

Setanta Dividend Fund

Q3 2025

Fund Description

The **Dividend Equity Fund** ('the Fund') is managed by Setanta Asset Management and is a representative account of the Dividend strategy.

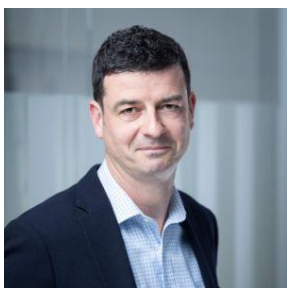
The Fund is an actively managed equity portfolio, which holds 30-50 global high yield stocks. The portfolio is managed in accordance with the Setanta investment philosophy. That is, the managers seek to own good businesses for the long-term at prices below what they think they're worth, carefully considering each investment's risk profile. The Fund further distils this philosophy by targeting stocks where management have both the willingness and ability to distribute meaningful dividends to shareholders.

The Fund is managed by three portfolio managers, who also look to leverage off the experience and knowledge of their colleagues. The aim is to achieve a sensible level of diversification on a sector and geographic basis. Stocks are chosen through bottom-up analysis, based on investment merit. The fund can hold up to 10% cash where investments of sufficient quality cannot be found. Rather than focusing on the historic level of volatility of an asset, the portfolio managers regard the probability of permanent impairment of capital as the most relevant measure of risk. In doing so, they seek to maximise downside protection by understanding the risks posed by the valuation, financial, and operational characteristics of the asset.

The investment objective of the Fund is to outperform the MSCI High Dividend Yield index over the long term.

Portfolio Managers

Richard Doyle, CFA; David Pastor, CFA; Caroline White, CFA



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

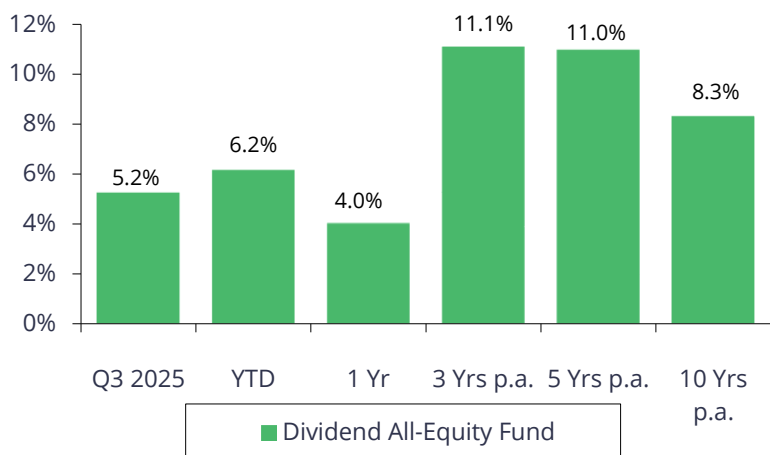
We consider scenarios rather than making forecasts

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

Fund Performance – 30.09.2025 (EUR)



Yearly Performance

Year %	2020	2021	2022	2023	2024
Fund	-4.8	21.3	-1.7	10.4	9.4

Performance Source: The Fund returns since 30.09.07 are based on the movements in the unit prices of the ILA/CLI Setanta Dividend Equity Fund [IEC7601] and are gross of management fees. The performance will be reduced by the impact of management fees paid, the amount of which varies. The unit prices prior to this are based on a net of fee price, adjusted for the management charge to replicate a gross of fee performance.

Holdings Source: Setanta. Sector allocations based on invested portfolio only (excludes cash). **Fund Statistics Source:** Bloomberg (metrics include Financials). *Calculated using Index Method.

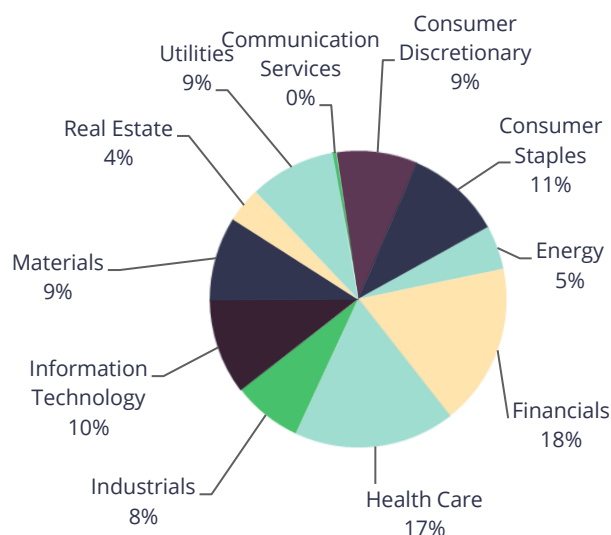
Top 10 Holdings

COMPANY	SECTOR	% OF FUND
TAIWAN SEMICON MAN	INFORMATION TECHNOLOGY	4.6%
SAMSUNG ELECTRONIC	INFORMATION TECHNOLOGY	3.6%
JOHNSON & JOHNSON	HEALTH CARE	3.5%
ALLIANZ AG	FINANCIALS	3.4%
CHICAGO MERCANTIL	FINANCIALS	3.3%
NOVARTIS AG	HEALTH CARE	3.1%
SAMPO	FINANCIALS	3.1%
AIR LIQUIDE(L')	MATERIALS	3.0%
SANDVIK AB	INDUSTRIALS	3.0%
PROCTER & GAMBLE	CONSUMER STAPLES	2.9%

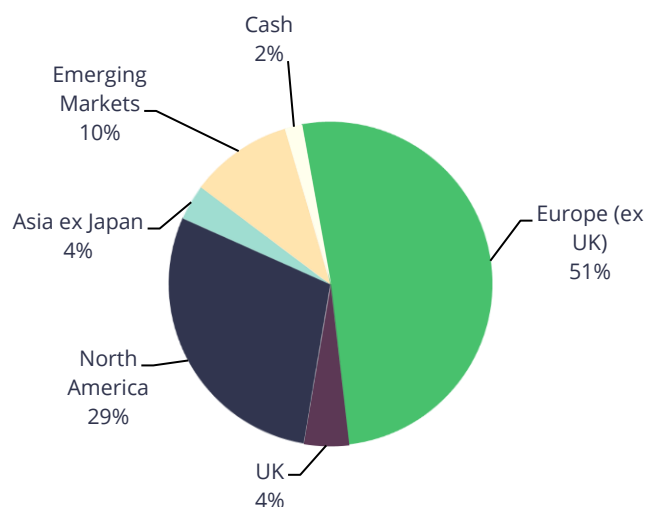
Fund Statistics

PRICE/BOOK	2.3
PRICE/EARNINGS RATIO (FY 1)	16.5
DIVIDEND YIELD %*	3.6
AVERAGE MARKET CAP €BN	122.8
NO. OF HOLDINGS	43
DEBT/EQUITY %	62.0
ACTIVE SHARE %	76.8

Sector Distribution



Geographic Distribution





Q3 2025 Commentary

Equity Markets update

Global equity markets delivered robust returns in the third quarter. Artificial Intelligence (AI) emerged as the dominant theme, powering gains in a select group of large-cap IT stocks and, to a lesser extent, influencing other sectors and industries.

A number of these companies are poised to be major beneficiaries in this early phase, which is defined by the substantial investment required to build out AI infrastructure globally over the coming years.

The scale of this investment is remarkable, with new announcements arriving almost daily. McKinsey estimates that capital spending on chips, data centres, and energy to support AI will total \$5.2trillion over the next five years representing 125GW of additional AI related capacity. Brookfield Asset Management projects \$7 trillion in expenditure over the next decade, including \$0.5 trillion for power generation and transmission, \$2 trillion for data centre infrastructure, \$4 trillion for compute infrastructure, and \$0.5 trillion in adjacent areas, for a slightly more conservative 75GW of additional IT capacity.

To put these figures in context, the US economy's GDP in 2024 was about \$29 trillion, with gross capital investment around \$4.5 trillion. Given the US is likely to account for a significant share of this early global investment in AI infrastructure, the scale of the effort will be substantial—stretching resources and operating capacity across key industries for years to come, and potentially driving significant profit growth for leading, well-positioned companies throughout the value chain.

Unsurprisingly, these developments have drawn comparisons to previous episodes of intense capital deployment, such as the railway mania of the 1800s, the industrial boom of the Roaring Twenties, and the telecom infrastructure buildout during the dot-com era. The lessons from history are both sobering and highly relevant today. Powerful market dynamics—including psychological factors ("fear of missing out"), liquidity dynamics, increases in financial leverage at macro level, momentum, and hype—could again contribute to heightened volatility and instability. Financial innovation, deregulation, and speculation may once more unleash "animal spirits" in the markets.

History ultimately provides perspective. While AI holds great promise for boosting productivity and inspiring new technologies, products, and services, the process of building the necessary infrastructure will probably be both a costly and lengthy endeavour. Investments in railways and fibre optics were eventually integral to America's economic success, but they also gave rise to some of the most notable corporate failures in financial history. At the same time, some of the greatest business successes of the last two decades, showcase the powerful dynamics of first mover advantage, economies of scale and scope and network effects accruing to the ultimate winners.

In this dynamic context, the Dividend Fund's time-tested approach is to invest in a well-diversified portfolio of high-quality stocks. As portfolio managers, we approach each investment with rigorous fundamental analysis and a limited appetite for leverage or speculative growth. We favour strongly capitalised, well-invested companies with thoughtful management teams and sustainable competitive advantages, all at reasonable valuations. We believe this portfolio of businesses is well placed to deliver attractive risk-adjusted returns over the long term in a wide range of scenarios

1. <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-cost-of-compute-a-7-trillion-dollar-race-to-scale-data-centers?hsid=fd1df2b8-1eba-425e-a4ad-48d4bc3b1dd2>

2. https://www.brookfield.com/sites/default/files/documents/Brookfield_Building_the_Backbone_of_AI.pdf

** All references to fund performance are gross of fees and all figures are in euro terms (unless otherwise stated).*



Q3 2025 Commentary

Performance update

The Fund posted a strong 5.2% return for the quarter. As suggested by the earlier discussion, our IT holdings were standout performers, with TSMC and Samsung Electronics delivering impressive gains of 23% and 34% respectively in local currency terms.

After a period of underperformance, Samsung provided solid evidence of its industrial manufacturing capacity and innovation strength to meet surging demand for high-bandwidth memory within its semiconductor division. This, combined with a balanced medium-term outlook and favourable tariff environment, drove a sharp revaluation of the shares.

TSMC, for its part, reported robust double-digit revenue growth and strong order book visibility, with its fabs running at full capacity. Concerns about a potential tariff-induced pull-forward of demand earlier in the year were dispelled, with all factory capacity booked for the remainder of 2025 and strong interest in new leading-edge nodes for the following year.

Conversely, traditionally defensive sectors such as Consumer Staples and Healthcare underperformed. Kenvue was among the Fund's weakest performers, declining sharply on renewed concerns about the safety of Tylenol use during pregnancy. Tylenol is a globally recognised brand, produced by Kenvue in the US but also sold worldwide under various names. Since its spin-off in 2023, Kenvue has faced a challenging start and while lowly valued by the market, we're scrutinising its capacity to produce sustainable returns for shareholders over the long term.

Portfolio Activity

During the quarter, we initiated a position in Gaztransport & Technigaz (GTT), a leading provider of engineering solutions to the LNG value chain. GTT's patented technology is used in highly engineered tanks for transporting and storing liquefied natural gas at extremely low temperatures. With a dominant market share due to the superiority of its offering, GTT has a highly profitable, cash-generative business model and a solid record of growing dividend payouts. We believe the company is well positioned as LNG continues to gain traction as a flexible, clean, and cost-effective energy solution for industry and consumers worldwide. The stock is attractively valued with a 5% dividend yield.

We also acquired shares in UnitedHealth Group, one of the largest and most diversified managed healthcare operators in the US. The company's operations span managed care, health insurance, and a diverse group of healthcare providers in the US. UnitedHealth operates in attractive markets with favourable demographics, where efficiency and scale are key performance drivers. In recent quarters, the sector has faced headwinds from rising medical costs and regulatory pressures, while the company itself has been subject to media scrutiny over some of its business practices. Also, the company was recently in the spotlight following the tragic loss of a top executive in a shocking event at its most recent Investors Day. Despite having a strong track record of growth and smart asset allocation, UnitedHealth share price has declined sharply in recent times. We took this opportunity to establish a position at an attractive valuation, with expectations of strong forward-looking returns.

** All references to fund performance are gross of fees and all figures are in euro terms (unless otherwise stated).*



Q3 2025 Commentary

Disposals

We exited our position in Diageo during the quarter. Despite its status as one of the world's premier portfolios of alcoholic drinks brands, Diageo faces a challenging outlook. Organic growth prospects have diminished, and the threat of tariffs looms over a business that imports a significant share of its products into the US, its largest market. In the longer term, rich economies appear to be moderating alcohol consumption. While this aligns with Diageo's strategy to encourage "drinking less, but better," the evolving environment presents strategic challenges that cloud the company's outlook and weaken our investment case prompting our decision to sell.

** All references to fund performance are gross of fees and all figures are in euro terms (unless otherwise stated).*



Q2 2025 Commentary

Contact Details:

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

Brendan Moran, Tel: + 353 1 612 4962
Email: brendan.moran@setanta-asset.com
www.setanta-asset.com

IMPORTANT INFORMATION

The Dividend Equity Fund is managed by Setanta Asset Management and is a representative account of the Dividend Equity strategy. The performance shown is the performance of a representative account (ILA/CLI Setanta Dividend Equity Fund [IEC7601]). For this life assurance product, investors should refer to the relevant policy conditions available through Irish Life and via www.irishlife.ie. 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. See 'WARNING' and IMPORTANT INFORMATION' below.

Irish Life Investment Managers Limited, trading as Irish Life Investment Managers and trading as Setanta Asset Management, is authorised as an investment firm by the Central Bank of Ireland under the European Union (Markets in Financial Instruments) Regulations 2017 – S.I. No. 375/2017. 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.

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.