

Setanta EAFE Equity Strategy (USD)

Q3 2023

Strategy Description

The **EAFE Equity Strategy** ('the Strategy') is managed by Setanta Asset Management Limited ("Setanta"). The Strategy is available to US Investors on a separate account basis.

The Strategy 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 possess 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 Strategy is to outperform the MSCI EAFE index over the long term.

Our Investment Principles

We do not believe markets are efficient

We invest below our estimate of intrinsic value

We invest in businesses rather than buying stocks

Preservation of our clients' capital is key

Investing is a marathon, not a sprint

We are not afraid to swim against the tide

We consider scenarios rather than making forecasts

Businesses we own must have strong balance sheets

We make mistakes and always endeavour to learn from them

We will act with integrity in everything we do

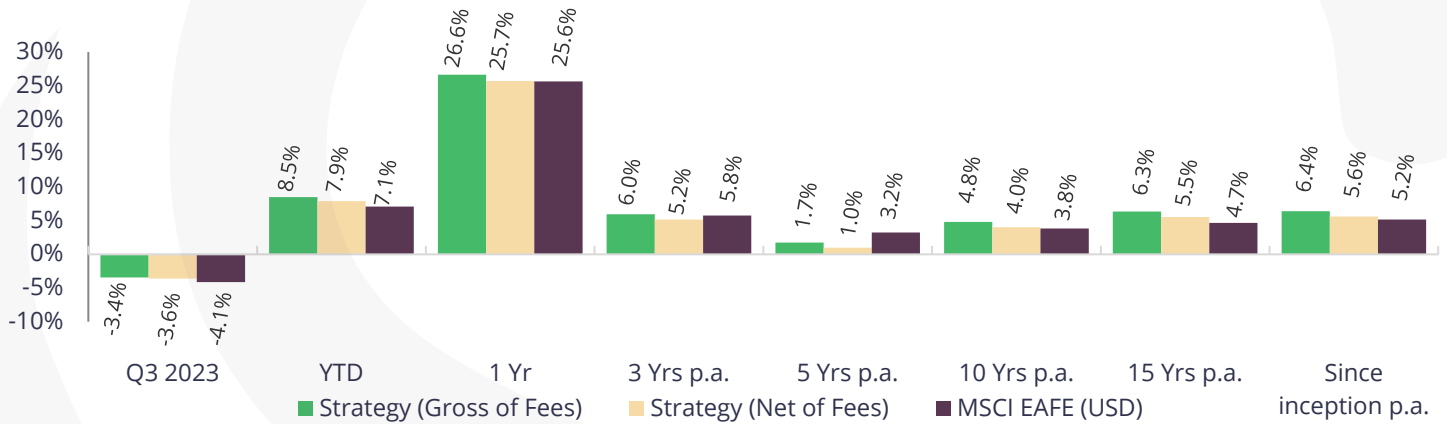
Portfolio Managers

Rowan Smith; Fergal Sarsfield, CFA, Conor Walshe & Tony O'Sullivan, CFA



Performance and Strategy data as at 30th September 2023

Strategy Performance (USD)



Yearly Performance (USD)

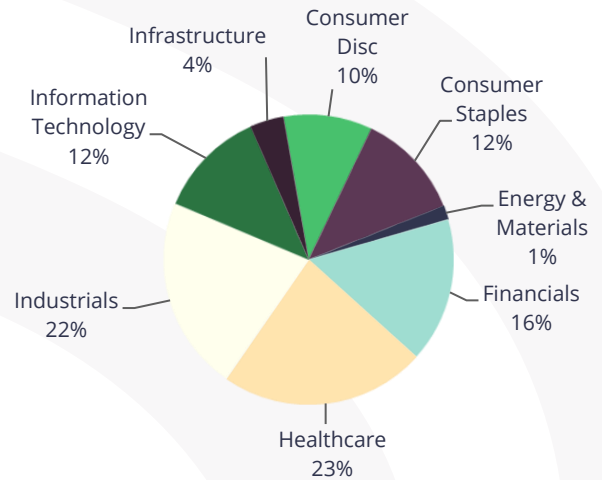
| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|--------|-------|-------|-------|--------|
| Strategy (Gross of Fees) | -10.7% | 19.1% | -0.2% | 12.5% | -16.0% |
| Strategy (Net of Fees) | -11.4% | 18.2% | -0.9% | 11.6% | -16.6% |
| MSCI EAFE (USD) | -13.8% | 22.0% | 7.8% | 11.3% | -14.5% |

Performance Source: Setanta Asset Management Limited. The returns stated are based on the movements in the unit prices of the lead CAD portfolio of the EAFE Equity Strategy which was CLA CA Managed EAFE Portfolio SF035 [IEC11007] till 09.06.22 and LL EAFE Equity Strategy 6.84 [IEC15004] thereafter, which has been converted to USD at FX rate 0.739645. The gross performance will be reduced by the impact of management fees paid, the amount of which varies. Net of Fees performance is calculated based on an AMC of 0.75%, which is based on a minimum portfolio size of USD25m. Inception date: January 2004.
Benchmark: MSCI EAFE (USD).

Portfolio Valuation Statistics

| | |
|-----------------------------|------|
| PRICE/BOOK | 1.9 |
| PRICE/EARNINGS RATIO (FY 1) | 14.0 |
| DIVIDEND YIELD % | 2.6 |
| AVERAGE MARKET CAP \$BN | 63.5 |
| NO. OF HOLDINGS | 37 |
| DEBT/EQUITY % | 54.5 |
| ACTIVE SHARE % | 92.6 |

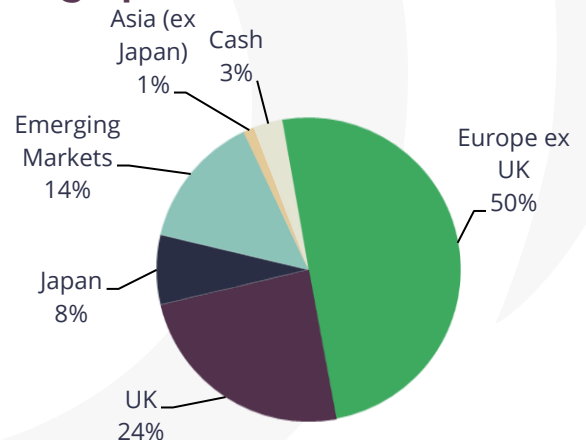
Sector Distribution



Top 10 Holdings

| COMPANY | SECTOR | WEIGHT |
|--------------------|------------------------|--------|
| ALCON AG | HEALTHCARE | 5.1% |
| DCC | INDUSTRIALS | 5.0% |
| SAMSUNG ELECTRONIC | INFORMATION TECHNOLOGY | 4.8% |
| FERGUSON PLC | INDUSTRIALS | 4.6% |
| ESSILORLUXOTTICA | CONSUMER DISCRETIONARY | 4.3% |
| NOVARTIS AG | HEALTHCARE | 4.3% |
| RYANAIR DAC | INDUSTRIALS | 4.0% |
| CRH ORD | INDUSTRIALS | 4.0% |
| BANK LEUMI | FINANCIALS | 3.9% |
| ALFRESA HOLDINGS | HEALTHCARE | 3.5% |

Geographic Distribution



Holdings Source: Setanta. Sector allocations based on invested portfolio only (excludes cash), of the lead CAD account of the EAFE Equity Strategy. **Portfolio Valuation Statistics Source:** Bloomberg, based on the lead CAD account of the EAFE Equity Strategy, shown in USD.



Q3 2023 Commentary

Strategy Commentary

Comments on the third quarter

Bond yields continued to rise in the third quarter. Crude oil prices advancing by close to 30% in the period has not helped sentiment regarding the trajectory of interest rates globally. Consumer demand has so far remained quite resilient despite the pressure on household budgets from higher inflation and interest rates although there is growing evidence of demand weakness emerging. The US economy has been the main bright spot with Europe lagging and no real evidence so far of any improvement in China's economy, which has been 2023's major market disappointment. Against this backdrop, equity markets softened in the third quarter with some weakness in the Euro and Yen amplifying local market weakness.

Japanese equities have out-performed the rest of the EAFE benchmark so far in 2023. Earlier this year the Tokyo Stock Exchange implemented rules to try to coerce management teams to take steps to improve market valuations in cases where a company's stock price continually trades below book value. We have been seeing a higher rate of buyback announcements across the market as a result, which has been positive for market sentiment and fundamentals. Japanese equities may also have benefited from a reallocation of investment funds out of China. Japan's out-performance this year has been a bit of a headwind for us since the portfolio is underweight Japan. Offsetting this somewhat is that the portfolio's Japanese stocks have out-performed the local market materially this year, with Alfresa and Amada particularly strong. Both stocks rallied from low valuation levels after announcing plans to repurchase shares. We don't think the TSE reforms are a panacea for Corporate Japan's ills but we are encouraged by these developments and have been spending more time this year on ideas in Japan. As discussed below, late in the quarter we opened a position in Japanese gaming company, Nexon, and there are a few other Japanese ideas on our radar.

The Energy sector was the standout performer during the quarter, rising sharply against a declining tape. Despite our underweight here, the Setanta EAFE strategy out-performed slightly in the quarter and is modestly ahead of benchmark year to date. With concerns building about consumer spending weakness, consumer exposed stocks were generally weak across the market and we consequently saw declining stock prices for portfolio holdings Adidas, Diageo, Swatch and Ryanair. Partly offsetting this, we saw share price strength in several holdings, including the aforementioned Amada and Alfresa. ENI's profit forecasts will be boosted by the rising oil price; Israel's Bank Leumi rebounded from depressed valuation levels as it continues to post excellent results; Ferguson PLC continues to deliver resilient earnings with its customers' commercial infrastructure investment helping to offset softness in the residential segment.



Q3 2023 Commentary

Strategy Commentary

What's up with Value?

The conditions prevailing in the stock market since the pandemic's onset have felt surreal; the strangest of my 25 year career. As governments tried to manage the effects of covid-19, and then the war in Ukraine, we saw dramatic swings in economic policy and significant economic volatility, both at macro- and micro-levels. Consumption and investment patterns were upended and have yet to normalise with business trends still differing dramatically across regions; China & South East Asia have struggled while the US boomed. Amplified by these developments and other factors, not least the influence of social media, investor psychology has been volatile. Although we can't prove it, it feels that market price action has become more erratic; for example, we have become increasingly surprised by the market's reaction to earnings results, good or bad, over the past few years. In short, there is a lot going on and we're not convinced that neat narratives credibly describe the performance of various investment "styles" in markets over the past few years.

While 2022 was seen as a good year for the "value" style, 2023 appears so far to be the reverse. This observation has raised some questions as to why our strategy under-performed in 2022 and is holding in reasonably well so far in 2023. The answer, pre-empted above, is that we don't believe there are simple narratives to accurately describe market price action over the past few years. Furthermore, we are generally sceptical that the "value" indices that out-performed in 2022 and are lagging so far in 2023, represent bona fide value.

These indices have a meaningful exposure to Banks for example, because of the low P/E and P/B multiples pervasive across this group. The lower multiples, in our view, partly reflect higher levels of financial leverage. Leveraged capital structures should necessitate a higher cost of equity and so lower multiples here do not mean that these stocks are necessarily good value. Something similar can be said about Utilities, which are also disproportionately represented in value indices. The Oil & Gas industry is also more heavily represented in the value indices because of the low P/E multiples that currently prevail there. We are not convinced that these low multiples mean this group is "cheap", given the long-term risk to cash flows stemming from the energy transition. This doesn't mean that these industries are to be avoided; there are attractive opportunities across these groups. We're just not convinced that the low multiples mean that these groups are necessarily better value than stocks in other groups where the historic multiples are higher.

We have numerous investments in the Technology, Healthcare and Consumer sectors that we see as better value than much of what's on offer in Banks, Energy and Utilities, despite their higher historic earnings multiples. In general, this is because of a combination of factors including lower financial leverage and superior prospects for profitability over the longer-term. Our view has always been that value has to be seen in the context of the package of opportunities and risks you receive for the price you pay. It's possible that this kind of assessment will become even more important in the coming years. Weaker companies have arguably been the greatest beneficiaries of the low interest rates era of the past decade or more. The move in bond yields this year suggests we could be facing into a "higher for longer" environment, which would see this trend invert. If this transpires, investors will have to be extra careful to avoid value traps.

Strategy Commentary

US & German 10 Year Bond Yields 2003 – 2023



Source: Bloomberg

Making these types of assessments requires extensive research and analysis, much of it involving judgment around qualitative factors. In our view, this is what value investing looks like in the modern era; appraising all the key aspects of the investment case and investing in companies that are reasonably priced in light of these factors. This has been our approach for the past 20 years. But the implementation of this approach must evolve with the times. Excellent companies traded at under 10x free cash flow in the 1970s, and again in the midst of the GFC. Those days ended and investors who were determined to wait for the return of these prospects have incurred enormous opportunity cost over the past decade or more. We have to invest for our clients by playing the hand we're dealt; we'd love if valuations were lower – they aren't so we have to make the best decisions around the opportunity set available to us and that is what we are trying to do every day.

The necessary evolution of effective value investing

Things were different around the time of the publication of Ben Graham's "The Intelligent Investor" in 1949. The book espoused a strategy centred on buying "net-nets", or stocks trading below Net Current Assets (Current Assets minus Total Liabilities). This approach worked very well for capable practitioners, for quite some time. We would argue that there was probably a systematic mis-pricing of equities during the periods in which this approach worked. We don't believe this approach could work in this era. After the book was published investors became more numerous and more professional and gained access to immense computing power to process financial data.

Strategy Commentary

In a more competitive market, obvious opportunities in net-nets were competed away. Aside from the proverbial handful of distressed companies, and a narrow range of illiquid small caps, often with governance problems, net-nets no longer exist as a viable institutional investment category. Furthermore, shifts in the global economy changed the dynamics for business which means the financial profile of successful companies today often looks very different from the successful companies of the post WW2 period. Back then successful companies were typically heavy in tangible assets; lots of plant, equipment and working capital. Today the most valuable assets of successful companies are often intangibles that are usually not even stated on the owner's Balance Sheet because of accounting convention (branding, development & design capabilities, sticky customer relationships). Accounting rules have not kept pace with these economic developments which means that financial data is often much dirtier than it first appears. In this day and age, we don't believe an investment strategy aimed at systematically buying stocks trading on the lowest multiple of historic earnings or book value is likely to be successful. The world is too dynamic, and the market too competitive for that approach to succeed. The game has changed. The game is always changing, and investors need to adapt if they have any hope of being successful.

Results across the industry since I joined Setanta in 1998 suggest our scepticism towards this narrow approach to value investing was correct. We are even more convinced today that the value of a business is not to be assessed by reference to which decile its historic PE is in, but has to be judged in the context of its risk and prospects. However, valuation assessment remains a pillar of our decision-making process. We spend considerable time evaluating businesses in order to assess their value. We continue to turn down opportunities to invest in various companies because we deem the valuation to be too high for our liking. I recently wrote an extensive investment report on an exceptional European company. The team discussed my work and we agreed that we would love to own this business. However, the stock is priced far too richly for us as it stands today. We will be waiting in the hope that the stock falls towards our levels.

ESG and Sustainability – How Setanta EAFE is adapting

The demand- and supply-side structures of industries evolve over time for a variety of reasons including changing consumer behaviour, developments in technology, the entry or exit of competitors or shifting regulations. It is our responsibility to try to evaluate how these, or any other relevant factors, might impact the investments we make on behalf of our clients. From an investing perspective, ESG and "sustainability" factors are no different from conventional textbook economic factors. If there are changes in regulations, customer behaviour, access to capital, or cost of capital, this could have consequences for our investments and we therefore need to consider these.

Assessment of governance has always played a prominent role in our work. The reason is that we've long held a view that companies with poor governance are more likely to encounter problems and deliver poor results, which we want to avoid. In recent years, other sustainability factors such as environmental and social matters have become more prominent in the minds of regulators and clients alike. These issues have also been featuring more prominently in our research in recent years because we believe it is likely that shifts in government policies and attitudes of consumers and financiers towards these issues have the potential to influence the profitability of companies that we might invest in.

However, one of the difficulties investors have in assessing environmental or social factors is weighing up the inescapable trade-offs. The extreme weather conditions experienced across Europe and elsewhere again this summer strengthen the case for aggressive decarbonisation. But without sufficiently cheap and reliable alternatives in place this would have the potential to meaningfully lower living standards, with the poorest likely to suffer most. How will society navigate these trade-offs and what does it mean for the economy?

Strategy Commentary

Consider the fast fashion industry, widely criticised for environmental waste and questionable labour practices. But bear in mind that the industry has likely lifted many out of poverty since the demand created provides a wage for poor labourers, who may have no alternative source of income. As sustainability metrics become a more common feature of executive compensation arrangements, to what extent will this dictate actions that undermine the interests of shareholders (e.g. disposing of some businesses at fire sale prices, whilst acquiring others at sky high prices)?

It's difficult to weigh up these competing considerations. We don't believe our role should involve imposing our own morals on our clients' investments because clients will have differing views on these complex topics. For example, my personal concerns about the social effects of widespread smartphone usage are unlikely to be shared by all clients so it wouldn't be appropriate for my principles on this matter to dictate what investment we can make for our clients. Therefore, in the absence of client mandate restrictions, our judgements on these types of issues are based on our assessment of the potential economic consequences for the businesses in question; in other words, how the profitability of various businesses might be impacted as society grapples with these challenges.

Another factor we are increasingly considering is the potential for changes in investor behaviour to structurally alter the valuation landscape across the market; for example, by penalising deemed offenders.

Government strategy, consumer behaviour and shifting policies at capital providers, including banks, as they pertain to sustainability issues, have the potential to meaningfully impact cash flows for businesses in the future. In fact, our view has hardened that this will be the case for some companies to some degree at least. Therefore, these considerations are featuring more prominently in our analysis than they did a decade ago. As it happens, sustainability considerations fit quite neatly with the process that we had already been honing since the firm was founded in 1998. This is a point we have probably not made very well in response to the increasingly frequent questions we have been receiving regarding sustainability issues. We have an inherent preference for companies that grow in value over time. Many companies do not meet this seemingly basic criteria but growth in corporate value syncs with our long-term approach. We believe companies that are well governed and are making a positive contribution to society are more likely to fall into this category. And so there has always been some natural overlap between our style and what might be described today as ESG or "sustainable" investing, even if we didn't originally articulate it in this way.

The Setanta EAFE strategy has been underweight the Energy sector for years. We are not intellectually wedded to this position, and we acknowledge that historic valuation multiples appear low, so we are open to the possibility that our views might change in the future. We have been concerned about the longer-term profitability profile of the extractive industries, which have historically had boom-bust characteristics and where governments may try to lay claim to excess profits generated in boom times – we have seen some of the latter in the past year or so. In recent years, many conventional energy companies have been diversifying into renewables through acquisitions. While these companies can appear greener, management often has little or no experience in these newer business areas. Furthermore, we're generally sceptical that existing business strengths can be transferred into these new activities. These factors create financial, strategic, and operational risk for shareholders. So we are underweight the industry that is the biggest greenhouse gas emitter. Beyond this we believe the portfolio is meaningfully skewed towards companies that make a clear positive contribution to society. Some examples might help to expand this point.

Strategy Commentary

Alcon Inc and **EssilorLuxottica** each serve different parts of the eyecare market. Alcon supplies the products and services that enable surgeons to perform cataract and other surgical procedures as well as being one of the world's leading contact lens companies. EssilorLuxottica is the clear global leader in the production of spectacle lenses and frames and has a large sunglasses business. Vision deterioration is closely correlated with age but there is growing evidence that over-use of smartphones and other electronic screens is increasing the incidence of myopia and other visual defects in children and young adults. It is almost certain that the eyecare market will continue to expand for many years to come. Not only are these businesses strategically well positioned, extremely well run, financially strong and very profitable, but the substantial investments they make (funded by you, the shareholder) enable people of all ages across the world to live fuller, healthier lives.

Ferguson Plc distributes a vast array of products to the plumbing and heating trades in North America. Its logistical capabilities and vast range of products (available where and when needed) facilitates plumbers and engineers in helping customers across the residential, commercial and civil sectors to upgrade the efficiency of their plumbing, heating and ventilation systems. Ferguson is also enabling, and benefiting from, multiple large scale manufacturing reshoring projects which is helping to offset temporary, cyclical pressures in the residential segment. Ferguson is assisting customers of all types to meet their own sustainability objectives while remaining very profitable and continuing to invest for future growth.

Bank of Ireland Plc and **Bank Leumi**, with their strong local market positioning, will increasingly be critical sources of finance for individual customers and SMEs who wish to undertake projects to lower their energy costs and carbon footprint. For example, Bank of Ireland has committed to increasing its sustainability related financing from €8bn in 2022 to €15bn in 2025.

DCC Plc operates a range of distribution and services businesses across the Energy, IT and Healthcare sectors. The Healthcare business provides a route to market for manufacturers, enabling them to supply hospitals and other care providers with lifesaving equipment. The Energy business is involved in supplying fuel oils and gas to residential and commercial customers, primarily across Europe. DCC is helping to satisfy shifting customer requirements by offering cleaner service alternatives, including renewables, biofuels and EV charging. While offering a wider range of more environmentally friendly products, the business is continuing to grow and management expects group operating profit to double by 2030 whilst halving scope 1 & 2 emissions in that period.

Sonova Holding AG is the world's leading hearing care company with manufacturing, wholesale and retail operations across the world. It produces hearing aids which it sells either in its own stores or to independent hearing aid retailers. For most people, hearing degrades with age. This is primarily because of damage to the tiny hair cells deep in the ear that are involved in the transfer of sound to the brain. For most people suffering with hearing loss, a hearing aid is the only viable treatment, yet penetration remains low, in part because of the stigma attached to wearing such a device. Sonova's investments facilitate technology advances that include better performing and more discrete devices, which is gradually bringing more patients into the treatment pool. These products, in turn, help people suffering from hearing loss to maintain critical social connections that can otherwise wither when communication become difficult. Various studies indicate that loss of social connections can be very damaging to a person's health. A recently completed clinical study¹ suggests the possibility that hearing aids may have a role in helping to reduce rates of cognitive decline in the elderly:

¹ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(23\)01406-X/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(23)01406-X/fulltext)

Strategy Commentary

“The hearing intervention had a significant effect on reducing cognitive change within three years in the population of older adults in the study who are at increased risk for cognitive decline,” - Frank Lin, MD, PhD, of Johns Hopkins University School of Medicine

We believe Sonova is a very profitable, growing business that serves a meaningful social purpose with a comparatively small environmental footprint.

Understandably not all of the portfolio's holdings can be described as providing clear benefits to society. Take **Diageo Plc** or **Thai Beverage** for example, which serve the alcohol industry. We acknowledge the dangers of alcohol but subscribe to the argument that it's far safer for consumers to source alcohol from companies that are sensibly regulated (in Thailand, for example, there are heavy restrictions on advertising alcohol), than from unsupervised producers. Furthermore, with the number of adults worldwide living with diabetes expected to double by 2050², it is debatable whether producers of highly processed food should be considered more virtuous than companies like Diageo or Thai Beverage. We think these two companies, which we believe are managed responsibly, can continue to deliver good cash flows for shareholders into the future.

Since we made the initial investment in **Ryanair** we have not lost sight of the potential risk to the business that stems from the fact that airlines emit significant quantities of Co2. Although Ryanair's economics have been exceptional, the potential implications of its environmental footprint have remained a concern in our minds. Central to our view that it can manage these risks is that it is arguably the “greenest” airline in Europe and so should be better positioned to adapt than peers. This stems from a few factors:

- The company has one of the most modern, efficient fleets in the industry, in which it is continuously investing.
- Its business model utilises point to point travel, as opposed to the inefficient hub and spoke model used by some others. The company continues to lobby air traffic control bodies to enable more direct flying routes.
- The company achieves industry leading load factors with aircraft typically close to 100% full which spreads the emissions out over more passengers.

These characteristics result in Ryanair having perhaps the lower Co2 emissions per seat kilometre (Co2 per person per kilometre travelled) in the European industry. The company is again delivering exceptional financial results this year, but we will continue to monitor these industry developments.

Hopefully the previous paragraphs help to convey some aspects of our approach in a little more detail. We will continue to learn and adapt with the aim always of doing our utmost to protect our clients' interests in what is a continuously evolving economic landscape.

² <https://www.thelancet.com/series/global-inequity-diabetes>



Q3 2023 Commentary

Strategy Commentary

Changes to the portfolio

The position in United Utilities was sold during the quarter. Our decision followed reports of financial difficulties at Thames Water which serves 15 million people in and around London. The problems arose due to a highly leveraged balance sheet, exposure to inflation linked debt and rising operating costs. While acknowledging United Utilities' balance sheet is in a relatively healthier condition, the negative headlines around Thames Water prompted concerns about 1) potential sector requirements for equity injections or dividend payment restrictions 2) greater scrutiny of allowed returns given there is already talk of bills increasing by 40% to address investment requirements and inflation amid public anger over sewage flooding into rivers and leakage rates 3) a potential financial "air pocket" as inflation linked debt hurts before being recaptured in water bills 4) upside looks more limited given lower dividend yield appeal in a higher interest rate environment and private equity takeover interest in the sector is likely lower 5) the risk of renationalisation, while unlikely, rises and 6) the leveraged nature of the business.

We opened a position in Nexon Co Ltd, listed on the Tokyo Stock Exchange. Nexon is a gaming company that has successfully developed several immersive virtual games (known in the industry as "massively multiplayer online role-playing games" or MMORPG) and has a substantial customer base in China and South Korea. American CEO, Owen Mahoney, has successfully led Nexon since 2014 and the company continues to invest in developing its intellectual property to maximise its value over the longer term across various gaming platforms. The company is nicely profitable, has a substantial net cash pile and a potentially valuable pipeline of new games. We see the stock as attractively priced at about 20 times our estimate of earnings.

To our clients: thank you for your continued support.

Rowan Smith
Co-manager, Setanta EAFE Equity Strategy

Contact Details - Western US Investors:

Suite S8-17,
Eight Floor,
190 Simcoe Street,
Toronto,
Ontario,
M5T 2W5.

Rocco Vessio,
Mobile/Cell: 647-823-4813

E-mail: rocco.vessio@setanta-asset.com
www.setanta-asset.com



Contact Details – Eastern US Investors:

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

Alan Hickey, Director of Business Development

Mobile/Cell: +353 87 941 6847

Email: Alan.Hickey@setanta-asset.com
www.setanta-asset.com

IMPORTANT INFORMATION

The EAFE Equity Strategy is managed by Setanta Asset Management Limited. The performance shown is the performance of the lead CAD portfolio of the EAFE Equity Strategy. This account has the longest performance track record. The strategy is available on a separate account basis to institutional investors however current and prospective clients should not assume identical performance results to those shown would have been achieved for their account if it was invested in the strategy during the period. Clients of the firm may receive different performance than the representative account. Client performance may differ due to factors such as timing of investment(s), timing of withdrawal(s), client-mandated investment restrictions and the portfolio not being fully replicated for new accounts or new flows. Investors should consider the investment objectives, risks, charges and expenses carefully before investing. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Setanta Asset Management Limited ("Setanta") is regulated by the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Ireland and is relying on the "International Adviser" exemption from registration in Manitoba, Ontario, Quebec, British Columbia and Alberta. This exemption, subject to certain requirements, allows Setanta to provide advisory services to clients in these provinces who are "permitted clients" in accordance with the applicable securities legislation of Manitoba, Ontario, Quebec, British Columbia and Alberta, as applicable. 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 in accordance with regulatory requirements in the particular province through registered dealers including the applicable Great-West Life Group company. This factsheet, which is for information purposes only, does not form part of any contract. This document (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 is registered as an Investment Adviser with the Securities and Exchange Commission (the "SEC") - CRD# 281781 / SEC# 801-107083.

This document is confidential and is not an offer to sell nor a solicitation of an offer to buy securities in any jurisdiction and is not investment advice. This document does not constitute a prospectus, offering memorandum or private placement memorandum in the United States of America.

The MSCI EAFE Index is an equity index that captures large and mid cap representation across 21 developed markets countries around the world, excluding the US and Canada. The Index has 915 constituents and covers approximately 85% of the free float-adjusted market capitalization in each country. The composition of the Index does not reflect the manner in which the Strategy is constructed in relation to expected or achieved returns, portfolio securities, investment guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which may change over time. The Strategy and the Index [do not invest in the same securities or types of securities,] and the comparison is provided only to help an investor understand how the Strategy performed. The Index is unmanaged, and an investor cannot invest in the Index. Index performance reflects the reinvestment of dividends but does not reflect the deduction of any fees or expenses, which would reduce returns.

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 securities 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.