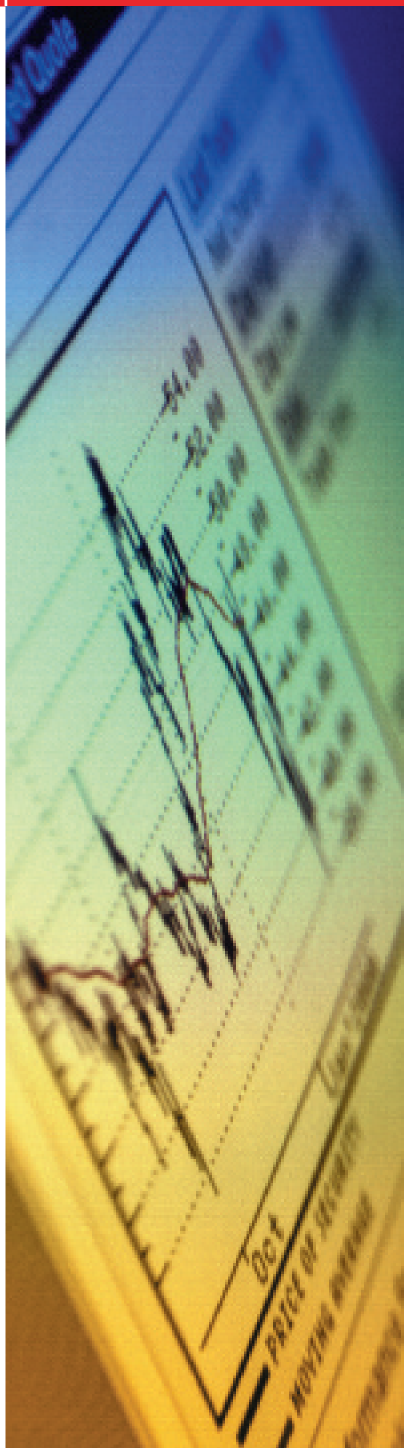
April 2010

Summit Investment Funds

Quarterly Review



Markets

Equity markets continued to rally through the first quarter of the year, reaching new highs from March 2009 lows, although markets are still some way off the all time highs of late 2007. The quarter was somewhat more volatile than recent periods with markets experiencing their worst month for some time in January.

President Obama proposed new taxes on US banking operations and restrictions on activities in proprietary trading, hedge funds and private equity investments. These moves threatened to reduce the earnings capacity of banks and also potentially reduce liquidity in certain areas of the market. The Chinese authorities also began to tighten monetary conditions by raising rates on three month bills, increasing bank reserve requirements and attempting to reduce lending growth in an effort to slow growth and ease inflationary pressures. Risks associated with sovereign bonds rose as concerns grew regarding the level of global government debt levels which have risen substantially as stimulus measures have been introduced to facilitate recoveries post the financial crisis. Global credit spreads began to widen as the fiscal difficulties in Greece led to its bond yields rising substantially and put pressure on the Euro as fears grew that a rescue may be required from other European countries.

In Europe, some ECB council members indicated further withdrawal of liquidity measures through the first half of the year. However, markets began to rally in early February with a positive overall earnings reporting season in the US, despite a lack of significant earnings upgrades post results. The US Fed emphasised on a number of occasions that interest rates would remain low for an extended period which continued to support equities. It also became apparent that some form of support package would be put in place to assist Greece deal with its fiscal pressures and this eased concerns regarding sovereign risk. While it took some time to eventually agree the details, final terms include IMF assistance and loans from EU nations. Through March there was also a growing belief that some of the more restrictive elements of the capital proposals in Basle 3 announced in December would not be implemented in their current form. This would reduce the risk and size of further capital raisings in the banking industry and also improve the ability of the banking system to lend. There also appeared to be some pullback in the US from the initial proposals to restrict activities in the banks which further helped that sector and the market overall.

For the quarter as a whole the US rose 4.8%, Europe +3.9%, UK +5.4%, Japan +7.8% and the Pacific Basin fell 0.2%. Ireland rose 6.8% as the announcement of the transfer of loans from the banks to NAMA and the disclosure of the discounts on these loans moved closer.

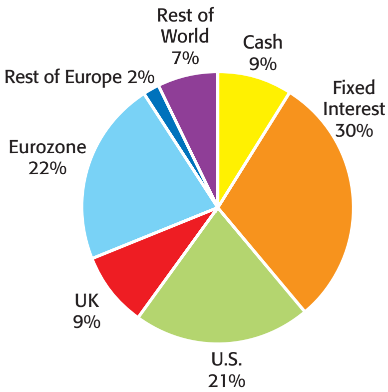
Summit Balanced Fund

Review

We bought **Lloyds Banking Group** given its cheap valuation on normal earnings which have become more visible following a traumatic year for the bank in 2009. The bank offers a trend of significantly improving credit costs in coming years, increasing margins and substantial cost synergies from the merger with HBOS. It is set to improve its funding mix and profile at a lower cost than previously expected and underlying fundamentals have surprised positively in recent months.

MetroPCS, a US metropolitan mobile telecom provider, was bought given its growth opportunities. Its pre-paid unlimited use offering, is gaining market share in a mature market and it is achieving strong subscriber growth numbers by launching in new markets and increasing penetration in existing markets. By year end it should have population coverage of 100m and licenses for an additional 50m.

Stocks sold included **DnB Nor**, the Norwegian bank, **G4S**, the security services company.



Equity Sector Distribution	%
Capital Goods	21.33%
Financials	12.54%
Consumer Cyclicals	11.00%
Technology & Telecom	10.46%
Consumer Staples	10.17%
Energy	9.28%
Industrial Commodities	8.89%
Pharmaceuticals	8.71%
Insurance	3.86%
Utilities	3.76%

Top 10 Holdings	%
CRH	1.68%
Ryanair	0.92%
BP	0.80%
Novartis	0.76%
Exxon Mobil	0.61%
Aryzta	0.60%
Microsoft	0.60%
Kerry Goup	0.59%
E.ON AG	0.58%
Siemens	0.57%

Bid/Exit price at 31/03/10

200.4

***Past Performance**

1 Year –	31.09
2 Years –	0.60
5 Years –	1.90
10 Years –	-1.85

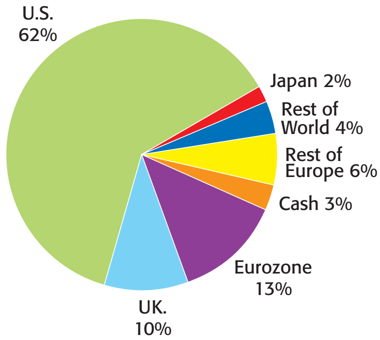
Source Moneymate ©

Summit Global Leaders Fund

Review

During the quarter we bought **Samsung Electronics**, the Korean electronics company. The company had underperformed in the early part of the year but began highlighting improved chip and panel price movements and is benefiting from improving margins and cost reductions. New product launches with favourable pricing profiles are also contributing positively while the company enjoys significant scale benefits relative to competitors.

We reduced positions in two oil companies, **Exxon Mobil** and **Total**. Over the quarter, **General Electric** rose 20% following positive broker comments on the outlook for GE Capital, the group's financial unit, and the possibility of write backs on some of its commercial real estate exposure.



Equity Sector Distribution	%
Telecomms & Technology	28.57%
Financial	17.49%
Energy	16.56%
Pharmaceuticals	14.40%
Consumer Staples	12.57%
Capital Goods	4.12%
Industrial Commodities	2.07%
Consumer Cyclicals	1.80%
Insurance	1.23%
Utilities	1.19%

Top 10 Holdings	%
Exxon Mobil	4.56%
Microsoft	3.45%
Apple Computers	2.93%
Nestle	2.79%
General Electric	2.76%
Procter & Gamble	2.76%
Johnson & Johhnson	2.68%
BP	2.56%
Bank of America	2.54%

Bid/Exit price at 31/03/10

87.30

***Past Performance**

1 Year –	33.63
2 Years –	-2.85
5 Years –	-2.46
10 Years –	N/A

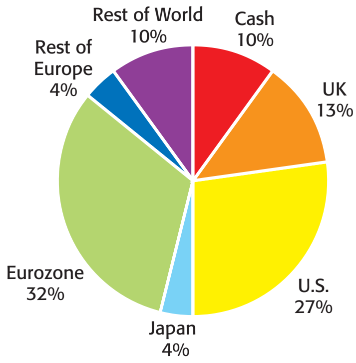
Source Moneymate ©

Summit Growth Fund

Review

Stocks which were bought during the quarter included **KBC Group**, the Belgian bank which received EU approval of a restructuring plan to facilitate repayment of state aid. It involves reducing risk weighted assets by 25% and disposing of a number of assets. **EasyJet**, the discount airline was also bought. Low cost carriers continue to take market share and EasyJet has a superior cost and fare structure relative to flag carriers. Its primary airport focus will enable it to continue taking share, particularly in the business traveller segment while maintaining relative yield strength.

Stocks sold included **Time Warner Cable**, **FedEx** and **Royal Bank of Scotland**.



Equity Sector Distribution	%
Capital Goods	18.89%
Banks	13.43%
Technology & Telecomms	11.18%
Consumer Staples	10.80%
Consumer Cyclicals	10.19%
Energy	9.39%
Industiral Commodities	9.18%
Pharmaceuticals	8.98%
Utilities	4.08%
Insurance	3.88%

Top 10 Holdings	%
CRH	2.57%
Ryanair	1.37%
Novartis	1.16%
BP	1.09%
Aryzta	0.91%
E ON AG	0.91%
Exxon Mobil	0.90%
Kerry Group	0.90%
Deutsche Bank	0.89%

Bid/Exit price at 31/03/10
200.90

***Past Performance**
1 Year – 51.52
2 Years – -4.32
5 Years – -0.33
10 Years – -3.90

Source Moneymate ©

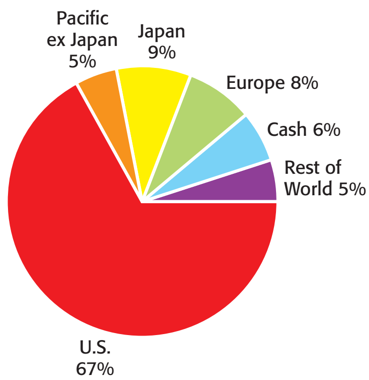
Summit Technology Fund

Review

Over the quarter the technology sector rose approx 8.7% in Euro terms.

During the quarter we bought **Adobe Systems**, a software company. It has leading market shares in some of the most dynamic growth areas in software such as web development, creative design, dynamic media and internet applications.

We sold out of the positions in **Applied Materials**, the semiconductor equipment manufacturer and **Motorola**, the mobile phone manufacturer on valuation grounds. We reduced the positions in **Apple Inc** and **Ericsson**, the telecom equipment and mobile phone manufacturer. Over the quarter, **Nokia** rose 29% as fourth quarter results were significantly ahead of expectations.



Top 10 Holdings	%
IBM	7.89%
Microsoft	7.69%
Hewlett Packard	7.26%
Oracle	5.74%
Samsung	5.22%
Apple	4.49%
Intel	4.44%
Cisco Systems	4.29%
Google	4.16%
Qualcomm	3.77%

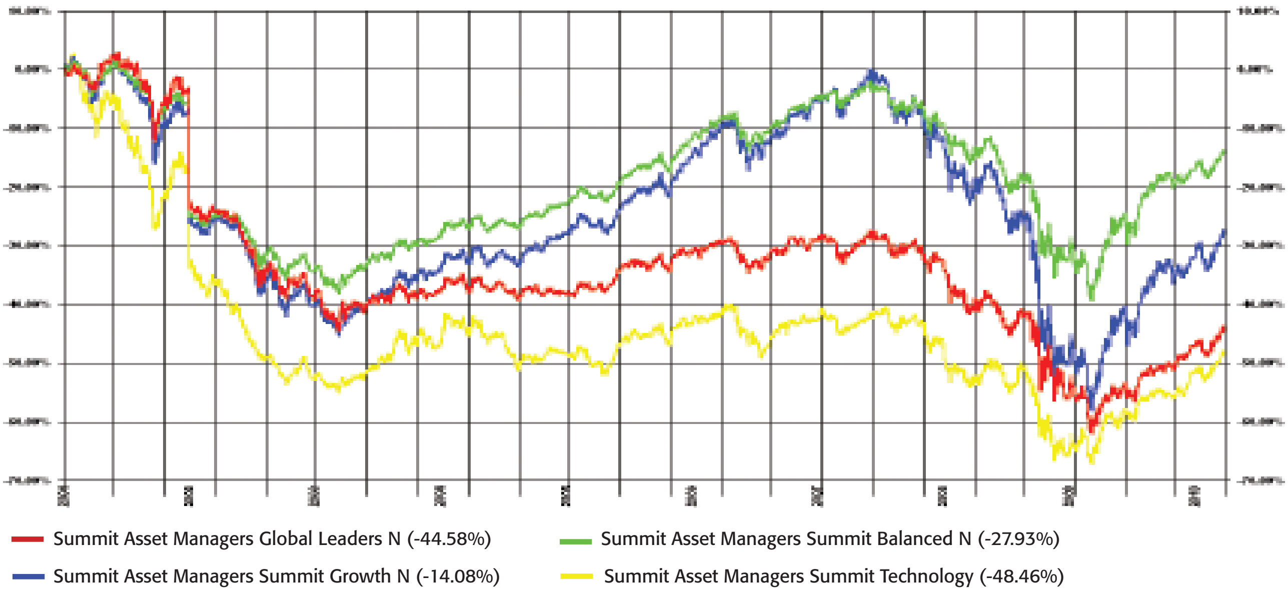
Bid/Exit price at 31/03/10
76.80

***Past Performance**
1 Year – 40.47
2 Years – 5.63
5 Years – 0.72
10 Years – N/A

Source Moneymate ©

Fund Performance

Performance Report - 01 January 2001 to 01 April 2010



Investment Outlook

The global recovery strengthened further in the first quarter, as leading indicators moved back towards levels that indicate a robust economic environment. As a result, forecasts for global economic growth have continued to be revised up during the quarter. Equity markets have been pricing in the global economic recovery since March 2009 and are now pricing in a robust recovery in earnings growth. Analysts are also predicting that the recovery in earnings will be strong and are forecasting that earnings for the S&P 500 will increase by 30% in 2010 and 20% in 2011.

Earnings can grow well ahead of economic growth because companies have cut costs more aggressively than seen in previous cycles. As a result, any pick up in revenue growth will have a much bigger impact on earnings. Revenue growth is likely to benefit from the economic recovery, particularly companies with exposure to the emerging markets. These companies commented during the fourth quarter earnings reporting season that they are seeing a high level of activity in these regions but also noted that activity was picking up in the US region.

Consequentially ILIM sees further potential for gains for equity markets, albeit at a much slower pace than seen in 2009, especially now that markets have recovered from the low based. However risks to this recovery continue to persist and may lead to volatility and corrections in equity markets as was seen in the latter weeks in January when equity markets declined by 10%.