



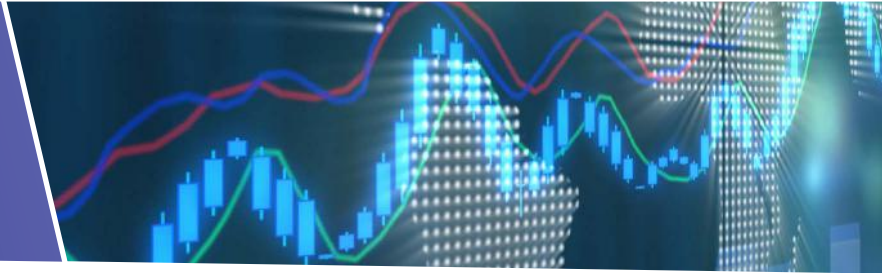
December 2024 in review

Summit Investment Funds

Summit Investment Funds plc is authorised in Ireland and regulated by the Central Bank of Ireland

Helping people build better futures

MARKET REVIEW



MARKET ROUND-UP

Market Review

The Federal Reserve (Fed) lowered its policy rate at the December meeting but was more hawkish in its outlook than expected. Both the Fed and the European Central Bank (ECB) cut their key rates by 100 basis points (bps) in 2024. France's government collapsed after it lost a no-confidence vote. Prime Minister Barnier subsequently resigned and a new head of government was appointed by President Macron. Global stock markets declined, following strong gains in November, with the potential for fewer Fed rate cuts in 2025 weighing on sentiment. Bond yields rose after the Fed revised up its end-2025 rate projections due to strong growth and sticky inflation.

Equities

Global stock markets fell in December, weighed down by the potential for fewer interest rate cuts in 2025 than previously expected. The MSCI All Country World index declined by 1.6% (-0.4% in euros) over the month. This was largely driven by US indices, which fell from historical highs, and the MSCI USA was down by 2.5% (-0.6% in euros). By contrast, emerging market (EM) stocks rallied as there were hopes of stimulus from China to support growth. The MSCI EM index rose by 1.2% (1.9% in euros), with the MSCI China rallying by 2.8% (4.8% in euros).

Bonds

Eurozone government bond returns were negative over December as a result of a sharp rise in yields. The 10-year German Bund yield was up by 24bps over the month to 2.35%, pulled higher by US yields, following hawkish Fed guidance and expectations of increased debt issuance from the new German government after the federal election in February. The ICE BofA 5+ Year Euro Government bond index returned -2.4% in December.

MARKET SNAPSHOT

Market returns (EUR)

Equity Markets (EUR)	QTD Return (%)	YTD Return (%)	2023 Return (%)
MSCI Ireland	2.4	22.8	20.6
MSCI United Kingdom	-0.8	14.7	10.3
MSCI Europe ex UK	-0.4	7.7	18.5
MSCI North America	-0.7	32.9	22.3
MSCI Japan	1.7	15.9	16.7
MSCI EM (Emerging Markets)	1.9	15.3	6.5
MSCI AC World	-0.4	25.9	18.6
10-Year Yields	Yield last month (%)	2023 Yield (%)	2022 Yield (%)
US	4.57	3.88	3.87
Germany	2.35	2.02	2.57
UK	4.37	3.54	3.67
Japan	1.09	0.61	0.42
Ireland	2.63	2.38	3.13
Italy	3.51	3.69	4.70
Greece	3.23	3.06	4.62
Portugal	2.84	2.66	3.59
Spain	3.04	2.99	3.66
FX Rates	End last month	2023 Rates	2022 Rates
U.S. Dollar per Euro	1.04	1.10	1.07
British Pounds per Euro	0.83	0.87	0.89
U.S. Dollar per British Pounds	1.25	1.27	1.21
Commodities (USD)	QTD Return (%)	YTD Return (%)	2023 Return (%)
Oil (Brent)	2.3	-3.1	-10.3
Gold (Oz)	-0.9	27.1	13.1
S&P Goldman Sachs Commodity Index	3.3	9.2	4.3

Source: ILIM, Bloomberg. Data is accurate as at 1 January 2025.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied upon as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

MARKET OUTLOOK

Irish Life Investment Managers' (ILIM's) view – looking ahead

With inflation having fallen significantly and central banks suggesting policy is still above neutral levels, interest rates are likely to be cut further through 2025, enabling bond yields to decline over the next 12 months. On a 12-month view, our base case is that German and US 10-year government bond yields fall from current levels of 2.35% and 4.57% to 1.75% and 4.00%, respectively. We believe fixed income offers a strong risk-reward profile at this stage in the cycle, with the potential to offer protection if the economy slows. The asset class is attractive from an income perspective while also providing potential for capital gains via falling yields. We believe that the risks of materially higher bond yields have reduced and, if the economy falters, major central banks will be able to cut rates to support growth. In that scenario we would expect bonds to outperform to a greater extent.

Despite uncertainties relating to the implications of US policy going forward, the fundamental backdrop for global equities, and particularly US equities, remains positive. Steady growth, strong consumer balance sheets, ongoing disinflation, rate cuts and corporate-friendly policies continue to provide a positive equity

backdrop. Divergence within regional equity performance, however, is likely to remain a feature as US exceptionalism continues with tax cuts and deregulation adding to its existing structural competitive advantages. Global equities valuations are above long-term averages, trading on a 12-month forward price-to-earnings (P/E) multiple of 17.9x against a long-term average of 16.1x. However, with a positive fundamental backdrop, multiples can remain close to current levels. Despite equities appearing fully valued, the outlook on a 12-month view is positive. With growth expected to remain firm and US corporates set to benefit from growth-friendly policies from the incoming administration in 2025, earnings are forecast to rise strongly in the next one to two years, which should be supportive. Additional rate cuts in a positive fundamental backdrop can also contribute to further gains. Over the medium term, the rollout of AI should boost efficiencies and earnings across the whole market and allow equities to trade at higher valuation levels. The ongoing green-related capex cycle could also boost earnings over the medium term. Any short-term volatility in markets is likely to be offset by the above factors, resulting in positive returns on a 12-month time frame.



Increasing hopes of growth remaining firm have been supportive of equity markets. Growth is forecast to have decelerated slightly to 2.7% in 2024 from 2.9% in 2023, and to ease to a still robust 2.4% in 2025. In developed markets, the US economy has been strong despite some recent moderation in growth while Europe has struggled as higher interest rates have impacted activity levels and demand. Lower ECB policy rates can help stabilise European sentiment and growth.



Chinese growth has been lacklustre and the authorities have recently announced a range of additional stimulus measures to boost growth.



Steady growth, strong consumer balance sheets, ongoing disinflation, rate cuts and corporate friendly policies continue to provide a positive backdrop for equities. The Trump policy agenda is relatively favourable for the US economy and equity market.



Equities are above long-term average valuation multiples but, with positive economic and earnings growth in 2024/25/26, can continue to grind higher.



Structural long-term benefits from the AI theme, and evidence of earnings being boosted by AI-related initiatives, can support higher equity valuation multiples.



Volatility is likely to remain a feature due to uncertainty over the eventual growth outcome, inflation path, monetary policy and geopolitical events. Modest short-term drawdowns in markets are possible which could provide opportunities to add to exposures.

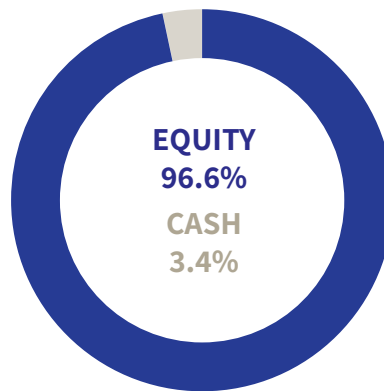
SUMMIT GROWTH FUND

The Summit Growth Fund aims to achieve growth by investing exclusively in global equities. From July 2014, equity management has been sub-advised to Setanta Asset Management. Equities are managed under the Setanta Global Equity Strategy.

Fund update for December

The Summit Growth Fund returned -1.71%, net of fund management fee, over December. Consumer Discretionary, Consumer Staples and Technology were the best performing sectors, while the Industrials, Healthcare and Infrastructure sectors lagged over the month. The stocks contributing most to the fund's return during the month were Alphabet, Taiwan Semiconductor, Tencent Holdings and Bank Leumi. The largest detractors from performance were Oracle, Ferguson Enterprises, UnitedHealthcare Group and Oshkosh.

Asset allocation

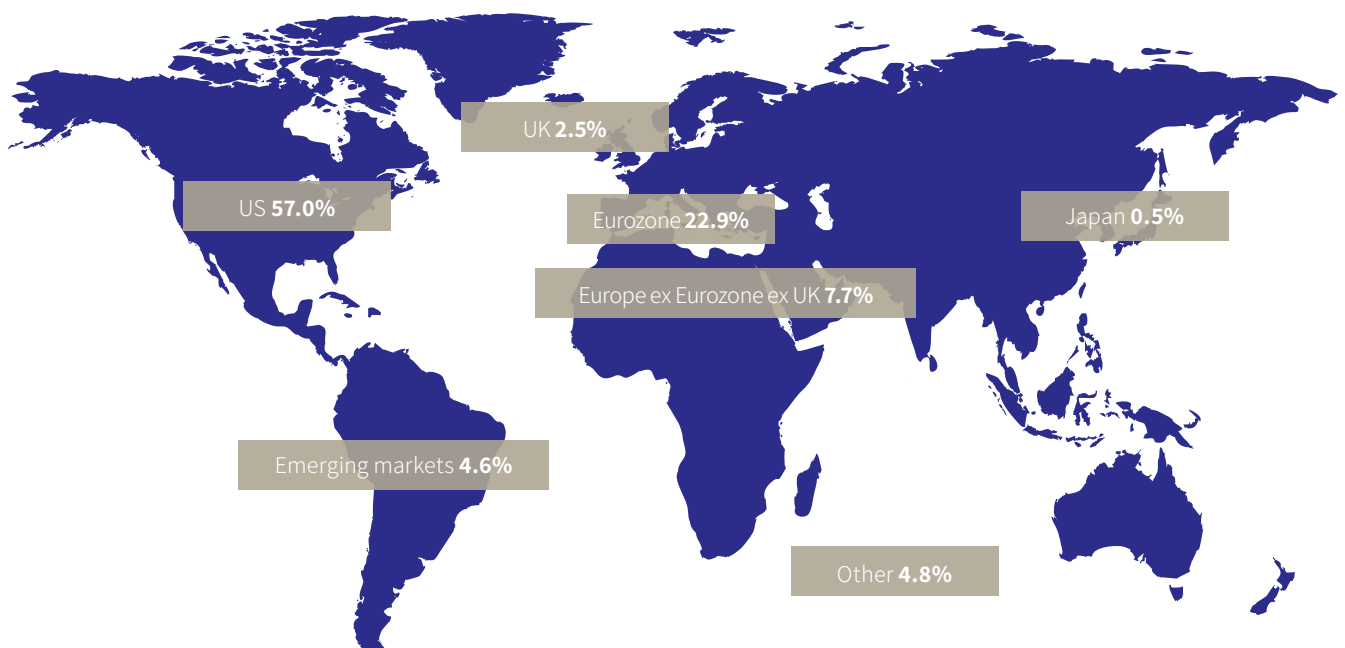


Top Ten Share Holdings

Stock name	% of fund
Alphabet	4.7
Berkshire Hathaway	4.6
Microsoft	4.4
Oracle	4.1
Booking Holdings	3.8
Taiwan Semiconductor	3.4
CRH	2.3
Marsh & McLennan	2.3
S&P Global	2.2
McDonald's	2.0

Source: ILIM, Factset.
Data is accurate as at 31 December 2024.

Share regional distribution



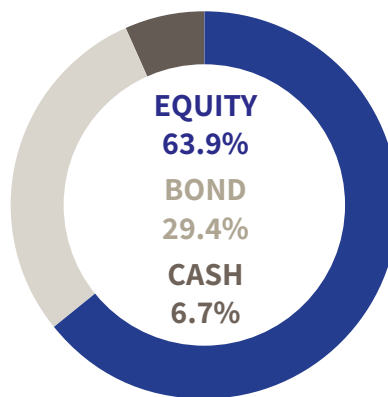
SUMMIT BALANCED FUND

The objective of the Summit Balanced Fund is to avoid excessive volatility while still providing solid returns over the medium to long term. The Fund invests in global equities but also maintains a minimum of 33% invested in a mix of fixed income and cash. From July 2014, equity management has been sub-advised to Setanta Asset Management. Equities are managed under the Setanta Global Equity Strategy.

Fund update for December

The Summit Balanced Fund returned -1.50%, net of fund management fee, over December. Consumer Discretionary, Consumer Staples and Technology were the best performing sectors, while the Industrials, Healthcare and Infrastructure sectors lagged over the month. The Fed lowered its policy rate at the December meeting but was more hawkish in its outlook than expected. Both the Fed and the ECB cut their key rates by 100bps in 2024. France’s government collapsed after it lost a no-confidence vote. Prime Minister Barriere subsequently resigned and a new head of government was appointed by President Macron. Global stock markets declined following strong gains in November, with the potential for fewer Fed interest rate cuts in 2025 weighing on sentiment. Bond yields rose after the Fed revised up its end-2025 rate projections due to strong growth and sticky inflation.

Asset allocation

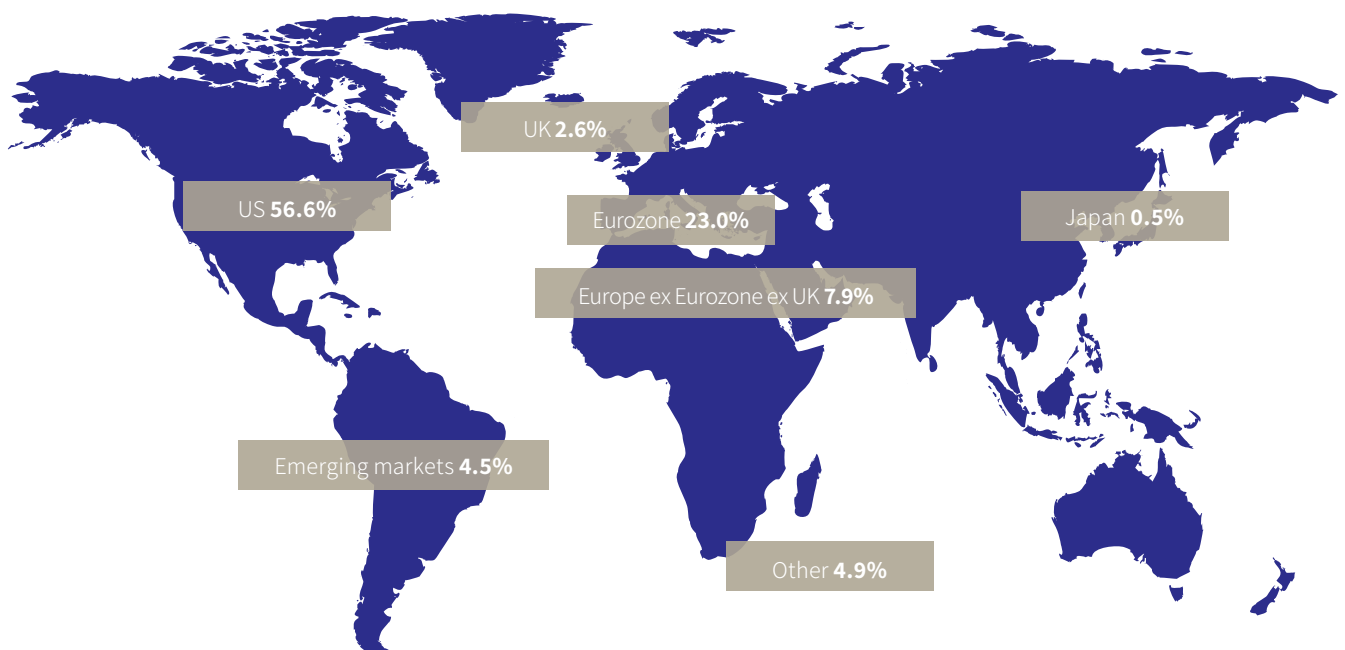


Top Ten Share Holdings

Stock name	% of fund
Alphabet	4.6
Berkshire Hathaway	4.5
Microsoft	4.3
Oracle	4.0
Booking Holdings	3.8
Taiwan Semiconductor	3.3
CRH	2.3
Marsh & McLennan	2.3
S&P Global	2.2
McDonald’s	2.0

Source: ILIM, Factset.
Data is accurate as at 31 December 2024.

Share regional distribution



Information is correct at 31 December 2024.

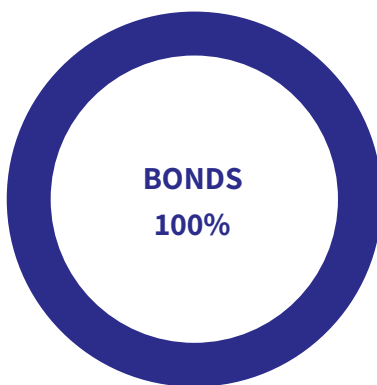
SUMMIT STABLE FUND

The Stable Fund invests in short-term eurozone government debt and cash.

Fund update for December

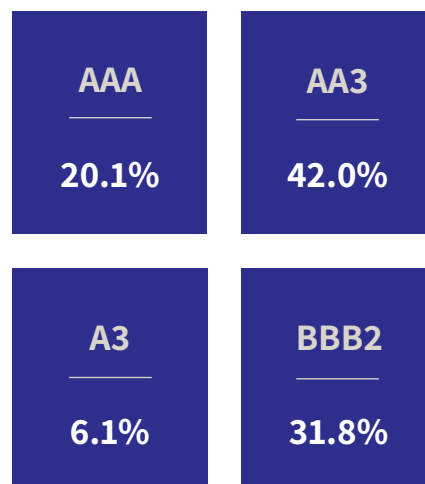
The Summit Stable Fund returned -0.27%, net of fund management fee, over December. Bond yields rose over the month as two-year German bonds yields increased from 1.95 % to 2.08%. Core inflation was unchanged, posting a reading of +2.7% on a 12-month basis. The ECB continued its rate cutting cycle and reduced the deposit rate by 25bps to 3%, which is the lowest level since early 2023.

Asset allocation

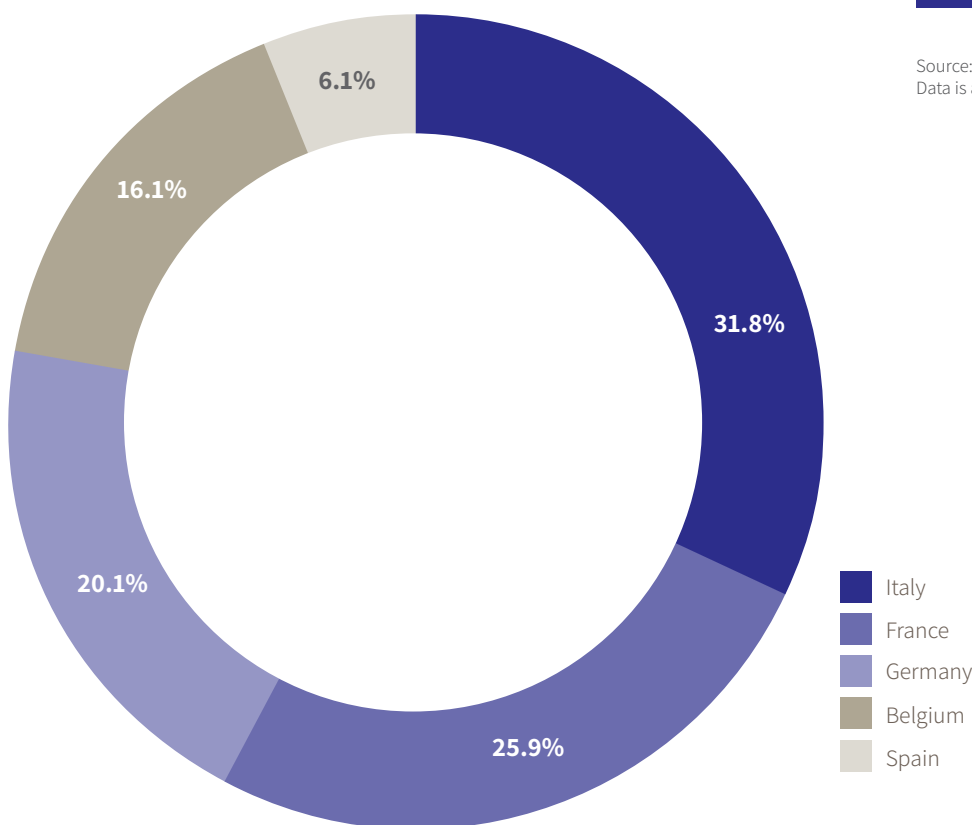


Bond portfolio credit quality

Rating / percentage of fund



Bond country distribution



Source: ILIM, Factset.
Data is accurate as at 31 December 2024.

SUMMIT FUND PERFORMANCE



At 31 December 2024

Fund returns after fund management fee	Stable	Balanced	Growth
1 Month	-0.27%	-1.50%	-1.71%
QTD	0.00%	1.41%	2.57%
3 Month	0.00%	1.41%	2.57%
YTD	0.65%	7.10%	11.88%
1 Year	0.65%	7.10%	11.88%
2 Years pa	1.12%	6.49%	9.74%
3 Years pa	-0.72%	1.11%	4.10%
5 Years pa	-0.94%	2.84%	5.81%
10 Years pa	-0.89%	3.55%	5.87%

Source: ILIM Performance Team

Warning: If you invest in these funds you may lose some or all of the money you invest.

Warning: These funds may be affected by changes in currency exchange rates.

Warning: The value of your investment may go down as well as up.

Warning: Past performance is not a reliable guide to future performance.

ILIM'S CREDENTIALS



Irish Life Investment Managers (ILIM) is recognised internationally for its expertise, innovation and track record:

<p>European Pensions AWARDS 2019 WINNER Passive Manager of the Year</p>	<p>GRESB ★★★★★ 2024</p>	<p>Irish Pensions AWARDS 2019 WINNER Investment Manager of the Year</p>	<p>Irish Pensions AWARDS 2020 WINNER Investment Manager of the Year</p>
<p>European Pensions AWARDS 2018 WINNER Passive Manager of the Year</p>	<p>APMG Risk Independent PROPERTY INDUSTRY EXCELLENCE AWARDS 2019 PROPERTY INVESTMENT/</p>	<p>Irish Pensions AWARDS 2021 WINNER Risk Management Provider of the Year</p>	<p>Irish Pensions AWARDS 2022 WINNER Investment Manager of the Year</p>
		<p>Irish Pensions AWARDS 2023 WINNER Property Manager of the Year</p>	<p>Irish Pensions AWARDS 2024 WINNER Investment Manager of the Year</p>

Summit Investment Funds plc is managed by Summit Asset Managers Limited. The Investment Manager is Irish Life Investment Managers Limited. Summit Asset Managers Limited and Irish Life Investment Managers Limited are both part of the Great-West Lifeco group of companies, global leaders in financial services.

This is intended as a general review of investment market conditions. It does not constitute investment advice and has not been prepared based on the financial needs or objectives of any particular person, and does not take account of the specific needs or circumstances of any person.

The author cannot make a personal recommendation for any person and you should seek personal investment advice as to the suitability of any investment decision or strategy to your own needs and circumstances. Any comments on specific stocks are intended as an objective, independent view in relation to that stock generally, and not in relation to its suitability to any specific person.

ILIM may manage investment funds which may have holdings in stocks commented on in this document. Past performance may not be a reliable guide to future performance. Investments may go down as well as up. Funds may be affected by changes in currency exchange rates. Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.

Figures referenced herein have been sourced from ILIM and Bloomberg. Forecast figures have been prepared by ILIM based on reasonable assumptions, internal data and data sourced from Bloomberg.