April 2014

Summit Investment Funds

Quarterly Review

Markets

Equity markets were modestly higher during the quarter. The beginning of QE3 tapering in January, contributed to renewed concerns over economic and financial fundamentals in emerging markets. Rumours over a possible credit default in the Chinese shadow banking sector gave rise to fears over a potential tightening of credit supply with negative implications for Chinese growth. Global markets became concerned over possible contagion from these events to the global economy and combined with weather related softness in US economic data led to falls in equities in late January.

Through February, investor concerns eased as the most vulnerable emerging market economies were seen as too small to significantly negatively impact the global economy, while the Chinese authorities were believed to have sufficient resources to deal with any difficulties in the credit system and thus avoid a hard landing in the economy. Developments in Ukraine led to additional uncertainties but more conciliatory comments and suggestions of a desire to find a diplomatic resolution to the crisis led equities to recover losses prior to quarter end. More stability in US economic data through March also contributed to the belief that the US economy would strengthen in the second quarter. While the US Fed and Bank of England both dropped guidance on interest rate policy around threshold unemployment levels, they both committed to keeping interest rates low for a considerable period. Investors' views wavered through the quarter over the ECB's commitment to additional easing but speculation grew towards quarter end that additional measures might be forthcoming given low inflation levels and favourable comments from ECB board members.

Over the quarter, the FTSE World equity benchmark rose 1.1% (1.3% in €). Europe gained 3.6% (3.7% in €) as economic data surprised to the upside, particularly in peripheral countries. The US rose 1.9% (1.8% in €) as investors discounted the economic soft patch and were reassured by the commitment to keep rates low. Japan lagged, falling -7.3% (-5.4% in €) as the Yen strengthened and there were concerns over the impact of the 3% sales tax increase in April. The UK fell -1.4% (-0.8% in €) on stock and sector specific news flow while emerging markets were down -0.5% (-0.4% in €) given the concerns over the growth outlook which were exacerbated by a serious of disappointing data releases in China. The Euro was almost unchanged at 1.378 against the US dollar.

During the quarter sector performance was somewhat mixed. Utilities outperformed on the back of the ongoing decline in peripheral yields in Europe which was positive for the typically higher yielding utility stocks. There was also a sense that power prices globally had troughed. Healthcare stocks outperformed, supported by strong performance in biotech stocks. Technology stocks also outperformed. Telecoms underperformed given ongoing price pressures across the sector. Consumer stocks also underperformed, both in the discretionary and staples sectors.

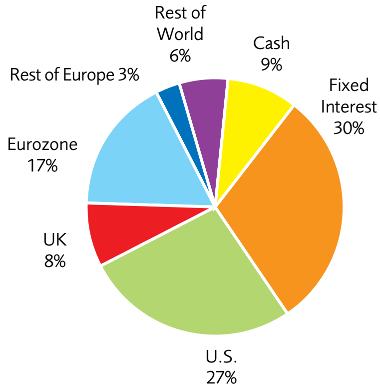
Summit Balanced Fund

Review

During the quarter, **EDP** climbed 26% reporting full year results in line with market expectations the stock continues to benefit from sharp decline in Portuguese sovereign bond yields that continue to fall.

Ryanair rose 21% benefited from an improving pricing outlook, good cost control, the launch of a number of new commercial initiatives and a positive trading update from peer Easyjet.

Telecom Italia jumped 19%. Early signs of an improvement in the domestic competitive environment, successful demonstration of cost cutting and the ongoing potential for a disposal of the Brazilian business supported the shares. The European telecoms sector has benefited from M&A speculation and the potential for market repair as a result of consolidation.



Equity Sector Distribution	%
Capital Goods	20.90%
Financial	15.20%
Consumer Staples	13.00%
Telecoms & Technology	11.40%
Pharmaceuticals	9.50%
Energy	8.20%
Consumer Cyclicals	8.00%
Industrial Commodities	7.10%
Industrial Services	4.10%
Utilities	2.80%

Top 10 Holdings	%
CRH	1.22%
Ryanair	1.06%
Kerry Group	0.87%
Aryzta	0.68%
Microsoft	0.65%
Apple	0.64%
Exxon Mobil	0.64%
Norvartis	0.61%
Nestle	0.59%
Pfizer	0.57%

Bid/Exit price at 31/03/2014

241.90

***Past Performance**

1 Year – 5.19
2 Years – 7.86
5 Years – 9.61
10 Years – 3.48

Source Moneymate ©

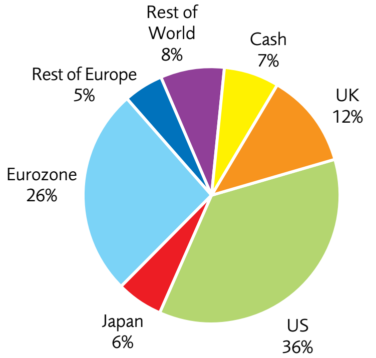
Summit Growth Fund

Review

During the quarter **Hewlett Packard** gained 16% made further gains as analysts upgraded earnings expectations due to solid progress on the restructuring plan, reducing debt levels and increasing the dividend.

Anglo American rose 18%. The company reported full year 2013 results ahead of expectations providing early signs that the earnings downgrade cycle may be coming to an end. The market is also now beginning to focus on the significant restructuring potential for the company.

Caterpillar was up 10% during the quarter as the market looks to improving construction markets and bottoming mining markets as source of earnings growth for the company.



Equity Sector Distribution	%
Capital Goods	20.95%
Financial	15.21%
Consumer Staples	13.27%
Telecoms & Technology	11.60%
Pharmaceuticals	9.19%
Energy	8.15%
Consumer Cyclicals	7.65%
Industrial Commodities	7.07%
Industrial Services	4.10%
Utilities	2.80%

Top 10 Holdings	%
CRH	1.90%
Ryanair	1.63%
Kerry Group	1.29%
Aryzta	1.05%
Microsoft	1.00%
Apple	0.98%
Exxon Mobil	0.96%
Novartis	0.92%
Pfizer	0.87%
HSBC	0.86%

Bid/Exit price at 31/03/2014
260.80

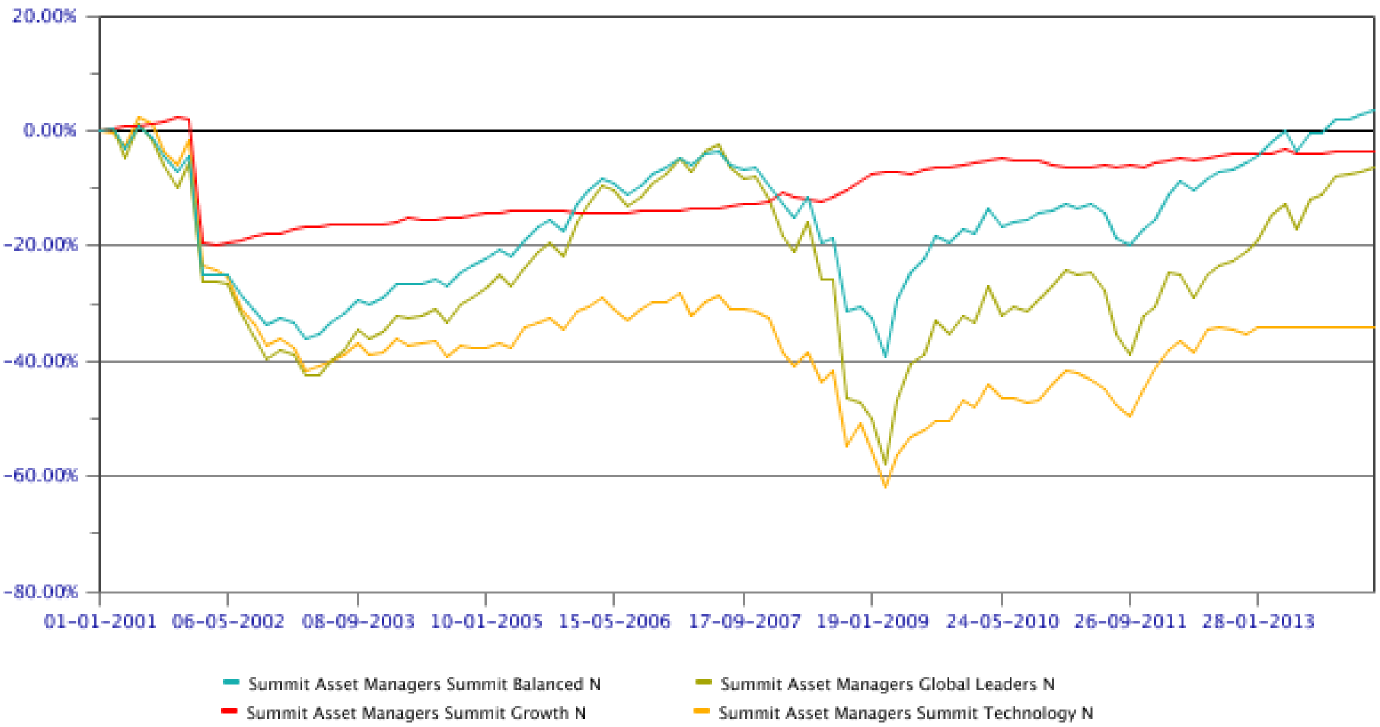
***Past Performance**

1 Year – 9.25
2 Years – 11.53
5 Years – 14.49
10 Years – 3.23

Source Moneymate ©

Fund Performance

Performance Report - 01/01/2001 to 01/04/2014



Investment Outlook

Overall, equity markets should continue to benefit from the supportive policies of global central banks and moves to reduce the tail risks across Europe. Global economic momentum should continue to improve through 2014 and be supportive of equity markets. We do not expect the renewed turmoil in emerging markets and concerns over growth in China to have a significant negative impact on global growth prospects. Equities remain attractive on a valuation basis both in absolute terms and particularly relative to other asset classes

Markets will remain sensitive to monetary policy developments and to political and economic news flow as evidenced by the impact of recent developments in Ukraine. Tensions in Ukraine appear to be easing, we do not expect any further escalation to the extent where it would significantly negatively impact markets. In relation to monetary policy, the commitment by the Fed and other central banks to maintain interest rates at low levels for an extended period underpins equity markets. The improving economic backdrop which contributed to the decision to begin to taper QE3 should also be positive for equities and help offset the negative impact of reduced monetary support.

Bond Outlook

Global bond yields have risen since May 2013 as reduced levels of bond purchases by the Fed became more likely and the global economic backdrop improved. In early 2014 global bond yields have fallen given tensions and stresses related to emerging markets and Ukraine and continued low levels of inflation. We do not expect these issues to have a long term impact on markets, while the recent Eurozone inflation reading of 0.5% could mark a trough and so the recent flight to safety among investors should reverse again. With QE3 tapering having started and economic momentum apparently set to improve further, German 10 year yields could drift up towards 2.0% over the remainder of 2014. Continued relatively low levels of inflation however should prevent any further significant upward move in yields beyond this level.

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