

## Canada Life/Setanta Focus 15 Fund - April 2009

### Fund Description and Investment Objective

The **Focus 15 Fund** ("the Fund"), managed by Setanta Asset Management Limited ("Setanta"), is a unit-linked offering of Canada Life Assurance (Ireland) Limited. Its investment objective is to outperform the MSCI World index over periods of three years or more.

### Investment Philosophy

The Fund is a concentrated international (ex Ire) equity fund, holding ca.15 stocks. Setanta 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. €40m.

### Unit Price 30/04/2009

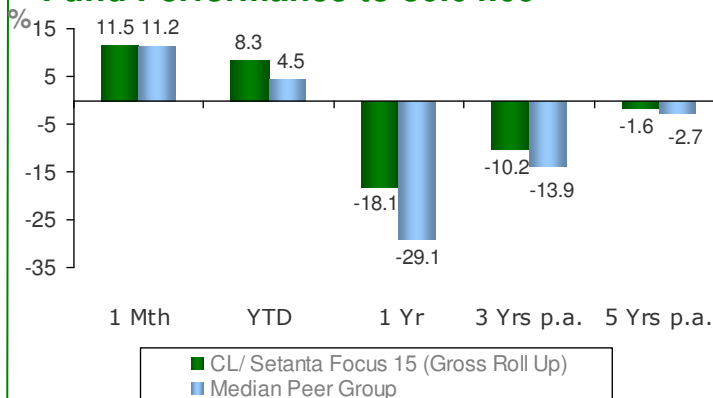
	Focus 15 (net version)	Focus 15 (gross version)*
Euro	0.895	0.640

### Fund Performance\* to 30/04/2009

	Focus 15 (net version)	Focus 15 (gross version)
One Month %	6.8%	11.5%
12 Months %	-15.4%	-18.1%

\*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 30.04.09



Performance Source: Moneymate. Benchmark: Median of Concentrated Equity Peer Group (Hibernian, KBC, Eagle Star). The actual Fund returns stated are net of management fees.

### Fund Statistics as of 30.04.2009

#### Valuation Statistics

	FUND	MSCI WORLD
DIVIDEND YIELD	4.5%	3.5%
FREE CASHFLOW YIELD	10.0%	8.5%
PRICE/EARNINGS RATIO	7.3x	9.3x
WEIGHT AVERAGE MARKET CAP	€37bn	€38bn

Valuation Statistics Source: Style Research

#### Risk Statistics

	INFORMATION RATIO	STANDARD DEVIATION
5 YR	0.31	13.9%
3 YR	1.20	16.0%

## Commentary

April demonstrated an aggressive rotation out of defensive sectors (such as Healthcare, Staples and Telecoms) into cyclical sectors (such as Financials, Industrials and Consumer Cyclical). The best performing stocks in the month were typically leveraged or cyclical or both. These stocks had been the worst performing during the recent downturn in markets. Stocks which performed well during the recent downturn underperformed in April. The catalyst for this reversal in fortune seems to have been a growing belief that a recovery is underway.

The Fund participated well in this very strong rally thanks to strong performances from cyclical holdings such as Nokia, Lanxess, Swatch, Home Retail and Schneider Electric.

A number of our companies reported quarterly profit numbers during April and on balance for the cyclical stocks it is clear that the operating environment remains difficult but the companies seem to be coping relatively well. Nothing emerged from the reported numbers that would cause us to change our views on the portfolio.

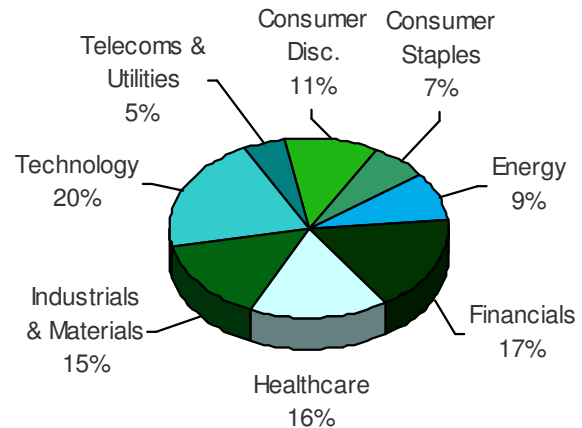
For the last six to nine months, the fund has increasingly been buying into cyclically exposed companies which are financially sound and trading on low valuations, fitting right in with Setanta's "value" and "quality" investment principles. Examples of this are Nokia, Swatch, Home Retail and Schneider Electric. These companies are not dependent on an improvement in the global economy for their survival but should benefit when it does improve. While not all of these have performed well so far (much too short a timeframe to judge investments), we remain very confident in their medium-to-long term prospects.

It is impossible to know whether the recent positive tone of the equity market will continue; people who say differently are overestimating their own abilities. However, what can be said is that equities are likely cheaper than they have been in a generation or more, particularly when compared to the "expensive" alternatives such as bonds and cash. Investors are now extremely risk averse and have bid up the prices of "safe" assets and sold down "risky" assets. We believe that, from here, going against the herd stands a high probability of winning. Focus 15 is well placed to benefit.

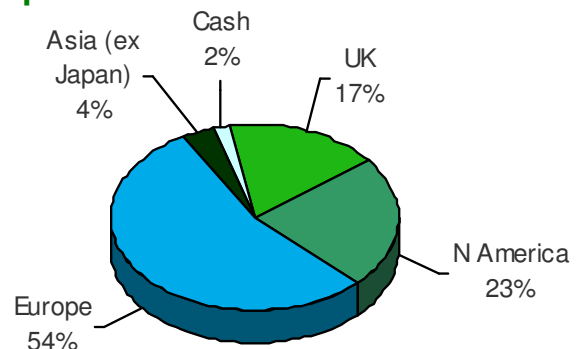
## Holdings

		% OF FUND
Belgacom	Telecoms / Utilities	5.6
Comerica	Financials	5.8
DnB NOR	Financials	7.1
Glaxosmithkline	Healthcare	6.2
Home Retail Group	Consumer Cyclical	4.5
Johnson & Johnson	Healthcare	6.3
Korea Exchange Bank	Financials	3.6
Lanxess	Industrials / Materials	6.3
Microsoft	Information Technology	7.0
Nokia	Information Technology	6.9
Schneider Electric	Industrials / Materials	8.0
The Swatch Group	Consumer Cyclical	6.0
Total	Energy	8.6
Unilever	Consumer Staples	6.4
Wincor Nixdorf	Information Technology	6.0
Wyeth	Healthcare	3.7

## Sector Distribution



## Geographic Distribution



**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.

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