

Canada Life/Setanta Focus 15 Fund - June 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. €47m.

Unit Price 30/06/2009

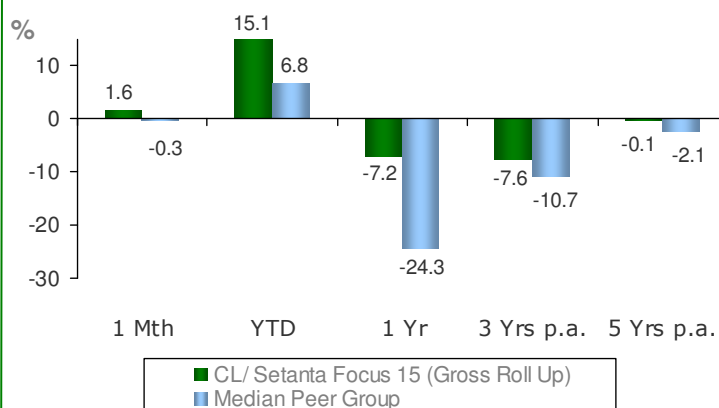
	Focus 15 (net version)	Focus 15 (gross version)*
Euro	0.944	0.680

Fund Performance* to 30/06/2009

	Focus 15 (net version)	Focus 15 (gross version)
One Month %	1.5%	1.6%
12 Months %	-6.1%	-7.2%

*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 30.06.09



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

Valuation Statistics

	FUND	MSCI WORLD
DIVIDEND YIELD	4.6%	3.3%
FREE CASHFLOW YIELD	9.7%	7.3%
PRICE/EARNINGS RATIO	7.8x	9.7x
WEIGHT AVERAGE MARKET CAP	€38bn	€37bn

Valuation Statistics Source: Style Research as of 31.05.09

Risk Statistics

	INFORMATION RATIO	STANDARD DEVIATION
5 YR	0.64	14.0%
3 YR	1.10	16.3%

Commentary

The Focus 15 Fund was up 18.6% in quarter two, bringing the year-to-date performance to 15.5%.

The Focus 15 Fund has performed significantly better than the benchmark in the year so far. The Fund's financial stocks performed very well this year, regaining some lost ground from 2008. Other cyclical stocks also performed strongly, in anticipation of an improvement in global economic activity.

The standout performing stocks year-to-date were Norwegian bank DNB Nor (+100%), Korea Exchange Bank (+60%) and Home Retail (+44%). **DNB Nor** has rebounded sharply from a very low valuation having sold off aggressively in the second half of 2008. We continue to hold the stock on the belief that its capital position will be sufficient to withstand the current economic turmoil. In general, emerging market banks have performed very well in the market rally and **Korea Exchange Bank** has also recovered from a very depressed valuation at the start of the year. **Home Retail** participated in the cyclical rally from March after their results were in line with guidance. Stronger sterling, combined with successfully implemented price increases eased market fears over their margins. **Lanxess**, **Wincor Nixdorf**, **Microsoft**, **Swatch** and **Wyeth** were up around 20-30%.

The worst performing stocks year-to-date were stable, non-cyclical companies **Belgacom** (-10%), **Glaxosmithkline** (-4%) and **Johnson & Johnson** (-4%), which were punished more for their stable nature, than for any stock specific reasons. The investment case for these stocks has not changed and we remain confident that they will prove to be good long term performers.

There was no significant activity over the month.

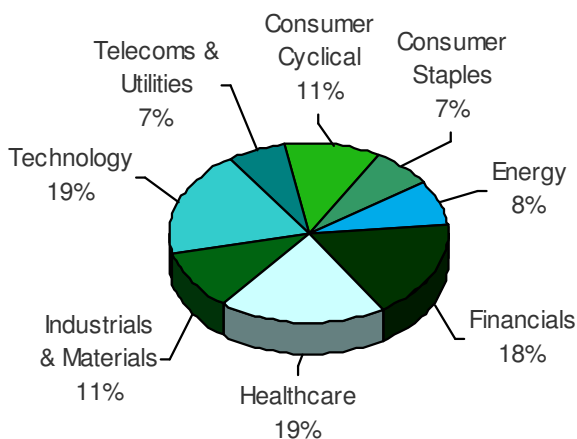
Over the last six to nine months, the fund has been increasingly buying into cyclically exposed companies that are financially sound but which are trading on low valuations – fitting right in with Setanta's value and quality investment principles. Examples of this are Nokia, Swatch, Home Retail and Schneider Electric. These companies are not dependent on an improvement in the global economy for their survival but which should benefit when it does. 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.

Focus 15's performance year-to-date has been strong, both on an absolute basis, and relative to the peer group and the MSCI World index, which is up 5.4% year-to-date. While the Fund may not sustain the high level of relative outperformance, we are relatively confident about the prospects for this portfolio in the long-run.

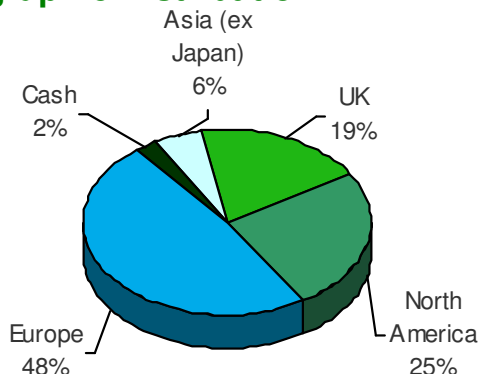
Holdings

		% OF FUND
Belgacom	Telecoms / Utilities	6.5
Comerica	Banks / Other Financials	6.3
DnB NOR	Banks / Other Financials	5.3
Glaxosmithkline	Healthcare	7.8
Home Retail Group	Consumer Cyclical	4.6
Johnson & Johnson	Healthcare	7.6
Korea Exchange Bank	Banks / Other Financials	5.5
Lanxess	Industrials / Materials	3.6
Microsoft	Information Technology	7.3
Nokia	Information Technology	5.4
Schneider Electric	Industrials / Materials	7.1
The Swatch Group	Consumer Cyclical	6.1
Total	Energy	8.2
Unilever	Consumer Staples	6.9
Wincor Nixdorf	Information Technology	5.9
Wyeth	Healthcare	3.5

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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