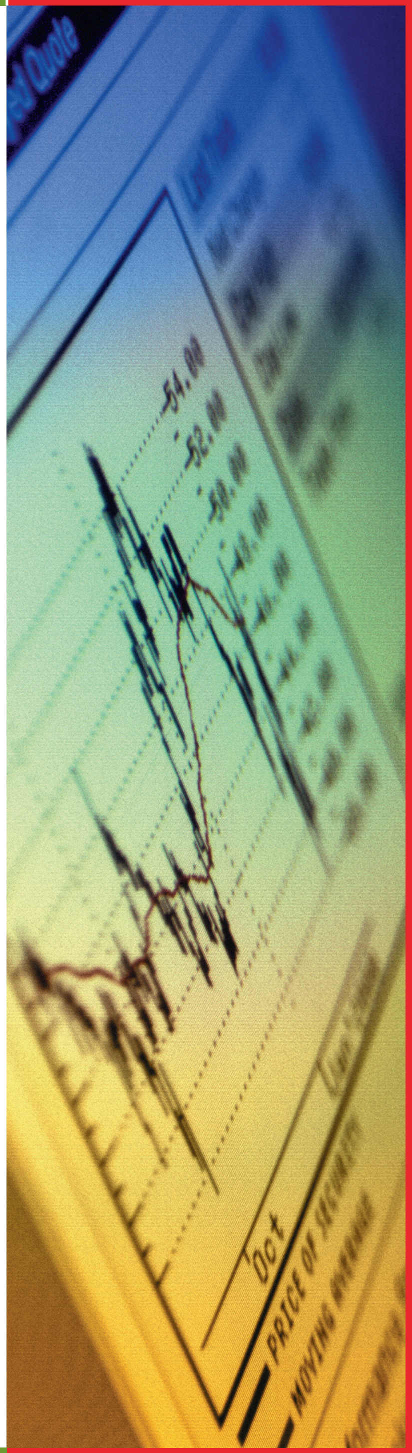
July 2009

Summit Mutual Funds

Quarterly Review



Markets

Equity markets continued to rebound from the March lows through the second quarter with the result being one of the strongest quarterly returns for markets in a number of years. For much of the quarter, global economic data showed signs of stabilisation and while negative rates of growth were still evident, conditions stopped deteriorating and hopes grew of an improvement in the second half of the year with the support of the various stimulus packages introduced around the world. The earnings season in the US exceeded expectations for the first time in a number of quarters with increasing confidence of an earnings pick up through the remainder of the year. In the US, the results of the stress tests carried out on the largest nineteen banks were announced and the outcomes were far less worrying that originally feared.

In Europe, the European Central Bank continued to move towards quantitative easing, a form of monetary stimulus through buying financial assets when interest rates are already extremely low, as has already been seen in most other major economic regions and which has supported equity markets. Globally, credit spreads narrowed further as hopes grew for an improved economic backdrop and greater availability of credit, reducing concerns over the viability of many companies. Stocks which had suffered due to concerns over relatively high levels of debt gained as the outlook improved. Markets stalled somewhat in June as economic releases were more mixed and led to questioning of the pace of recovery in the second half of the year. Overall, all major markets produced strong gains over the period. Japan rose 20.2%, the Pacific Basin 20.1%, Europe 16.4%, US 15.2% and the UK 9.5%. Ireland rose 23.3% as plans were announced to buy up to €80bn of troubled loans from the banks in an effort to de-risk their balance sheets although the pricing details in terms of what level these assets will be sold at has yet to be determined.

All sectors were up during the quarter. Financials were the best performing sector as fears of widespread nationalisation were removed. The conclusion of the stress tests in the US and the relatively favourable outcomes generated confidence in the sector. The ability of the banks to raise the required capital removed fears that banks would either fail or be taken over by governments. With greater clarity on the capital position it became possible to estimate future earnings with greater confidence while the improvement in assets prices and narrowing of credit spreads gave rise to the prospect that previous write downs in the sector could be written back up. Elsewhere cyclical sectors such as commodities and industrials outperformed given the improved economic sentiment over the quarter as a whole as macro releases showed signs of stabilisation.

Outlook

The strong recovery in equity markets during the second quarter has been prompted by signs of stabilisation in the global economy, as well as an improvement in the banking sector following the completion of the stress tests in the US and the unprecedented stimulus actions by both the central banks and governments. All in all this has led to an increased appetite for risky assets and an improvement in confidence. However, substantial risks remain for the economy, as the leading indicators continue to signal contraction in the economy, albeit at a significantly lower rate than previously seen. The US consumer also remains fragile as it attempts to repay debts, despite the sharp rise in unemployment. Elsewhere the US housing market has yet to bottom as record levels of foreclosures continue to weigh on house prices, although there has been some stabilisation seen in the stock of homes for sales on the market. Although the outlook for earnings has stabilised for 2009 and 2010, a rebound in earnings growth is still not expected, despite the equity market rally. As a result, valuations have increased from the attractive levels seen at the start of March, closer to the historical average level. We expect that these risks will curb a significant recovery in equity markets over the next six months.

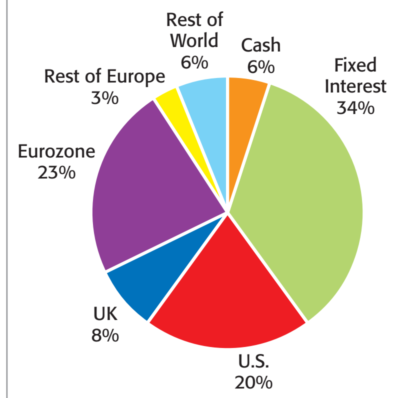
Summit Balanced Fund

Review

The fund ended the quarter with 6% Cash, Bonds 34% & Equities 60%

During the quarter we bought **Kerry Group** given the growth prospects in food ingredients and Kerry's strong position within this market, easing pressures on costs, cash generation capabilities and attractive valuation. **Merck,** the pharmaceutical company was bought due to the strong growth profile in its drug pipeline with positive trial data and its attractive valuation

Positions which were sold included Nucor, the steel company, Lloyds Bank, Coca-Cola Hellenic Bottling, Roche and Sanofi-Aventis the pharmaceutical companies



Equity Sector Distribution	%
Financials	19.24%
Industrials	14.90%
Telecomms & Technology	12.06%
Consumer Staples	11.90%
Energy	11.02%
Pharmaceuticals	10.56%
Food Retail and Misc	7.67%
Capital Goods	7.32%
Utilities	5.32%

Top 10 Holdings	%
CRH	2.59%
Telefonica	0.83%
Novartis	0.76%
Bco Sant Cent	0.72%
BP	0.69%
E.on	0.67%
Kerry Group	0.65%
HSBC	0.61%
Ryanair	0.60%
Deutsche Bank	0.58%

Bid/Exit price at 30/06/09
109.2

*Past Performance
1 Year – -11.83
2 Years – -15.67
5 Years – -0.61
10 Years – N/A

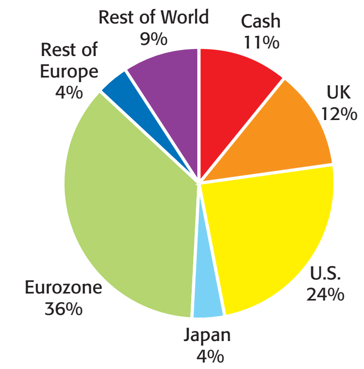
Source Moneymate ©

Summit Growth Fund

Review

Stocks which were bought during the quarter included **William Morrison**, the supermarket operator in the UK which was bought, given its strong financial position within the industry and positive sales trends. We bought **Axis Capital**, a US insurance and re-insurance company given exposure to lines of business where prices are improving, with the potential to win share as competitors reduce capacity, strong capital position and conservative underwriting and reserving policies and a lower risk asset investment

Positions which we sold were Sainsbury, Allstate and Travelers, two US insurers and Allegheny Technologies, a metals company.



Equity Sector Distribution	%
Food Retail and Misc	21.98%
Financials	16.50%
Industrial	12.61%
Telecomms & Technology	10.31%
Consumer Staples	9.82%
Energy	8.53%
Pharmaceuticals	8.49%
Capital Goods	7.37%
Utilities	4.39%

Top 10 Holdings	%
CRH	4.13%
Telefonica	1.33%
E.on	1.14%
Novartis	1.13%
Kerry	1.11%
Bco Sant Cent	1.10%
BP	1.03%
HSBC	0.98%
Microsoft	0.98%
Royal Dutch Shell	0.83%

Bid/Exit price at 30/06/09
94.70

*Past Performance
1 Year – -23.85
2 Years – -25.97
5 Years – -3.83
10 Years – N/A

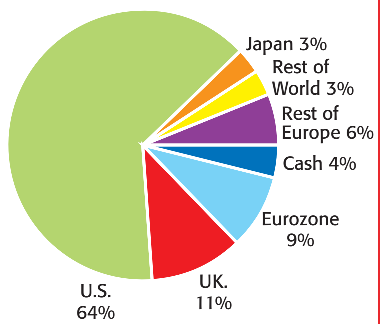
Source Moneymate ©

Summit Global Leaders Fund

Review

During the quarter we added to the position in **BP** given its positive exploration and production prospects along with strong gas and oil prices. We also added to the position in **Total**, the French integrated oil company, given its relatively strong returns within the sector, relatively strong balance sheet with low gearing, low cost base and strong cash flow capabilities.

We trimmed the position in **Rio Tinto** following the announcement of its $15bn rights issue. We reduced the position in **Microsoft** following a strong run while we also reduced the position in ENI, the Italian integrated oil company which trades on similar multiples to Total but generates lower returns.



Equity Sector Distribution	%
Telecomms & Technology	24.83%
Energy	20.63%
Pharmaceuticals	14.77%
Consumer Staples	13.56%
Financials	11.73%
Food Retail and Misc	9.00%
Capital Goods	3.66%
Industrial	1.83%

Top 10 Holdings	%
Exxon Mobil	6.62%
Microsoft	3.40%
Johnson & Johnson	3.02%
Procter & Gamble	2.96%
BP	2.87%
AT & T	2.77%
IBM	2.72%
Nestle	2.71%
HSBC	2.65%
JP Morgan	2.49%

Bid/Exit price at 30/06/09
68.20

*Past Performance
1 Year – -17.42
2 Years – -22.42
5 Years – -6.82
10 Years – N/A

Source Moneymate ©

Fund Performance

Performance Report - 04 May 2001 to 01 July 2009