

Canada Life / Setanta Focus 15 Fund - May 2008

Investment Objective

The investment objective of the **Focus 15 Fund** is to outperform the MSCI World index over periods of three years or more.

Investment Philosophy

The **Focus 15 Fund** is concentrated international (ex Ire) equity fund, holding c.15 stocks. Setanta Asset Management is a value investor in quality companies. Setanta builds the portfolio from the bottom up, using the stocks researched by the sector specialists, who apply the following key characteristics:

- superior **financial track record**
- **competitive advantage** and a **sustainable business model** within their industry
- focused on **profitability** and can demonstrate an ability to earn cash flow returns in excess of their cost of capital over the business cycle
- do not carry excessive **debt** levels

Clearly Focus 15 is likely to be more volatile than more broadly-based funds; it is therefore suitable for those investors with experience of the stock market.

The Fund's assets are ca. €66m.

Unit Price 31/05/2008

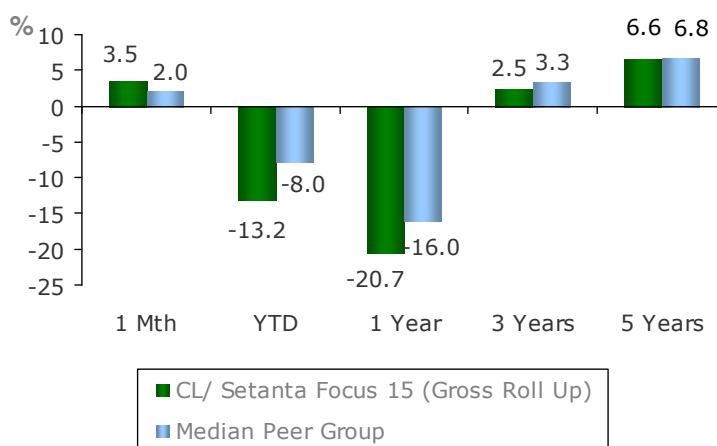
	Focus 15 (net version)	Focus 15 (gross version)*
Euro	1.087	0.808

Fund Performance* to 31/05/2008

	Focus 15 (net version)	Focus 15 (gross version)
One Month %	2.8%	3.5%
12 Months %	-17.4%	-20.7%

*In January 2001 a new version of the Focus 15 fund was launched which is liable to tax at maturity ("gross version") rather than at source ("net version"). Both versions own the same assets and the difference in performance relates primarily to tax.

Fund Performance to 31.05.08



Portfolio Valuation Statistics

	FUND	MSCI WORLD
DIVIDEND YIELD	3.6%	2.5%
CASHFLOW YIELD	10.5%	11.4%
PRICE/EARNINGS RATIO	9.7x	13.1x
WEIGHT AVERAGE MARKET CAP	€40bn	€47bn

Portfolio Risk Statistics

	SHARPE RATIO	STANDARD DEVIATION
5 YR	0.33	10.5%
3 YR	n/a	11.0%

Performance Source: Moneymate, Benchmark: Median of Concentrated Equity Peer Group (Hibernian, KBC, Eagle Star). Setanta returns are shown net of management charges. Valuation Statistics Source: Style Research

Market Commentary

Investor confidence improved marginally in May and global stock markets recorded modest gains (MSCI World +1.7%). The improved confidence was in part due to US Q1 GDP being revised upwards from 0.6% to 0.9%, and the growing hope that the worst of the credit crunch may be over.

However, a surge in oil and commodity prices also stoked inflation concerns, and in early June, the European Central Bank indicated that it may hike rates later this year. Signs of higher inflation also put pressure on bonds, and the Merrill Lynch EMU Gvt 5 yr + was down 1.7%.

The best performing sectors were Technology (+5.6%) and Energy (+5.4%), and the worst performing sectors were Banks/Other Financials (-4.4%) and Insurance (-3.0%).

Fund Commentary

The Focus 15 Fund outperformed the MSCI World and the peer group in Ma.

On the plus side, Total (Energy) benefited from the rise in the price of oil. Computer Sciences (Technology) rallied in sympathy with EDS after Hewlett Packard proposed to acquire EDS for a premium of approximately 30%. Deutsche Postbank (Banks/Other Financials) also performed well as optimism grew that it would be sold by its parent, Deutsche Post. Finally, Lanxess (Industrials) rallied strongly from oversold levels after posting good quarterly results.

Home Retail (Consumer Cyclical) continued to perform poorly due to continued concerns over the UK economy. Nokia (Information Technology) struggled as investors remained nervous after the disappointing quarterly numbers in April.

Fund Outlook

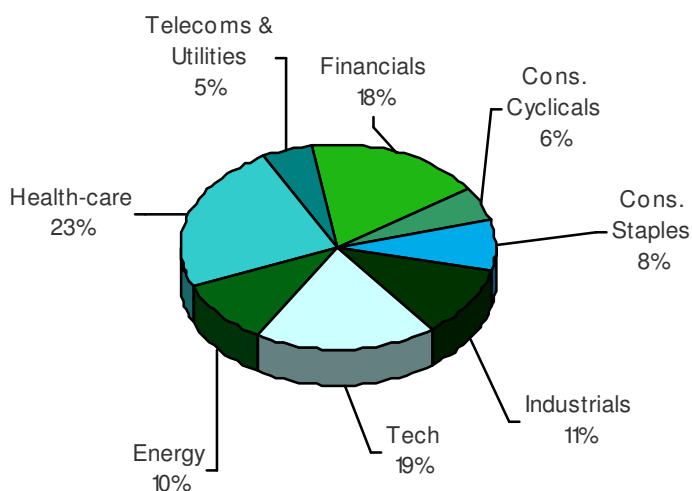
Focus 15 is a concentrated equity fund that is managed for longer term performance, which for periods may out or underperform the benchmark by a wide margin.

The fund has been restructured over the last number of months, reflective of the different economic and financial environment we now face. We believe that the stocks held are good quality, in terms of business fundamentals and balance sheet prudence, and are attractively valued for their long term prospects.

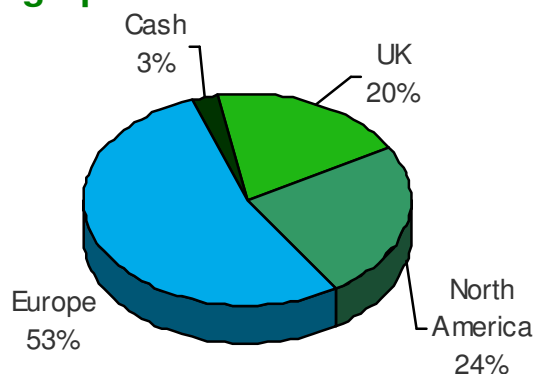
Holdings

		% OF FUND
Belgacom	www.belgacom.be	4.9
Comerica	www.comerica.com	7.3
Computer Sciences	www.scs.com	5.1
Deutsche Postbank	www.postbank.de	4.4
DNB NOR	www.dnbnor.com	5.9
Glaxosmithkline	www.gsk.com	6.6
Home Retail Group	www.homeretailgroup.com	5.3
Johnson & Johnson	www.jnj.com	9.8
Lanxess	www.lanxess.com	8.8
Nokia	www.nokia.com	5.7
Sigma Aldrich	www.sigma-aldrich.com	2.0
Synthes	www.synthes.com	6.7
Total	www.totalinaelf.com	9.6
Unilever	www.unilever.co.uk	7.5
Wincor Nixdorf	www.wincor-nixdorf.com	7.7

Sector Distribution



Geographic Distribution



Setanta Asset Management Limited is regulated by the Financial Regulator. Past performance is not a reliable indicator of future results. Forecasts are not a reliable indicator of future performance. The return may increase or decrease as a result of currency fluctuations.

This is a marketing communication that is: (a) 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.

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