

Fund Description

The **EAFE Equity Fund** (‘the Fund’) is managed by Setanta Asset Management Limited (‘Setanta’) and is a representative account of the EAFE Equity strategy.

The Fund is an actively managed equity portfolio, with a long-term investment horizon. Our aim is to invest in EAFE (Europe, Asia and Far East) companies that are trading below their intrinsic value. Our investment process seeks to invest in companies that exhibit a combination of low financial risk, low operational risk and low valuation risk.

We believe that if we can invest in companies that possesses these characteristics then we can reduce the risk of a permanent loss of capital and enhance our chances of outperforming our benchmark over the long term. The investment objective of the Fund is to outperform the MSCI EAFE index over the long term.

Fund Commentary

I think it’s very apt to include the following lengthy extract from the Chairman’s statement of the Smiths Group annual report 2017. Smiths Group is a core holding of the Setanta EAFE fund and we admire and applaud the way they as a board and management team conduct their business and think about the long term sustainability of their business.

As investors in the Setanta EAFE fund hopefully it will not scare you too much but it most certainly serves as a graphic illustration of the concerns, challenges and threats facing companies on a daily basis as well as the multiple factors we as investors need to take into consideration as we invest your capital.

Fund Commentary continued on Page 3)

Portfolio Managers

Rowan Smith, Fergal Sarsfield CFA & Conor Walshe

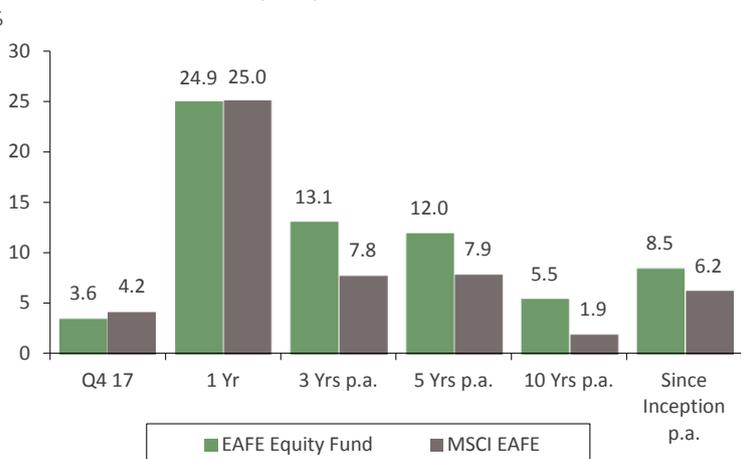


Investment Principles

- We do not believe the market is efficient.
- We aim to make investments at a price below our assessment of intrinsic value.
- We make an investment in a business rather than trade securities.
- We believe risk is the possibility of permanent impairment of value.
- We make investments for the long term.
- We invest where we see value and are not afraid to be contrarian and swim against the tide.
- We don’t make forecasts, we consider scenarios.
- We demand financial strength from the companies we invest in.
- We will act with integrity and communicate with our clients in a manner representative of our investment style.
- We have the humility to know we make mistakes and embrace the need to continue learning through both experience and study.



FUND PERFORMANCE (USD) – 31.12.17



YEARLY PERFORMANCE

Year %	2012	2013	2014	2015	2016	2017
Fund	22.3	27.3	-4.2	4.4	10.8	24.9
Benchmark	17.3	22.8	-4.9	-0.8	1.0	25.0

Performance Source: GWL Unit Prices converted to USD at FX Rate 0.79812; Based on Representative Setanta EAFE Equity Account. Returns are in USD and are gross of management fees. Benchmark is MSCI EAFE. Inception date January 2004. **Fund Statistics Source:** Bloomberg

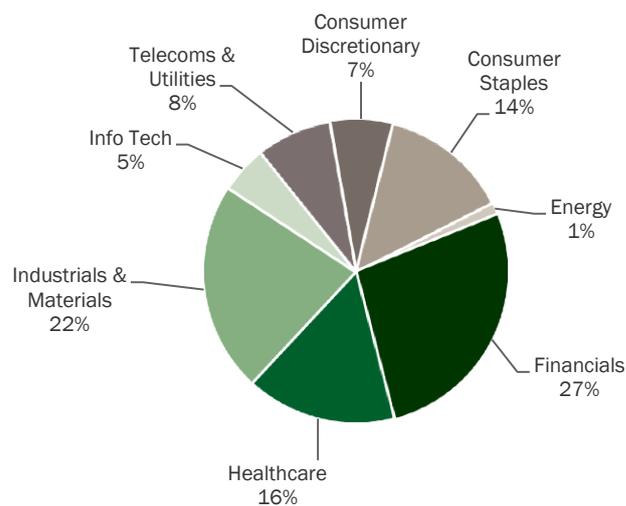
TOP 10 EQUITY HOLDINGS

COMPANY	SECTOR	% OF FUND
GROUPE BRUXELLES LAMBERT	FINANCIALS	6.1%
MELROSE INDUSTRIES	INDUSTRIALS & MATERIALS	5.2%
LSL PROPERTY SERVICES	FINANCIALS	4.5%
SWATCH GROUP	CONSUMER DISCRETIONARY	4.3%
DCC	INDUSTRIALS & MATERIALS	4.2%
NOVARTIS	HEALTHCARE	4.0%
DIAGEO	CONSUMER STAPLES	4.0%
SANOFI	HEALTHCARE	3.9%
ERICSSON	INFORMATION TECHNOLOGY	3.7%
FENNER	INDUSTRIALS & MATERIALS	3.5%

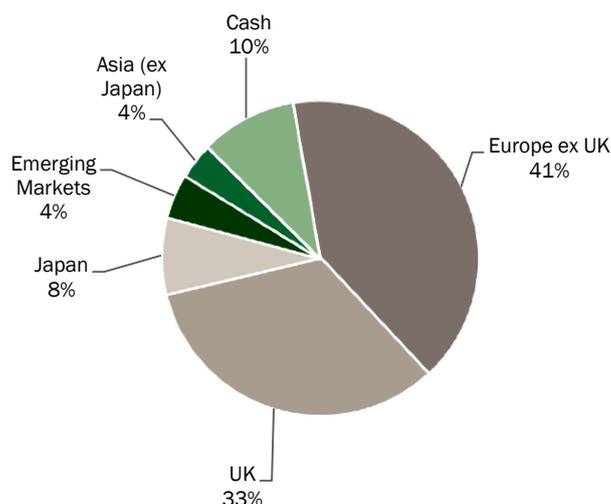
FUND STATISTICS

PRICE/BOOK	1.8
PRICE/EARNINGS RATIO (FY 1)	15.7
DIVIDEND YIELD %	2.9
AVERAGE MARKET CAP \$BN	44.0
NO. OF HOLDINGS	33
DEBT/EQUITY %	49.4
ACTIVE SHARE %	88.1

SECTOR DISTRIBUTION



GEOGRAPHIC DISTRIBUTION



“As individuals or as companies, we can either create the future or we can be visited by it – and who is to say that if we just wait for it, whether we’ll like that future visit when it arrives?”

It’s clear from the challenging experiences of many great companies in recent years, that unless we prepare properly for the future, the one we want probably won’t be there when we need it. It reminds me of the old saying “the best time to replace the roof is when the sun is shining.”

There are, in fact, many possible ‘futures’ that can be created for a company. So it’s far better that it’s one we intentionally design ourselves, rather than an accidental one we may not like when it arrives. That’s the fundamental job we have to do as a leadership team and as a Board, ie to create a new sustainable and viable future for Smiths, one which creates more value for our shareholders and more opportunities for our employees. By design, it will be one which is much better than if we had simply waited at the bus-stop of opportunity for something serendipitous – or not- to come along.

A fact which is rarely acknowledged by observers is that the core of every company is slowly dying. This includes even the most ‘modern’ companies such as those focusing on software, social media and the internet.

The core of every company is being constantly attacked by competition, by end-of-life technology, product substitution, regulation and cannibalisation, and also by changing customer preferences and performance expectations. The core of every company is trickling away like a melting ice cube in the hot sun.

The rate at which this decay or attrition happens can be surprisingly high, depending on the type of end market being served. So clearly, there is no way to succeed in the competitive game by simply standing still. The only way to overcome this natural attrition problem is by continually replacing the core business with new products, new customers, new technologies and new markets. If a company wants to grow faster than the market, it has to make this replacement at a rate which well exceeds the natural rate of core attrition. While this may seem to be an obvious statement, you’d be surprised by how few companies recognise this problem and address it head on. We will not make this mistake at Smiths.”

Sir George Buckley, Chairman, Smiths Group

So much of what Sir George Buckley speaks about above resonates very well with us here in Setanta. Our primary focus is to invest in good companies, for us good companies will have the following characteristics

- Low risk of obsolescence
- Stable financial structure
- Long term business planning
- Trustworthy management with shareholder focus

While we can never be certain about what a business will look like in 20 years’ time we take comfort when we hear management speak openly about these concerns and the willingness to invest to ensure their sustainability. Without investment “the core of every company is dying” and with it their earnings power and cash flow generating ability. If we can find good companies with strong management teams who have a willingness to invest sensibly to ensure the sustainability of their earnings power then we believe we will continue to put ourselves in a position to deliver strong investment returns for our investors.

While the fund was up a very credible 24.9% in 2017, unfortunately we marginally underperformed the MSCI EAFE benchmark by 0.1%. We had some very strong performers in the fund over the course of the year but we also had some disappointing distractors to performance. As we depart 2017 we thought it might be a good idea to inform our investors of what worked well for us during the year and what didn’t go so well.

Top Performers during 2017

Company	2017 Absolute Performance
Fenner	+75%
Samsung	+50%
Unilever	+38%

Fenner

Fenner has done a remarkable job over the past several years of adjusting their cost base to reflect the reduction in demand for their conveyor belt products mainly sold into the coal and mining industry. They right sized their ECS business while investing in the growing AEP segment. In 2017 as demand for ECS products rebounded modestly and the investments in AEP began to bear fruit Fenner experienced a substantial improvement in profitability and the share price followed suit rising over 70%.

Samsung

Samsung is the market leader in both DRAM and NAND, critical memory components for servers, PC's, smartphones etc. The memory market remained very tight in 2017 which led to the unusual situation of increasing prices and with high operational leverage Samsung was able to earn record high operating margins in excess of 50% during the year. This strong growth in memory profitability in addition to their other key business segment, Mobile, performing well after the battery issue with the Galaxy Note7 in 2016 was resolved led to over a 50% increase in the share price during the year.

Unilever

In early 2017 Kraft Heinz made an unsolicited approach to acquire Unilever, the approach was rebuffed by the Unilever management and board and instead Unilever CEO Paul Polman agreed to embark on a cost cutting and portfolio pruning exercise with the intention of achieving above market growth and improving margins from 15% to 20% by 2020. The disposal of their Spreads business was completed in December 2017 and it's widely expected that Unilever will reinvest the €6bn proceeds into faster growing segments of the personal care sector. The approach by Kraft was the catalyst for a change of pace at Unilever and with it came an almost 40% appreciation in share price.

Worst performers during 2017

Company	2017 Absolute Performance
C&C Group	-18%
Tesco	-13%
Glaxosmithkline	-9%

C&C

C&C has continued to face significant competition from Heineken's cider offering Orchard Thieves in the Irish market, particularly in the on trade. The wholesale business in Ireland and Scotland remains competitive and price sensitive. The UK has always been a tough market given the importance of the pub chains and supermarkets. C&C has taken a minority stake in the Admiral Pub Group to boost its position there. Sterling weakness has also had a markedly negative impact on reported profits from Scotland and England. The Pabst distribution deal has failed to revive the fortunes of the US business thus far. We continue to hold the stock given the significant discount to alcoholic beverage peers, strong cash flow generation, attractive dividend yield, healthy balance sheet and management whose interests are aligned with ours through their investment in the company.

Tesco

The UK supermarket industry remained a highly competitive space in 2017 with the German discounters, Aldi and Lidl, continuing to take market share. Food retailers operate on razor thin margins and any lost sales reduce profitability significantly due to the high fixed costs in this business (mainly labour and property). CEO Dave Lewis appears to be doing a decent job in moving to address pricing, reducing the number of SKUs, repairing supplier relationships and effecting disposals to fix the balance sheet. Ultimately, however, the industry dynamics caused us to sell out of this position in the EAFE fund in the third quarter.

Glaxo

CEO Emma Walmsley's desire to retain strategic flexibility has raised some investors' concerns about the possibility of a dividend cut. Pfizer's Consumer Health business has been touted as a potential acquisition target prompting fears of over-payment. More generally, consumer health businesses are experiencing a slowdown in growth and Glaxo has not escaped this trend. The respiratory franchise continues to see some pressure but the Pharmaceuticals business is largely through the patent cliff. The Vaccines and Consumer businesses remain attractive. With a solid financial position, attractive dividend yield, recent history of avoiding large scale M&A and a reasonable valuation, we retain our position.

Transactions during Q4 2017

We didn't initiate any new positions in Q4 2017. We did however liquidate our position in BP. We opportunistically invested in BP post the Macondo oil disaster in 2010 and while we exited at a profit our investment didn't really pan out as anticipated. The oil price is a key variable in determining profitability and returns for energy companies and unfortunately oil companies in general do not have any significant control over the oil price. With capital investment requirements continuing to edge upwards and eating into its cash flow generating capabilities we are not overly optimistic about the long term earnings potential for BP so we decided to exit our position.

On behalf of Rowan, Conor and myself, I'd like to thank all our investors for your continued support throughout the year and we look forward to satisfying your investment needs in the years to come.

Contact Details:

Fergal Sarsfield – Portfolio Manager

Setanta Asset Management Limited,
Beresford Court,
Beresford Place, Dublin 1, Ireland.

Alan Hickey, Tel: + 353 1 612 4903
Email: alan.hickey@setanta-asset.com
www.setanta-asset.com

IMPORTANT INFORMATION

The EAFE Equity Fund is managed by Setanta Asset Management Limited and is a representative account of the EAFE Equity strategy. The Fund is available on a separate account basis to institutional investors. Investors should consider the investment objectives, risks, charges and expenses carefully before investing. See 'WARNING' and 'IMPORTANT INFORMATION' sections below. Setanta Asset Management Limited is regulated by the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1 Ireland and has been granted the International Adviser exemption from registration in Manitoba, Ontario, Quebec, British Columbia and Alberta. This exemption enables it to provide advisory services to clients in these provinces in accordance with the applicable securities legislation of Manitoba, Ontario, Quebec, British Columbia and Alberta. Setanta, who is an investment sub-advisor to a number of Great-West Life Group companies, does not trade on its own account. Units in the Canadian segregated and mutual funds are not offered for sale by Setanta but may be acquired by prospective investors via the relevant Great-West Life Group company. This factsheet, which is for information purposes only, does not form part of any contract. This is a marketing communication that (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject to any prohibition on dealing ahead of the dissemination investment research. The information contained in this document is based on current legislation and is, therefore subject to change. The contents are intended as a guideline only and should not be construed as an interpretation of the law. You should always seek the advice of an appropriately qualified professional. Performance disclosures are stated above. Setanta Asset Management Limited has also been approved by the SEC (CRD # 281781/ SEC # 801 – 107083) as an Investment advisor firm.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages

WARNING: Past performance is not a reliable indicator of future results. The price of units and the income from them may go down as well as up and investors may not get back the amount invested. The return may increase or decrease as a result of currency fluctuations. Forecasts are not a reliable indicator of future performance.