital Markets Quantitative Research

- In Canada, investing in dividend growers is clearly the most successful strategy.
- The least successful is to speculate on non-dividend payers.
- The outcome is less defined in the U.S., but dividend growers are still the best group.

Total portfolio returns
(Jan 1994 – Apr 2010, market weighted, %)



Source: RBC Capital Markets Quantitative Research

Volatility is very stressful:
we focus on low-volatility, high-return-on-equity companies.

	Average annual volatility	ROE 1 year trailing*	ROE trend**	Dividend yield
High Beta Sectors 49.7%				
Energy	24.3%	6.0%	Falling	2.86%
Materials	31.5%	6.2%	Rising	0.43%
Info Tech	33.5%	28.6%	Rising	0.26%
	27.9%	7.5%		1.68%
% above (below) index	48.0%	-33.7%		-36.2%
Financials 31.1%	21.1%	13.1%	Falling	3.79%
% above (below) index	12.1%	15.5%		44.1%
Low Beta Sectors 19.3%				
Industrials	21.0%	14.2%	Rising	2.16%
Cons discretionary	14.3%	10.5%	Rising	2.63%
Telecom	14.5%	21.0%	Rising	5.02%
Cons staples	11.9%	13.2%	Falling	1.82%
Utilities	14.0%	8.8%	Falling	5.32%
Health Care	18.7%	3.4%	Rising	2.49%
	16.1%	14.0%		3.16%
% above (below) index	-14.7%	23.2%		20.0%
S&P/TSX	18.8%	11.4%	Rising	2.63%

*Source: CIBC World markets

** Source: CIBC World Markets April 2002 to May 2010

Equity income:

More cash in your pocket, more power to your capital

- Equity income offers tax-efficient distributions through a combination of dividends, capital gains and return of capital.
- Equity income offers the potential for long-term capital appreciation.
- Dividend-paying companies are generally healthy and profitable.
- We apply a bottom-up process to identify the best dividend-growing firms.
- We diligently assess their balance sheets.
- We determine their stamina to withstand cyclical recessions.
- We aim at conservative, realistic income and growth targets with reduced risk.

Fixed income:

The sweet spot between risk and return

Any lenders worth their salt need to focus on three key things:

- *Risk*: whether the borrower can repay
- *Time*: how long it will take to recoup capital
- *Price*: the effect of inflation on returns
- We start with a big-picture look at the overall climate.
- Then, we go top-down, determining overall credit exposures, sector weightings, yield curves and duration positioning.
- We zoom in on market positioning, free cash flow, liquidity coverage and covenant protection.
- We leverage Sentry's deep and diversified investment management expertise.

Thank you

Be patient, play defence,
own quality and remember that
time heals all wounds.

Questions?

Partnerships

**For more information on
Sentry Investments**

**Please contact the Pinkowski-Allen Group at
604.659.8047**

www.pinkowski.ca



Sentry Canadian Income Fund

- 4-star Morningstar rated
- Correlation to TSX: 0.703 (1 year)
- Beta relative to TSX: 0.509 (1 year)
- Standard deviation (1 year): 8.1
- Standard deviation TSX (1 year): 14.0
- YTD rank: 25 / 281, 1st quartile
- 1-year rank: 22 / 253, 1st quartile
- 3-year rank: 13 / 226, 1st quartile
- 5-year rank: 9 / 170, 1st quartile
- **7-year rank: 1 / 133, 1st quartile**
- **8-year rank: 1 / 116, 1st quartile**
- Ranks 12th and 10th on a risk-adjusted basis over 3 and 5 years respectively
- Downside capture (1 year): 0.23; Upside capture (1 year): 0.77
- Downside capture (3 year): 0.61; Upside capture (3 year): 0.77
- Downside capture (5 year): 0.68; Upside capture (5 year): 0.75

Source: Morningstar, Bloomberg, Sentry Investments as at August 31, 2010. Peer Group is a combination of Canadian Dividend Income, Balanced Equity and Canadian Income Trusts.

Sentry Canadian Income Fund – Fund details

Investment strategy details

INCEPTION DATE	Feb. 11, 2002
AUM (MILLION)	\$916.3

Investment style

	VALUE	BLEND	GROWTH
LARGE-CAP			
MID-CAP			
SMALL-CAP			

Performance (as at August 31, 2010)

SENTRY CANADIAN INCOME FUND – AVERAGE ANNUAL COMPOUND RETURNS (SERIES A)

3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPT.
5.1%	4.8%	20.3%	4.1%	5.3%	12.1%

S&P/TSX COMPOSITE INDEX – AVERAGE ANNUAL COMPOUND RETURNS

3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPT.
2.0%	3.9%	12.7%	-1.6%	5.0%	7.9%

Sentry REIT Fund

- 3-star Morningstar rated
- Correlation with TSX Capped REIT Index: 0.685 (1 year)
- Beta relative to TSX Capped REIT Index: 0.589 (1 year)
- Standard deviation (1 year): 8.8
- Standard deviation TSX Capped REIT Index (1 year): 13.2
- YTD rank: 2 / 22, 1st quartile
- 1-year rank: 2 / 21, 1st quartile
- 2-year rank: 5 / 20, 1st quartile
- 3-year rank: 5 / 12, 2nd quartile
- Ranks 4th risk-adjusted over 3 years
- Downside capture (1 year): 0.62; Upside capture (1 year): 0.78
- Downside capture (3 year): 0.91; Upside capture (3 year): 0.64
- Downside capture (5 year): 0.83; Upside capture (5 year): 0.69

Source: Morningstar, Bloomberg, Sentry Investments as at August 31, 2010. Peer group is Real Estate Peer.

Sentry REIT Fund – Fund details

Investment strategy details

INCEPTION DATE	Dec. 19, 1997
AUM (MILLION)	\$546.7

Investment style

	VALUE	BLEND	GROWTH
LARGE-CAP			
MID-CAP			
SMALL-CAP			

Performance (as at August 31, 2010)

SENTRY REIT FUND – AVERAGE ANNUAL COMPOUND RETURNS (SERIES A)

3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
9.8%	11.2%	29.6%	-5.8%	2.0%	7.6%	5.9%

S&P/TSX CAPPED REAL ESTATE PEER INDEX – AVERAGE ANNUAL COMPOUND RETURNS

3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
9.6%	12.5%	33.7%	-1.4%	4.1%	11.5%	n/a

Sentry Precious Metals Growth Fund

- Correlation with TSX Global Gold Index: 0.827 (since Kevin took over – August 2004)
- Beta relative to TSX Global Gold Index: 0.834 (since Kevin took over – August 2004)
- Standard deviation (1 year): 32.52
- Standard deviation TSX Global Gold Index (1 year): 33.75
- **YTD rank: 1 / 19, 1st quartile**
- **1-year rank: 1 / 18, 1st quartile** (Mining Opportunity Class # 1)
- **2-year rank: 1 / 18, 1st quartile**
- **3-year rank: 1 / 16, 1st quartile**
- **4-year rank: 1 / 15, 2nd quartile**
- **5-year rank: 1 / 14, 1st quartile**
- **Ranks 1st risk-adjusted over 3 and 5 years**
- Downside capture (1 year): 0.23; Upside capture (3 year): 1.18
- Downside capture (3 year): 0.86; Upside capture (3 year): 1.07
- Downside capture (5 year): 0.76; Upside capture (5 year): 1.10

Source: Morningstar, Bloomberg, Sentry Investments as at August 31, 2010. Peer group is Precious Metals Peer.

Sentry Precious Metals Growth Fund – Fund details

Investment strategy details

INCEPTION DATE	Dec. 19, 1997
AUM (MILLION)	\$748.1

Investment style

	VALUE	BLEND	GROWTH
LARGE-CAP			
MID-CAP			
SMALL-CAP			

Performance (as at August 31, 2010)

SENTRY PRECIOUS METALS GROWTH FUND – AVERAGE ANNUAL COMPOUND RETURNS (SERIES A)

3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
15.9%	40.3%	91.8%	25.8%	33.0%	24.2%	15.7%

S&P/TSX GLOBAL GOLD INDEX – AVERAGE ANNUAL COMPOUND RETURNS

3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
10.4%	24.3%	31.0%	14.8%	15.6%	n/a	n/a