

Fund Description

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

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

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

Fund Commentary

The development of financial theory in universities in the 1950s and 1960s suggested that the best way to model financial decisions was in neat linear equations similar to those found in physics textbooks. More recently markets and economies have been described as complex adaptive systems more comparable to systems found in a biology textbook. We prefer to think of markets as a complicated system with millions of decision makers, with each decision maker constantly evolving and adapting to the world around them, very much in the mould of how Charles Darwin and Alfred Russell Wallace viewed the world. Today, we think it is impossible to come up with an exact roadmap of how markets and economies will develop. We can, however, come up with a framework for examining businesses that we think will lead to successful investment outcomes.

Fund Commentary continued on Page 3)

Portfolio Managers

Rowan Smith, Fergal Sarsfield CFA & Conor Walshe

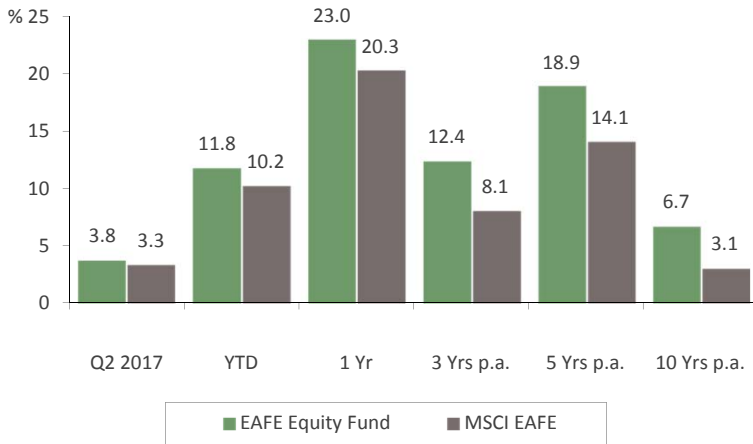


Investment Principles

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



FUND PERFORMANCE (CAD) – 30.06.17



YEARLY PERFORMANCE

| Year % | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------|------|------|------|------|------|
| Fund | 19.6 | 35.8 | 4.5 | 25.2 | 7.0 |
| Benchmark | 14.7 | 31.0 | 3.7 | 19.0 | -2.5 |

Performance Source: Setanta Asset Management Limited. Benchmark: MSCI EAFE Index (100% CAD). The Fund returns since 30.09.07 are based on the movements in the unit prices of a representative account, based on mid to mid prices, and are gross of management fees. The unit prices prior to this are derived from a net of fee price, adjusted for the management charge to be representative of the gross of fee performance. **Fund Statistics Source:** Bloomberg

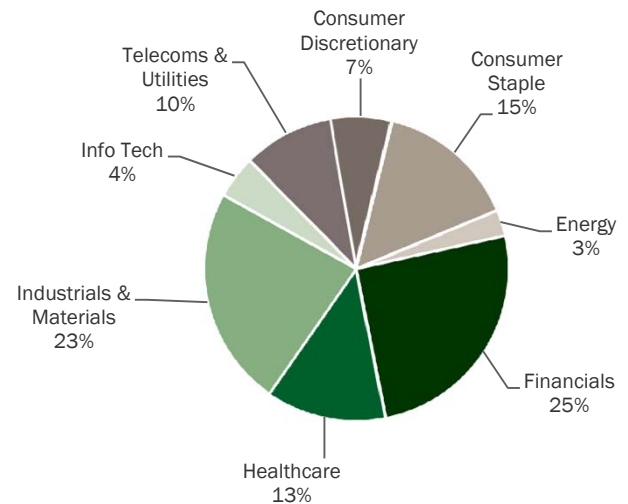
TOP 10 EQUITY HOLDINGS

| COMPANY | SECTOR | % OF FUND |
|--------------------------|-------------------------|-----------|
| GROUPE BRUXELLES LAMBERT | FINANCIALS | 5.6% |
| MELROSE INDUSTRIES | INDUSTRIALS & MATERIALS | 5.2% |
| DCC | INDUSTRIALS & MATERIALS | 4.8% |
| SANOFI | HEALTHCARE | 4.7% |
| NOVARTIS | HEALTHCARE | 4.3% |
| SAMSUNG ELECTRONIC | INFORMATION TECHNOLOGY | 4.2% |
| SWATCH GROUP | CONSUMER DISCRETIONARY | 4.1% |
| LSL PROPERTY SERVICES | FINANCIALS | 3.6% |
| SMITHS GROUP | INDUSTRIALS & MATERIALS | 3.4% |
| DIAGEO | CONSUMER STAPLES | 3.3% |

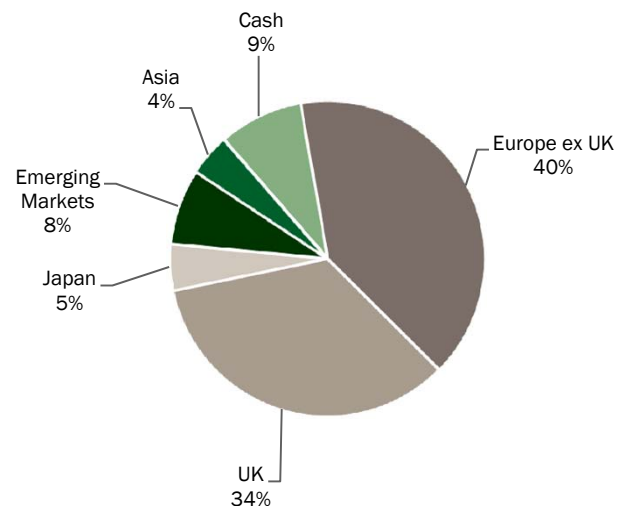
FUND STATISTICS

| | |
|-----------------------------|------|
| PRICE/BOOK | 1.8 |
| PRICE/EARNINGS RATIO (FY 1) | 16.2 |
| DIVIDEND YIELD % | 3.2 |
| AVERAGE MARKET CAP C\$BN | 57.9 |
| NO. OF HOLDINGS | 34 |
| DEBT/EQUITY % | 50.7 |
| ACTIVE SHARE % | 92.9 |

SECTOR DISTRIBUTION



GEOGRAPHIC DISTRIBUTION



At Setanta, we can think of the investment endeavour as the interaction and analysis of four main sub disciplines; business analysis, industry analysis, management analysis and valuation analysis. Businesses, industries and management teams are changing all of the time sometimes in ways that we can't even imagine. However, that is not to say the pursuit of superior investment returns is futile. Our focus is on businesses, industries and management teams with favourable characteristics that are likely to exhibit favourable characteristics for some time to come¹. Ultimately, though for each potential investment we estimate a forward rate of return or intrinsic value for each business analysed. A second vital consideration is how likely we are to achieve this return. We can put a higher weight of certainty in businesses and industries that are more stable. The same goes for superior management teams.

For us, business analysis starts with straightforward considerations; What product does the company make? How much does it cost to produce each unit? How much profit can each unit make? Basic questions. The next batch of questions and considerations are more subjective and difficult to answer. Why are customers buying these products? Are they likely to be repeat purchasers? How many competing products are available? Are they better? Etc.

Industry analysis can be even trickier. While we can appraise the past fairly accurately, it is impossible to know future supply for most industries. We simply don't know where competition is going to spring up. To do so, we would have to read the minds of all potential capital expenditure decision makers in an industry. However, we can tilt the odds by favouring industries that tend to exhibit attractive supply dynamics (as long as valuation is reasonable).

Consider two industries, the spirits industry (and a further sub industry, the Scotch whisky industry) and the retail industry. We can estimate supply capacity for many spirits categories as certain drinks must be produced in a geographic region to be called as such eg. Scotch whisky or Cognac. As well as other regulations, to be called Scotch the liquid must be aged in Scotland for at least 3 years. While these regulations don't completely control supply they do provide a dampening down effect. We can have reasonable confidence in our estimation of supply for 3-5-10 years. The retail industry is an entirely different beast. The retail industry has a much higher tendency to be overbuilt versus Scotch whisky capacity. There are hundreds of retailers that are looking to grow space. Most retail models benefit from scale economics which encourages growth. Furthermore governments love the short term jobs boost that retail construction provides and often local authorities get sustained revenue uplift from retailers in the form of taxes and rates. Given this backdrop today, we can have much more confidence in our earnings estimates for our branded spirits manufacturer than most retailers. Each and every day we come to the office keen to learn from these complex adaptive systems, perhaps we will see more favourable industry conditions in the retail industry in the future. For now, we prefer spirits.

¹

For a more thorough explanation of our research process, see our global equity commentary for Q2 2017

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IMPORTANT INFORMATION

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

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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.