

Setanta Managed Fund

Q3 2025

Fund Description

The **Managed Fund** ("the Fund"), managed by Setanta Asset Management ("Setanta"), is a unit-linked offering of Irish Life Assurance.

The Managed Fund is an actively managed multi-asset portfolio, which holds a combination of equities, fixed income, property, commodities, cash and absolute value. The Fund holds between 50-80% of its assets in equities, reflecting the breadth of the market and Setanta's expertise in the area. The portfolio is managed in accordance with the Setanta investment philosophy. That is, the managers seek to own good assets for the long-term at prices below what they think they're worth, carefully considering each investment's risk profile.

The investment objective of the Fund is to outperform the median of competitor Managed Fund offerings over the long term.

Portfolio Managers

David Ryan CFA, CAIA, FRM



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

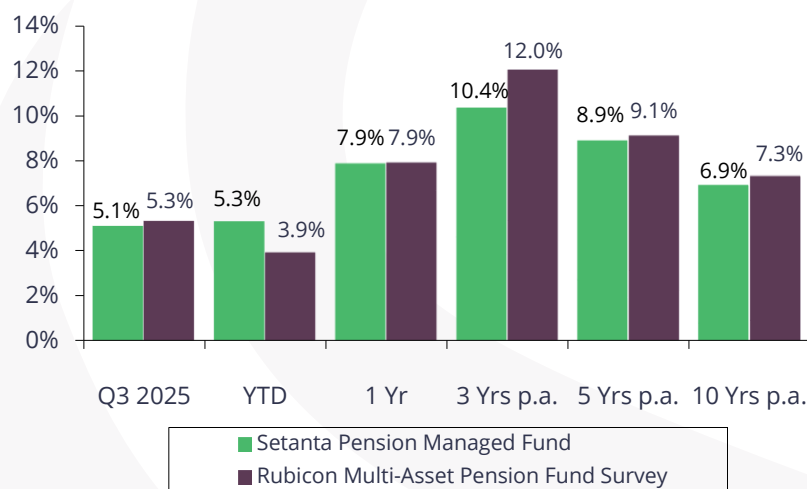
We consider scenarios rather than making forecasts

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)



Performance Source: Setanta Asset Management. The actual Fund returns stated are based on the movements in the unit prices of an institutional series of the Fund (ILA/CLI Setanta Managed Fund [H012]) and are net of management fees. **Benchmark:** Rubicon Multi-Asset Pension Fund Survey. **Holdings Source:** Setanta. Sector allocations based on invested portfolio only (excludes cash). **Credit Rating Source:** S&P.

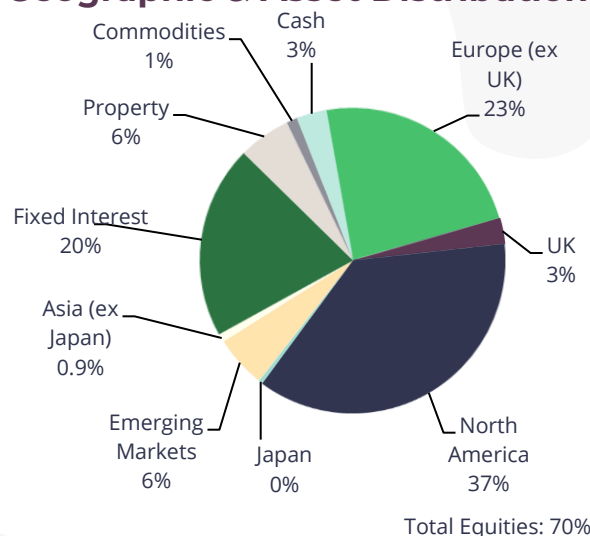
Top 10 Equity Holdings

COMPANY	SECTOR	% OF FUND
ALPHABET INC COM	COMMUNICATION SERVICES	3.1%
MICROSOFT CORP	INFORMATION TECHNOLOGY	3.1%
TAIWAN SEMICON MAN	INFORMATION TECHNOLOGY	2.9%
BERKSHIRE HATHAWAY	FINANCIALS	2.5%
META PLATFORMS INC	COMMUNICATION SERVICES	2.3%
BOOKING HLDGS INC	CONSUMER DISCRETIONARY	2.0%
MARSH & MCLENNAN	FINANCIALS	1.7%
CRH PLC	MATERIALS	1.7%
RYANAIR LTD	INDUSTRIALS	1.6%
NIKE INC	CONSUMER DISCRETIONARY	1.5%

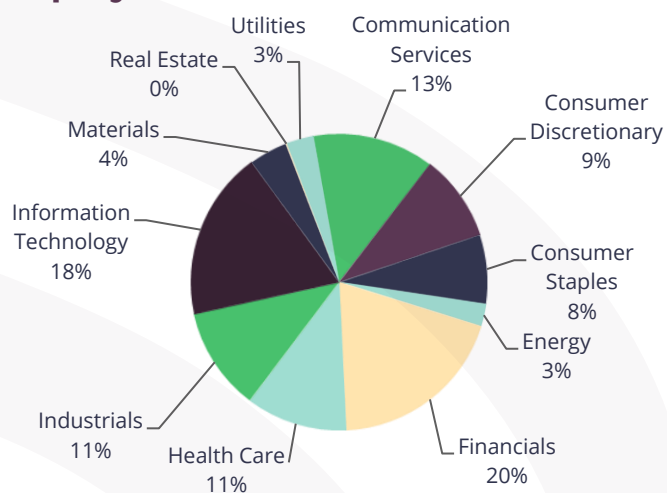
Yearly Performance

Year %	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fund	9.5	0.5	14.2	18.5	17.8	7.9	12.2	6.8	-2.7	16.1	-3.1	20.4	-9.0	9.3	12.0
Benchmark	11.3	-3.6	14.3	16.6	15.6	9.5	5.9	7.3	-5.2	20.6	6.2	17.6	-12.8	12.9	17.3

Geographic & Asset Distribution



Equity Sector Distribution



Fixed Interest Portfolio

CREDIT RATING WEIGHTING		
CREDIT RATING TYPE	ASSET TYPE WEIGHTING	BENCHMARK WEIGHTING
AAA	21.9%	22.0%
AA	40.6%	36.8%
A	16.1%	18.3%
BBB	21.4%	22.9%
	100.0%	100.0%

Fund Commentary

The Managed Fund return was +5.1% net in the third quarter.

All asset classes posted positive returns over the period except property which was flat over the period.

Global equities rallied over the quarter with both developed and emerging markets delivering strong returns. Renewed AI enthusiasm coupled with strong corporate earnings fuelled equity markets into record highs. A Fed interest rate cut in September, its first rate cut this year, along with further easing signalled also supported equity market highs.

Government bond markets were mixed over the quarter. US treasury yields fell due to weak labour market data and increasing rate cut expectations. European government yields were higher as the full impact of the tariff uncertainty and concerns around fiscal sustainability came into focus.

France faced increased political uncertainty as the government faces increased pressure on the budget deficit. Fitch rating agency downgraded France's sovereign rating from AA- to A+ citing 'political fragmentation' and 'weak fiscal record'. The gap between the 10-year French – German bond yields reached its widest level since January 2025.

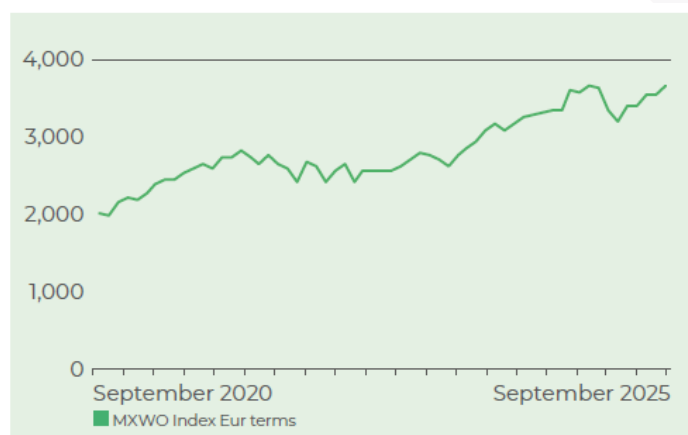
Emerging market credit performance was strong as on-going progress on US-China trade talks helped market sentiment.

Irish property fund performance was flat on the quarter.

Market Commentary

Markets finished Q3 in decent shape, helped by investor enthusiasm around artificial intelligence and hopes that central banks can reduce interest rates without reigniting inflation. Global equities made strong gains over the period, with tech leadership still prominent.

Global Equities

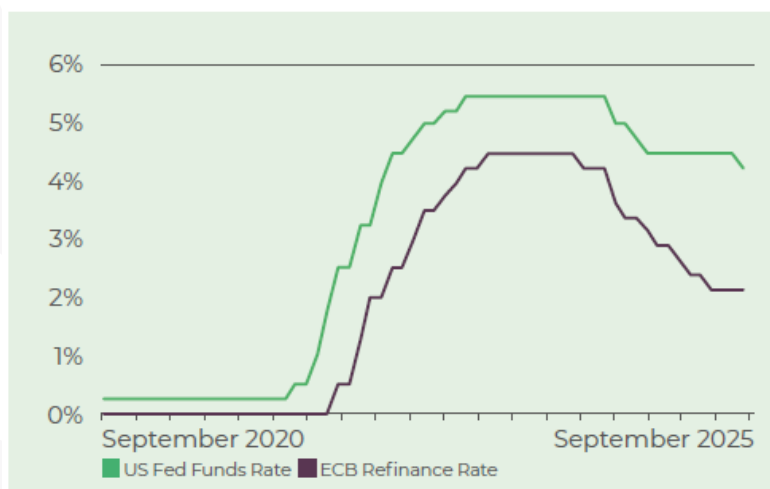


Source: Bloomberg/Setanta

Commentary

The Federal Reserve (Fed) nudged rates lower, cutting its policy rate by 0.25 percentage points to the 4.00–4.25% range; this was the Fed's first step down this cycle. The European Central Bank (ECB) kept rates unchanged, noting that the economic outlook hadn't changed substantially.

ECB Rate & Inflation



Source: Bloomberg/Setanta

Eurozone inflation edged up into quarter-end. A flash reading showed euro-area inflation at 2.2% in September, up from 2.0% in August.

Europe's inflation picture and some growth jitters kept bond duration in play. Bonds enjoyed support from pockets of weak data. With balance sheets still robust, credit spreads remained range-bound.

Politics & Geopolitics: France dominates the headlines

France's ongoing political drama – with voting blocs unable to form solid majorities in the French Parliament – intensified late in the quarter and into October. Prime ministerial resignations, cabinet resets and a fraught budget process raised the risk of policy drift.

The Banque de France estimated that political uncertainty is shaving at least 0.2 percentage points off growth, a reminder that uncertainty is the enemy of confidence.

Market reactions led to an occasional widening of OAT-Bund spreads and equity wobbles, though systemic stress remained contained.

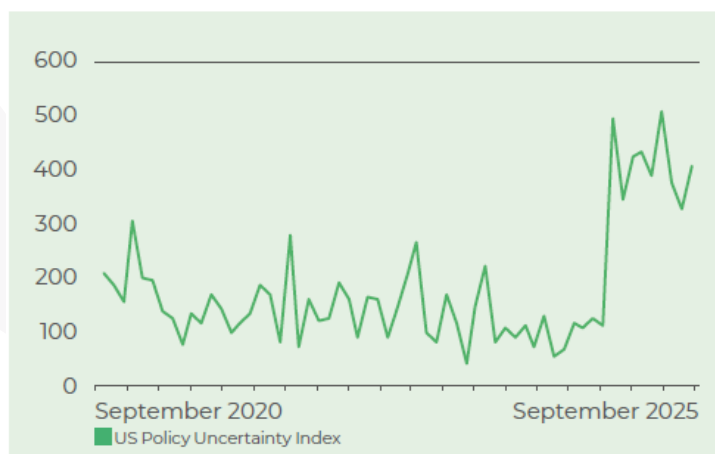
OAT-Bund Spreads

Meanwhile, the war in Ukraine showed no signs of abating. The quarter saw renewed strikes on Russian and Ukrainian energy infrastructure, keeping Europe focused on winter gas security and energy resilience.

Commentary

Trade-war concerns reared their heads again in Q3 as the US announced a fresh round of tariffs, including a 25% levy on heavy trucks and steep duties on branded drugs.

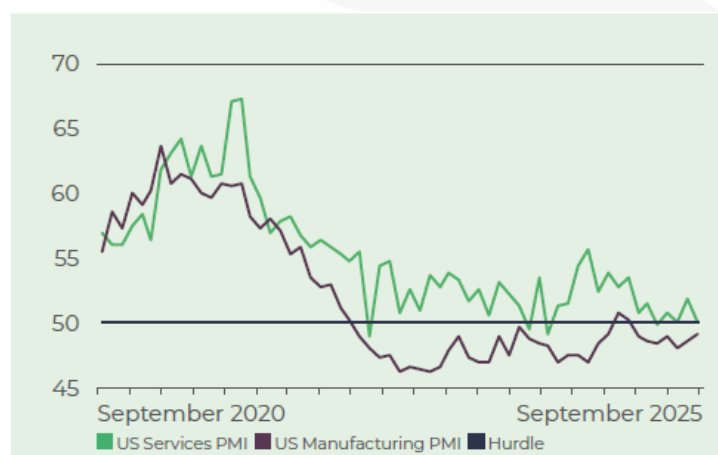
Policy uncertainty



Source: Bloomberg/Setanta

US macro data remained mixed over the period. Services activity slowed sharply in September, and hiring cooled into the quarter's end.

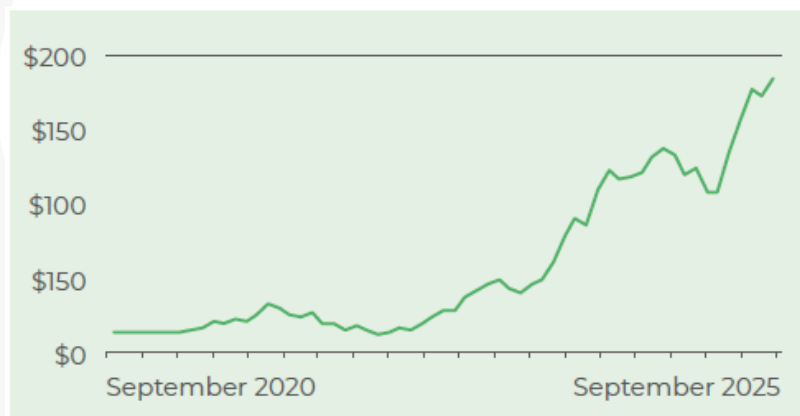
US Labor Data



Source: Bloomberg/Setanta

Despite some fears of bubble-like investor exuberance, AI continued to be the north star for the market. Nvidia's late-August results cemented the AI demand story, helping push major US indices to record or near-record levels and lifting market sentiment around the world.

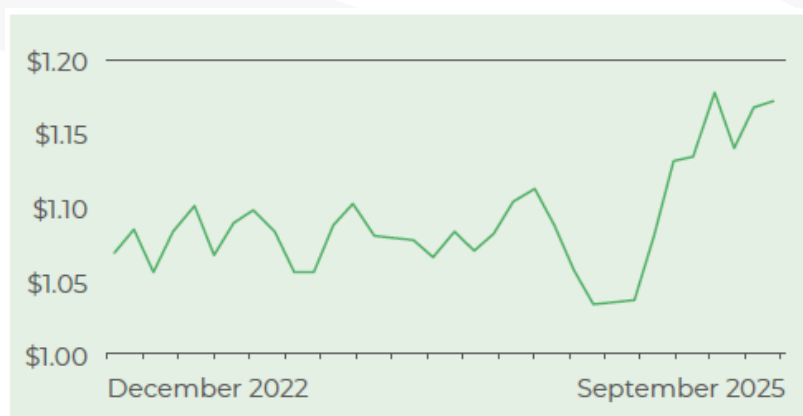
Nvidia



Source: Bloomberg/Setanta

Currencies moved broadly in line with interest-rate expectations. With the ECB keeping rates on hold at 2% and the Fed cutting, the rate differential between the two central banks narrowed, though there was little movement in the euro/dollar pair during the period.

Eur\$



Source: Bloomberg/Setanta

Risk sentiment points to cautious optimism, with markets climbing the “wall of worry”. Trade policy, geopolitics and patchy data have yet to derail the positive trend.

Bullion Breakout

Investors looked to gold’s traditional role as a store of value as markets digested tariff-related uncertainty, geopolitical worries and divergent central-bank paths. Central-bank purchases and ETF inflows into late Q3 supported the price of precious metal; the Fed’s September cut reduced the opportunity cost of holding non-yielding assets.

Gold



Source: Bloomberg/Setanta

Historical context underscores the metal's safe-haven status. JP Morgan's oft-cited 1912 remark "Gold is money. Everything else is credit," still resonates in episodes of heightened uncertainty.

Diversification

Diversification cushioned bumps this quarter as equities rallied, but core bonds still offered ballast during the risk-off days driven by French headlines.

Creating a balanced portfolio capable of achieving solid returns through market volatility is the core objective of multi-asset investing.

"The only investors who shouldn't diversify are those who are right 100% of the time." Sir John Templeton

While diversification does require some compromise on returns – a major sectoral or security-level rally, for example, may eclipse the performance of a diversified portfolio over the short term – it reduces the odds of loss of capital from market shocks or downturns in specific segments.

Heading into Year End

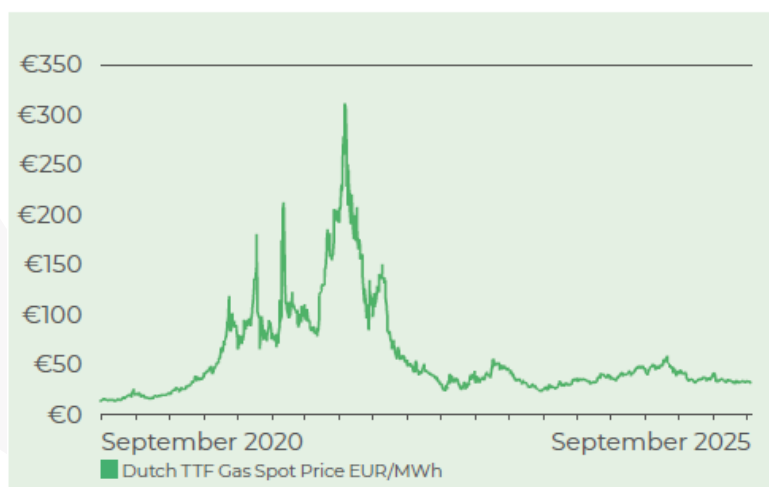
As 2025 draws to a close, investor attitudes will hinge on whether disinflation sticks and policy credibility remains intact.

Political noise – not least the French fiscal debate and EU-wide budget negotiations – could jolt confidence if deficits widen faster than desired by Brussels.

Across the Atlantic, trade rhetoric may introduce cross-currents for risk assets and the euro.

Energy security remains another wildcard as we head into the European winter. Gas storage levels look healthy at present, but the continent's energy infrastructure is still vulnerable to conflict-related disruption.

Gas Price



Source: Bloomberg/Setanta

Finally, AI-driven capex and the broader productivity narrative is anticipated to continue shaping sentiment. If companies sustain current high levels of investment without margin strain, equity markets may finish the year on firmer ground. If spending disappoints or interest-rate expectations re-harden, valuations could wobble.

For a multi-asset investor, the key is to stay diversified, maintain liquidity for opportunities and remember that bouts of volatility – whether sparked by policy missteps, energy shocks or politics – are just the price of long-term returns.

David Ryan, CFA - Head of Multi-Asset Funds

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 Managed Fund is managed by Setanta and is a representative account of the Managed strategy. The performance shown is the performance of a representative account (ILA/CLI Setanta Managed Fund [H012]). 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