

Fund Description

The **Global Focus Fund** ('the Fund') is managed by Setanta Asset Management Limited ("Setanta") and is a representative account of the Global Focus strategy.

The Fund is an actively managed, concentrated Global Equity Fund that is invested in circa 20 stocks. As a Fundamental value investor our research is designed to properly understand how each business functions and to consider pertinent risks to the business. We attempt to value each business, incorporating relevant upside and downside scenarios. As such the Fund attempts to invest in the most attractive stocks across all the firm's strategies using a risk-return framework. Investments are made for the long-term and are based on investment merit rather than with reference to benchmark. This Fund is mandated to be fully invested in equities. Due to the concentrated nature of the Fund, performance may be volatile. The investment objective of the Fund is to outperform the MSCI World index over periods of three years or more.

Fund Commentary

Ten Years on...

It was roughly this time ten years ago that global stock markets peaked before the onset of the global financial crisis. The crisis first unfolded slowly, then quickly and suddenly in late 2008 it seemed that the entire financial system was on the brink of collapse. Central banks should be given credit for their response which infused liquidity and confidence into a system that was seizing up. Though the economic recovery from this harrowing time has been soft by historical standards, stock markets have produced quite remarkable returns in the intervening years.

(Fund Commentary continued on Page 3)

Portfolio Managers

Rowan Smith & David Coyne



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 (EUR) – 30.09.17



Performance Source: Setanta Asset Management Limited. Benchmark: MSCI World. The Fund returns stated 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 performance will be reduced by the impact of management fees paid, the amount of which varies. **Fund Statistics Source:** Bloomberg (Valuation) Median ex Financials

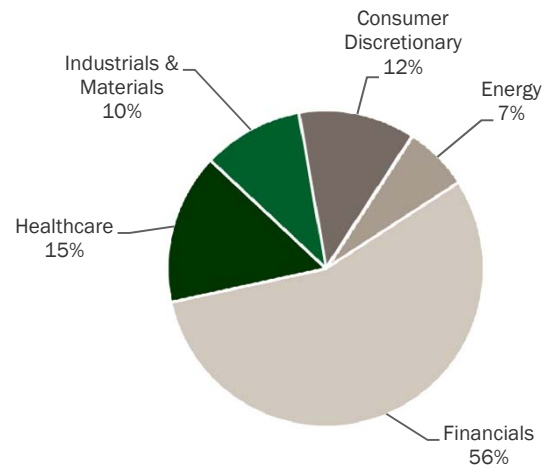
FUND HOLDINGS

COMPANY	SECTOR	% OF Fund
LSL PROPERTY SERVICES	FINANCIALS	9.2%
FAIRFAX FINANCIAL HOLDINGS	FINANCIALS	8.1%
BERKSHIRE HATHAWAY	FINANCIALS	7.8%
JOHNSON & JOHNSON	HEALTHCARE	7.7%
MINCON GROUP	INDUSTRIALS & MATERIALS	7.6%
STERIS PLC	HEALTHCARE	7.1%
MARKEL	FINANCIALS	6.6%
LEUCADIA NATIONAL	FINANCIALS	6.3%
RICHEMONT	CONSUMER DISCRETIONARY	6.2%
GRANITE REAL ESTATE	FINANCIALS	5.5%
LANCASHIRE HOLDINGS	FINANCIALS	4.3%
BROOKFIELD ASSET MGMT	FINANCIALS	4.0%
DIAMOND OFFSHORE	ENERGY	3.9%
SWATCH GROUP	CONSUMER DISCRETIONARY	2.8%
NATIONAL OILWELL	ENERGY	2.5%
RYANAIR	CONSUMER DISCRETIONARY	2.5%
DCC	INDUSTRIALS & MATERIALS	2.2%
GREAT EAGLE HOLDINGS	FINANCIALS	1.9%
CASH		3.7%

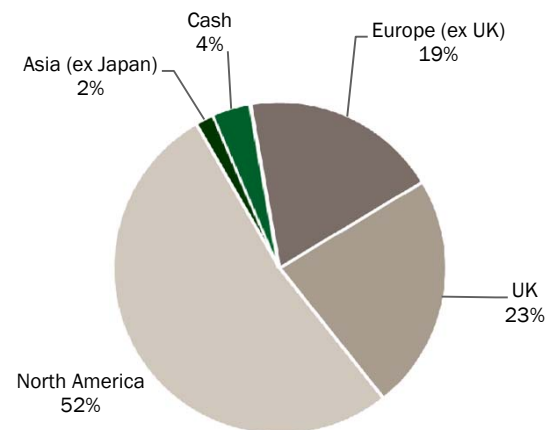
FUND STATISTICS

PRICE/BOOK	1.6
PRICE/EARNINGS RATIO (FY 1)	20.4
DIVIDEND YIELD %	1.5
AVERAGE MARKET CAP € BN	45.4
NO. OF HOLDINGS	18
DEBT /EQUITY %	33.4
ACTIVE SHARE %	98.2

SECTOR DISTRIBUTION



GEOGRAPHIC DISTRIBUTION



YEARLY PERFORMANCE

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fund	-35.6	3.9	7.6	27.3	17.0	-2.7	-35.2	44.0	28.2	1.5	9.0	20.0	19.1	7.3	11.7
Benchmark	-32.1	11.3	6.5	26.2	7.4	-1.7	-37.6	25.9	19.5	-2.4	14.1	21.2	19.5	10.4	10.7

Since the peak of October 2007, immediately prior to the crisis, to today, the S&P 500 has produced an annualised total return of over 7% (dividends reinvested). Given the enormous value destruction that occurred during the crisis this is pretty stunning. One must attribute at least some of this to the extraordinary monetary policies in place throughout the period. Vanishingly low interest rates, quantitative easing and pretty overt assurances from the central banks to support the markets through any hardship have led us to where we are today. While we take great interest in how this backdrop is unfolding we don't make macro forecasts since we view this part of the markets to be too competitive and not a good source of investment returns. Therefore we won't dwell on this backdrop, but some observations that we have on today's markets are as follows:

- Volatility levels remain very low by historical standards. Even the recent worrying developments on the Korean peninsula had almost no effect on markets.
- Central Banks are beginning to unwind the extremely stimulative monetary policies that have become the norm for almost a decade, yet there has been essentially no market impact observable. If these policies had been so helpful, won't their absence have consequences? Nor has the shift towards what might be referred to as "political populism" across the western world dented markets.
- According to Moody's Analytics, 75% of new loans in the leveraged loan market (new borrowings raised by already indebted companies) are "covenant-lite". Covenants protect investors by placing limits on the issuer and the pervasiveness of "covenant-lite" issuance suggests investors are acting in a complacent manner. Bloomberg quotes a senior covenant officer at Moody's: "it's basically the worst it's ever been in terms of loan covenant protections".
- We don't pay much attention to market level valuation metrics – we find these to be flawed in numerous ways and value each company of interest based on its merits. On this basis we have been struggling for some time to find many new investment ideas, with companies that meet our quality criteria often being priced too richly. Valuations are not extremely high but are high nonetheless and we suspect that whenever the next recession hits there may prove to be little or no valuation support for those companies that ultimately prove to be over-earning in today's economy.

These observations, particularly with respect to valuation levels, make us nervous. We are not calling a market top or the start of a new crisis. It is quite conceivable that the next bear market might be many years away. But we think it makes sense to act cautiously. We continue to focus on good businesses that we think are quite shock-resistant and as always we spend a lot of time thinking about the durability of each company's earnings.

Contact Details:

Portfolio Changes

There were no additions or disposals in the period.

Rowan Smith – Portfolio Manager

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

Brendan Moran, Tel: + 353 1 704 2028
Email: brendan.moran@setanta-asset.com
www.setanta-asset.com

IMPORTANT INFORMATION

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 also available on a segregated basis or a UCITS mutual Fund via Beresford Funds plc. Investors should consider the investment objectives, risks, charges and expenses carefully before investing. See 'WARNING' and 'IMPORTANT INFORMATION' below.

Setanta Asset Management Limited is regulated by the Central Bank of Ireland, New Wapping Street, North Wall Quay, Dublin 1, Ireland. 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