

Setanta Global Equity Strategy (USD)

Q3 2025

Strategy Description

The **Global 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 a diversified, actively managed equity portfolio. As bottom-up fundamental value investors, our research process is designed to properly understand how each business functions and to consider risks pertinent to the business. Securities are chosen by a team of global sector specialists, targeting sensible diversification across industries, geographies and market capitalizations. We value each business, with the priority to pay a price that mitigates downside risk. We aim to make investments for the long-term, all the while considering the available opportunity set.

Portfolio Managers

David Coyne, David Byrne, CFA & Conor Walshe



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

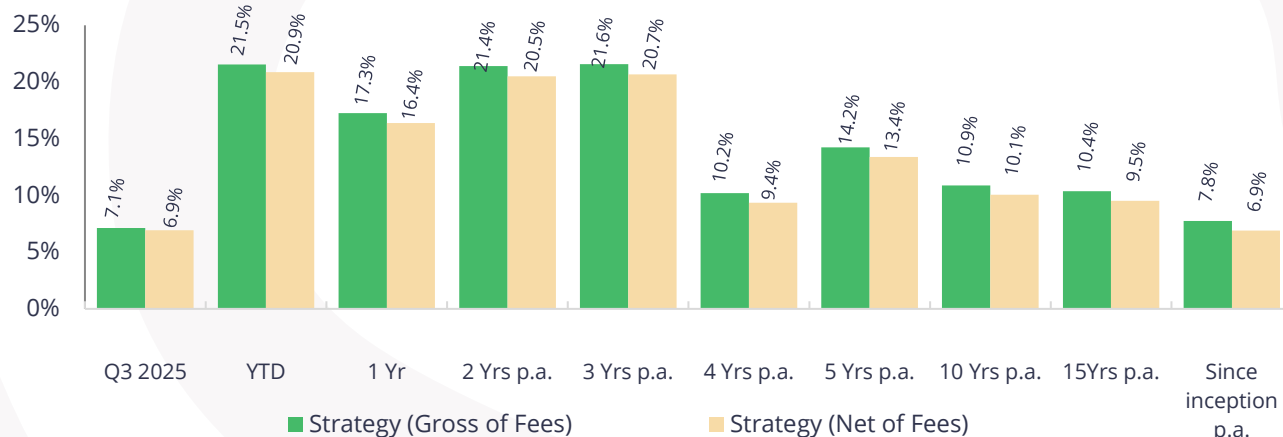
Businesses we own must have strong balance sheets

We make mistakes and always endeavour to learn from them

We will act with integrity in everything we do

Performance and Strategy data as at 30th September 2025

Strategy Performance (USD)



Yearly Performance (USD)

	2020	2021	2022	2023	2024
Strategy (Gross of Fees)	5.4%	23.2%	-13.4%	16.5%	10.7%
Strategy (Net of Fees)	4.6%	22.3%	-14.1%	15.7%	9.9%

Portfolio Valuation Statistics

PRICE/BOOK	3.2
PRICE/EARNINGS RATIO (FY 1)	19.8
DIVIDEND YIELD %	1.8
AVERAGE MARKET CAP \$BN	266.6
NO. OF HOLDINGS	72
ACTIVE SHARE %	82.0
DEBT/EQUITY %	37.1

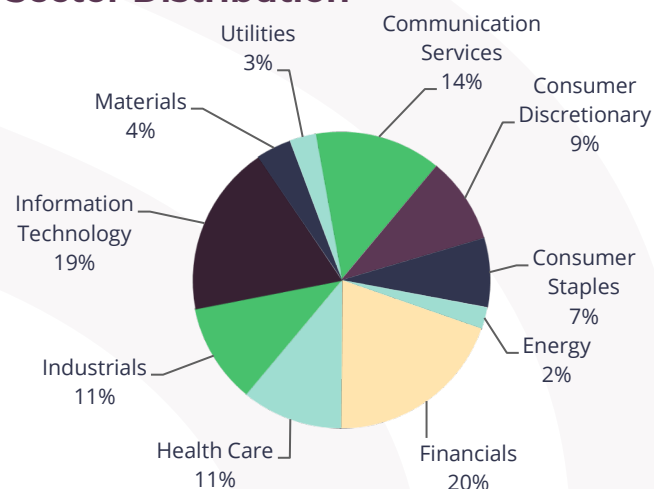
Top 10 Holdings

COMPANY	SECTOR	WEIGHT
ALPHABET	Communication Services	4.6%
MICROSOFT	Information Technology	4.6%
TAIWAN SEMICON	Information Technology	4.2%
BERKSHIRE HATHAWAY	Financials	3.7%
META	Communication Services	3.4%
BOOKING HLDGS	Consumer Discretionary	2.9%
MARSH & MCLENNAN	Financials	2.5%
CRH	Materials	2.4%
RYANAIR	Industrials	2.3%
NIKE	Consumer Discretionary	2.2%

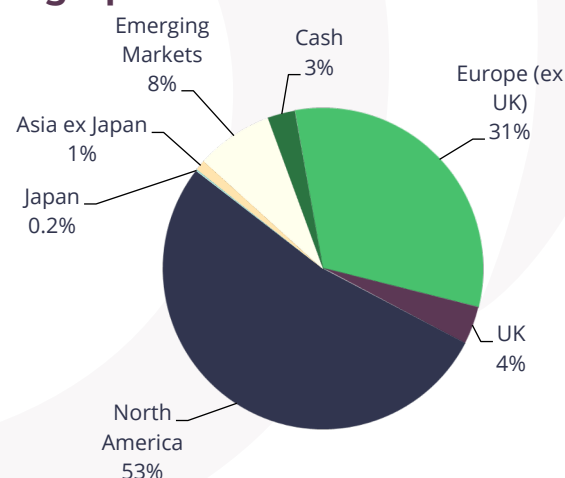
Holdings Source: Setanta. Sector allocations based on invested portfolio only (excludes cash), of the lead Euro account of the Global Equity Strategy. **Portfolio Valuation Statistics Source:** Bloomberg, based on the lead Euro account of the Global Equity Strategy, shown in USD.

Performance Source: Setanta Asset Management. The returns stated are based on the movements in the unit prices of the lead Euro portfolio of the Global Equity Strategy, which has been converted to USD at FX rate 1.1750. 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 0.6%, which is based on a minimum portfolio size of USD25m. Inception date: December 2000.

Sector Distribution



Geographic Distribution





Q3 2025 Commentary

Global stock markets (MSCI World USD) rose 7.3% in Q3, continuing the rally from the trade war lows in April. Technology stocks led the way, as investors ascribed higher valuations to companies perceived to be AI beneficiaries.

In our Q4:24 report we mentioned respected tech research firm International Data Corp's projection that \$337bn would be spent globally on Artificial Intelligence IT in 2025. IDC's latest projections have increased, by over 25% to \$430bn in 2025 and by over 50% to \$984bn in 2028 (with \$1.25 trillion forecast in 2029). If IDC's forecasts are correct, they are mind-bogglingly large – dwarfing spending on anything seen historically, possibly with the exception of the two world wars.

Behind the AI IT spend is the massive increase in the compute power of GPUs used in AI over traditional CPU electronic circuits, with the GPU design. A key difference between the two chips is in the design architecture – a GPU processes information in parallel, whereas CPUs process in sequence. The jump in compute power has the potential to unleash a fundamental uplift in economic productivity and growth, by reducing costs and speeding up and improving decision-making. Hence the term the Fourth Industrial Revolution.

The risks are easy to list. The threat of disruption is likely causing a fear-of-missing-out mentality among corporate leaders (who doesn't have an AI strategy?), causing businesses to spend on AI that they potentially don't need. Also, constraints on the supply of construction workers, electrical and cooling equipment, and connections to the electricity grid make ever-larger AI projects hard if not impossible to deliver as projected. Then there is the very fundamental question of whether the AI productivity equation is real – will the promised gains more than offset the costs and deliver an adequate return? And if it is real, is the upside already reflected in share prices?

On the other hand, AI could be even more transformational than we currently imagine, with the technology yet to reveal its full potential. Also, FOMO is also likely playing a part at a country level, with both the US and China stating their ambition to be global AI leaders which could result in them bank rolling AI spending for years to come.

We can see both the upsides and downsides. How do we reflect such a range of potential outcomes in the portfolio? Most importantly, we will not make investments in speculative ventures with narrow target markets; instead, we seek companies that are profitable, with durable leadership positions, selling products and services that have wide applicability. TSMC and Applied Materials are great examples of this. TSMC is the leading manufacturer of cutting-edge chips serving all manner of fabless chip design companies, while Applied Materials is an entrenched maker of critical semiconductor equipment. Both benefit from the structural growth of silicon used in the global economy over time, not just for artificial intelligence. Secondly, we are valuation conscious – it's not growth at any price. Adhering to those constraints can be a challenge in the current environment, but we are flexible and are looking to take advantage of erratic share price movements, including situations where investors are assuming companies will suffer an unlikely level of disruption from AI.

**Source: Stock price and index returns are from Bloomberg.*



Q3 2025 Commentary

Performance Review

The Strategy rose 7.1% in Q3, underperforming the benchmark return by 0.2%. In the year-to-end September the Strategy was +21.5%, ahead of the benchmark return of +17.4%. The stocks that contributed most to Strategy performance in Q3 were Alphabet (+37%, local currency terms), Oracle (+29%), TSMC (24%), CRH (+32%) and Tencent (+32%).

Alphabet shares rose strongly (~70%) from the April low to end-September, handsomely outperforming its technology peer group. Fears that Google will become disrupted by AI have abated somewhat, and from a low starting valuation investors piled in. In September there was a positive ruling on its long-running antitrust case, with the judge deciding the company could retain ownership of its Chrome browser and the Android mobile operating system. We trimmed our weight in Alphabet during the period, though it still remained the largest stock in the portfolio at quarter end.

Oracle's share price had an even more spectacular rise, at one point rising 190% from its April low. The company announced in September that it had signed large deals with major customers, causing the stock to surge 36% in a single day. Oracle's market valuation has increased sharply in the last year or so. Today we can think of Oracle as two businesses in one. The first is their traditional database and software company that is capital light and generates predictable profit, and which is growing revenues at a mid-to-high single digit rate. The second is their new cloud / AI business, and it's here that investor expectations have changed and driven the group's valuation higher. However, this new business is highly capital intensive – consuming all of the cashflow generated by the software business, and more. And there is limited visibility into the sustainability of future revenues and profits. For example, while the market cheered Oracle's large deal with OpenAI, there are question marks over whether OpenAI has the financial wherewithal to make good on its commitments. We concluded it was prudent to reduce our position by more than half, to around 2% at quarter end.

Although not a top five performance contributor, it's worth calling out **Electronic Arts** (+26%), the electronic games developer, best known for Apex Legends, Madden NFL and FC (formerly known as FIFA). The company received a \$55bn cash bid from a consortium led by the Saudi Arabia PIF, which was accepted by the Board. The deal is expected to go through by June next year. Bought for the Strategy in 2021, this has been a fine investment over our holding period.

The main performance detractors were Booking (-7%, local currency terms), Netflix (-10%), Kerry Group (-18%), Demant (-17%) and Marsh & McLennan (-7%).

Food ingredients company **Kerry Group** reported results that showed continued disappointing demand. The company's primary end customers are in the food and beverage industries, which have in turn been beset by weak volumes and competitive pressures. The stock is trading on a mid-teens PE, on what is arguably a depressed level of profits. Kerry is in general executing well against this difficult backdrop. Currently investor expectations are low, and we believe any topline improvement will be well-received by the market.

Shares in **Demant**, one of the world's leading manufacturers and retailers of hearing aids, declined after posting quarterly results that were short of expectations. The global hearing aid market has tended to grow in the 4-6% p.a. range on average over the years. In 2025 the growth rate appears to be trending closer to 2 or 3%.

**Source: Stock price and index returns are from Bloomberg.*



Q3 2025 Commentary

Consequently, we have seen generally soft results for Demant and peers so far this year. This backdrop may reflect some pressure on consumer budgets which could be resulting in some deferral in the purchasing of replacement units. In our experience, such periods of deferral have not tended to last very long, and we expect an eventual recovery in buying patterns.

Portfolio activity

During the quarter the Strategy initiated new positions in Dassault Systemes and United Overseas Bank (1.9% and 1.1% weight in the Strategy at quarter end, respectively).

Dassault Systemes is a French industrial software company that helps its customers with product design, simulation, manufacturing and product lifecycle management. The ultimate goal of industrial software is to optimise systems and human resource usage, minimise costs, reduce errors, leading to higher productivity and more effective decision-making. The company is diversified by geography (40% of revenue from each of Europe and the US, 20% from Asia) and industry (with notable strength in manufacturing, aerospace & defence, transport, and life sciences). The company is very customer focused and invests heavily in R&D, giving confidence its clients will rely on its software for years to come. The big attraction of a business like this is the stickiness of the product. Its software is deeply embedded in its customers' workflows and users are trained on their software (in college and throughout their careers), which makes switching to a competitor highly unappealing. Revenue growth in recent years has been disappointing, which the company blames on a combination of weak end-consumer demand and a lingering COVID hangover. This growth deceleration (from double-digit to mid-single digits) caused the stock's valuation multiple to fall to attractive levels, especially when compared to the general IT sector. While the company serves mature markets, volumes are growing and we think there is the potential to increase pricing gradually over time. Also, we expect that more of its customers will migrate over to its cloud offering, which tends to lead to higher margins and growth. The position was funded by a full sale of Ericsson and a partial sale of Oracle.

United Overseas Bank (UOB) is a Singaporean bank founded by the Wee family 90 years ago and is the last of the Singaporean banks to remain under family ownership and management. It caters to both retail (one-third of total loan book) and corporate / SME customers (two-thirds). The group generates ~70% of profits from Singapore, which boasts favourable housing affordability and a high savings ratio, and which should provide the bank with a strong level of protection in the event of macro troubles. With operations across ASEAN countries and Greater China, the group should also be well placed to capitalise on the region's growing middle-class wealth, foreign direct investment and trade flows. We believe the Group is both conservative (e.g. lending standards, well-capitalised, capital allocation) and well-invested (e.g. IT systems) and is focused on serving and growing its customer base over the long-term. Historically UOB has generated a reasonably consistent return on equity in the low double digits, rarely dropping below 10% and proving resilient in times of stress. Our decision to add UOB was a case of relative value, as our two bank holdings, Bank of Ireland and Bank Leumi, have been stellar performers in recent years. We took profits in both and invested the sales proceeds in UOB, giving the portfolio a more diversified banking exposure.

The Strategy exited Ericsson and Equinix (0.7% and 0.3% at June-25, respectively).

**Source: Stock price and index returns are from Bloomberg.*



Q3 2025 Commentary

Ericsson is a global leader in communications equipment, software and services. We opportunistically purchased the stock in 2017 at a time when the company was suffering from weak end-customer demand, intense competition and significant losses in its Digital Services division, all of which were weighing heavily on group margins and the share price. Our entry was well-timed and over the next 3-4 years the stock rebounded strongly following improved demand and management's successful restructuring measures. Unfortunately, a large and expensive acquisition (Vonage, subsequently written down by two-thirds), compliance issues and weak demand from US customers bedevilled the stock in 2022 and 2023. Following a rally in the share price, the valuation moved towards our estimate of fair value. We sold in Q3, ending a profitable but volatile investment. Funds raised went into Dassault Systemes.

Equinix was first added to the portfolio in 2023. Equinix is a real estate company, owning and operating hundreds of multi-tenant (typically 200-300) data centres in 75 major metro areas around the world. Equinix operates many of the internet's most important locations, allowing communications networks and the corporates that run over them to connect to each other in a fast, reliable and cost-effective way. Demand for data centre space has increased substantially in recent years. While on the surface this is positive, there are unknowns and risks that have caused us to reassess our holding in Equinix. For instance, there has been a very strong supply response, and the risk of an over-build cannot be ruled out. Also, the latest chips being used by data centre clients have power and cooling requirements that are very different to what worked just a few years ago, and modernising a data centre for these needs is a costly and disruptive process. Also, we are growing apprehensive about increasing customer concentration, who may use their size to squeeze Equinix on pricing. The recent investor day did not allay our concerns. For the period 2025-2029, it plans a heavy capex program (\$4-5bn annually, almost double 2019-2024), translating into a 7-10% p.a. revenue growth but a more muted 5-9% p.a. growth in profits. Proceeds were invested into UOB.

David Coyne, co-lead portfolio manager

**Source: Stock price and index returns are from Bloomberg.*

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

*Source: Stock price and index returns are from Bloomberg.

The Global Equity Strategy is managed by Setanta Asset Management. The performance shown is the performance of the lead Euro portfolio of the Global 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.

Keyridge Asset Management Limited, trading as Irish Life Investment Managers and trading as Setanta Asset Management, is regulated as an investment firm by the Central Bank of Ireland. Keyridge Asset Management Limited is registered in Ireland. Registered number: 1241687. Registered address: Dublin 1, Ireland. Keyridge Asset Management (UK) Limited, trading as Irish Life Investment Managers and trading as Setanta Asset Management, is authorised and regulated by the Financial Conduct Authority (FRN:578019). Registered office at Level 37, 22 Bishopsgate, London, EC2N 4BQ. Keyridge Asset Management Limited is registered in England and Wales (Company No: 07392613). ILIM is a registered trademark of Irish Life Investment Managers Limited and also holds the International Adviser Best of the Best Award for Pension Fund Manager of the Year 2020 and 2022.

Setanta 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 s 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. 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.

P-GLB1_072020