

Summit Investment Funds

Quarterly Review

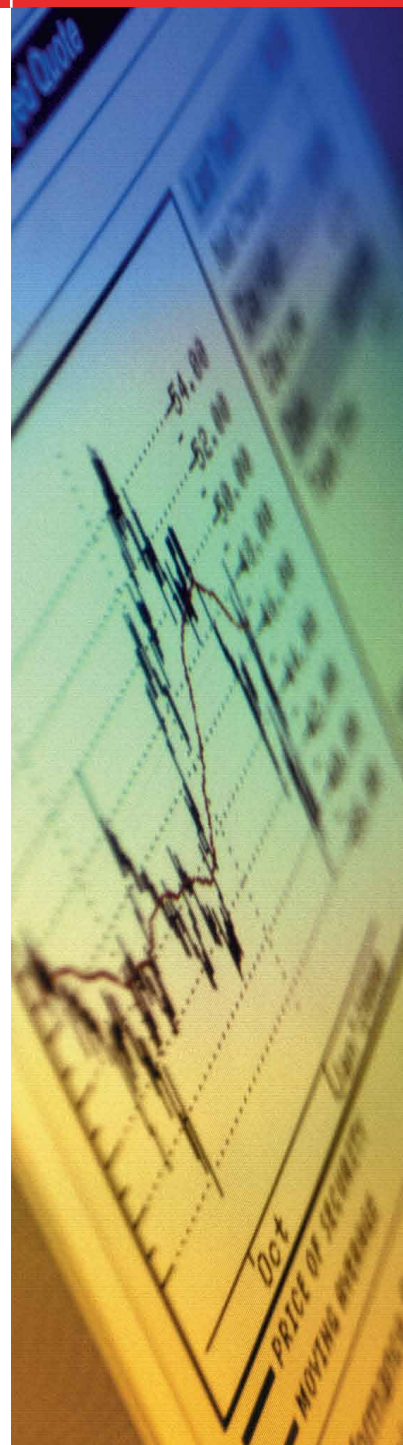
Markets

The first quarter of 2012 proved to be a very strong one for equity markets with fears and concerns in relation to the European crisis easing substantially. The introduction of the Long Term Refinancing Operation (LTRO) facility by the ECB for banks whereby European banks could borrow unlimited funds at 1% was seen as a major move to help resolve the crisis and provide access to funding for the banking sector. Short term sovereign bond yields out to three years fell sharply as some banks availed of the carry trade opportunity with the money borrowed from the ECB being reinvested into higher yielding short term bonds so that profits were generated from the yield pick up. Both short and long term bond yields across Europe experienced significant falls early in the quarter and enabled the numerous and sizable government bond auctions through the quarter to be completed successfully. Other funding markets began to open up for banks as rates eased and banks themselves issued more bonds than they had in the previous six months.

The signing up by EU member states to the fiscal compact agreement whereby they committed to maintaining structural deficits below 0.5% of GDP also improved sentiment as did signs of stabilisation in economic indicators across Europe. Earnings reporting seasons were a little mixed. In the US, while earnings beat expectations, the level of positive surprise was lower than recent quarters and 2012 forecasts continued to fall. Earnings in Europe disappointed with forecasts also falling. Through February, markets continued to be buoyed by the abundant liquidity support provided by Central Banks.

The US Fed indicated interest rates would be kept at low levels until late 2014 as opposed to previous indications of mid 2013. China lowered bank reserve ratio requirements while Japan increased the level of asset purchases and expectations were high for the second LTRO in Europe scheduled for the end of February given the huge success of the first one in mid December. Continued strong global economic data also supported markets.

In Europe, a renewed emphasis among political leaders on introducing growth stimulus measures and not solely focusing on austerity measures also improved sentiment. Agreement was reached in relation to the release of the second bailout package for Greece, thereby preventing a disorderly default in March and the ultimate high acceptance on the Greek debt swap provided another boost for markets. Markets were a little more volatile in March as news flow was more mixed. Disappointing economic figures in Europe and China led to some concerns on the global outlook. The Spanish government announced the fiscal deficit would be 5.8% of GDP this year compared to the 4.4% level agreed in the fiscal compact. Agreement was reached at the EU level to bring this back to 5.3% of GDP but nevertheless, Spanish 10 year yields moved above those of Italy for the first time since mid 2011 and Spanish bond spreads against Germany widened by approx 40bps at one point to 370bps, giving rise to fears that the sovereign crisis could resurface. Offsets however came as the Fed in its policy statement was more upbeat on the economy than in its previous assessment. Despite this more positive view, Ben Bernanke, the US Fed Chairman suggested that US monetary policy would remain accommodative to support growth and facilitate the reduction in the unemployment rate, thus reducing the possibility of early interest rate hikes or removal of existing monetary stimulus measures. In Europe, there were indications that additional funds would be made available to the European Financial Stability Facility and its ultimate successor, the European Stability Mechanism, to tackle the sovereign crisis. These buoyed markets again towards quarter end.



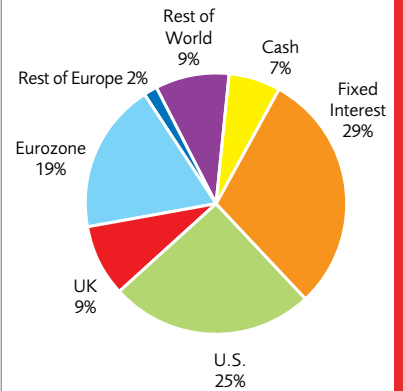
Summit Balanced Fund

Review

Over the period we bought Home Retail, the UK retailer which operates Homebase and Argos. The company has a strong balance sheet which puts it in a strong position in a financially stretched sector. Despite the competitive nature of markets, it retains a 10% share of the general merchandise and home improvement market in the UK. The outlook for its 'click and collect' model where customers order online and collect in store looks to have strong potential and its logistics ensure the system works efficiently. The stock trades at very attractive valuation levels with the market cap close to the net cash position. We bought BP, the oil company as the overhang and litigation threat from the Macondo oil spill in the Gulf of Mexico in 2010 appeared to be fully discounted in the share price which was at a significant valuation discount to Royal Dutch Shell.

We reduced positions in, BG Group and Cairn Energy during the quarter.

Equity Sector Distribution	%	Top 10 Holdings	%
Capital Goods	24.46%	CRH	1.25%
Financial	12.83%	Ryanair	0.87%
Telecomms & Technology	10.72%	Kerry Group	0.82%
Consumer Staples	10.54%	HSBC	0.81%
Energy	9.44%	Exxon Mobil	0.74%
Consumer Cyclical	9.42%	Microsoft	0.74%
Pharmaceuticals	8.82%	IBM	0.74%
Industrial Commodities	7.28%	Shell	0.72%
Utilities	3.34%	Vodafone	0.65%
Industrial Services	3.15%	Elan	0.63%



Bid/Exit price at 31/03/2012
207.90

***Past Performance**
1 Year – 2.67
2 Years – 1.68
5 Years – -1.30
10 Years – 1.63

Source Moneymate ©

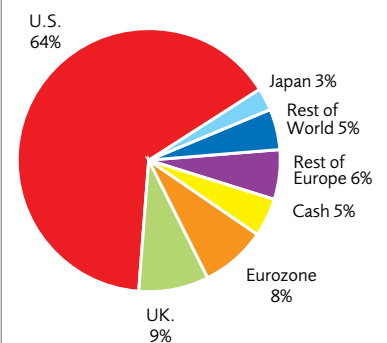
Summit Global Leaders Fund

Review

During the quarter we bought Telefonica, the Spanish telecoms company. Following recent weakness in the share we believed concerns over pressures in the domestic market were fully discounted in the share price while there were some tentative signs of improvements in Latin American operations. We sold E.ON, the German utility and reduced positions in General Electric and IBM.

Over the quarter, Bank of America rose 72% as its capital position was much stronger than forecasted while Apple rose 48% as it launched the next generation i-pad with strong sales expected

Equity Sector Distribution	%	Top 10 Holdings	%
Technology	23.62%	Apple Computers	7.04%
Energy	20.85%	Exxon Mobil	5.22%
Pharmaceuticals	13.69%	Microsoft	3.05%
Consumer Staples	11.89%	IBM	2.88%
Capital Goods	10.75%	Texaco	2.72%
Financial	10.64%	General Electric	2.66%
Telecomms	6.83%	Nestle	2.58%
Consumer Cyclical	1.72%	AT & T	2.38%
		Procter & Gamble	2.24%
		Pfizer	2.24%



Bid/Exit price at 31/03/2012
99.50

***Past Performance**
1 Year – 10.73
2 Years – 6.70
5 Years – -1.59
10 Years – -1.85

Source Moneymate ©

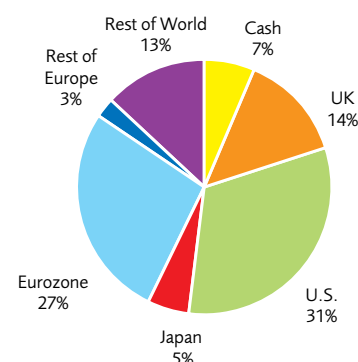
Summit Growth Fund

Review

Over the quarter we bought BP, the oil company as the overhang and litigation threat from the Macondo oil spill in the Gulf of Mexico in 2010 appeared to be fully discounted in the share price which was at a significant valuation discount to Royal Dutch Shell.

We reduced positions in Royal Dutch Shell during the quarter removing BG Group and Cairn Energy.

Equity Sector Distribution	%	Top 10 Holdings	%
Capital Goods	25.71%	CRH	1.91%
Financial	13.09%	Ryanair	1.32%
Telecomms & Technology	11.08%	HSBC	1.26%
Consumer Staples	10.98%	Kerry Group	1.21%
Energy	9.85%	IBM	1.13%
Pharmaceuticals	9.29%	Exxon Mobil	1.10%
Consumer Cyclical	8.45%	Microsoft	1.05%
Industrial Commodities	7.84%	Shell	0.96%
Industrial Services	3.70%	Elan	0.95%
Utilities	3.49%	Vodafone	0.95%



**Bid/Exit price at
31/03/2012
209.70**

***Past Performance**
1 Year – 0.01
2 Years – 1.95
5 Years – -4.52
10 Years – -0.04

Source Moneymate ©

Summit Technology Fund

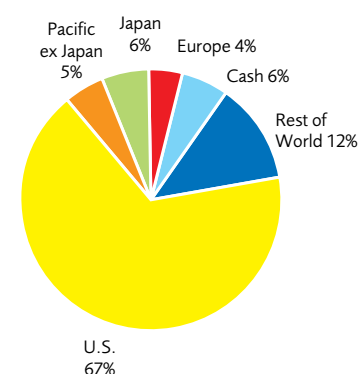
Review

Over the quarter the technology sector rose approx 16% in Euro terms.

During the quarter we bought ASML, the semiconductor equipment manufacturer. Recent data indicates that demand for semiconductor equipment continues to improve. ASML is set to benefit from a strong outlook as smartphones and tablets drive the market higher with higher unit growth expected, increased complexity and higher capital intensity. We added to the position in Oracle, the software company which was trading at a discount to international peers. We sold Nokia and Yahoo and reduced positions in SAP, the German software company and Qualcomm, the wireless communication systems provider.

Over the three months, Apple rose 48% as it launched the next generation i-pad with strong sales expected for this and other key products which contributed to earnings upgrades through the quarter. EMC, the data storage company rose 39% on better than expected results and an upbeat outlook for 2012.

Top 10 Holdings	%
Microsoft	8.96%
IBM	8.81%
Apple	8.63%
Samsung	4.89%
Intel	4.51%
Cisco	4.48%
Oracle	4.43%
Google	4.42%
Qualcomm	4.30%
Hewlett Packard	3.48%



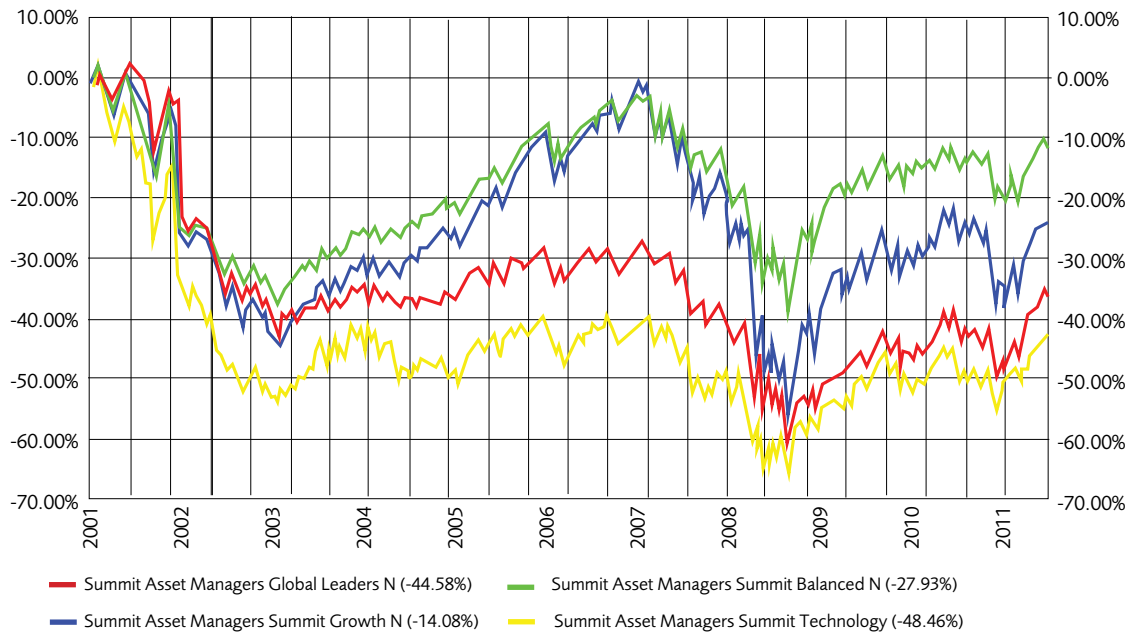
**Bid/Exit price at
31/03/2012
84.10**

***Past Performance**
1 Year – 12.67
2 Years – 4.73
5 Years – 0.37
10 Years – -1.25

Source Moneymate ©

Fund Performance

Performance Report - 01 January 2001 to 01 April 2012



Investment Outlook

Although, equity markets continued to make gains in March, the pace of these gains and equity market momentum has slowed from the levels seen in January and February. Developed equity markets outperformed emerging markets as investors' appetite for risk began to wane, resulting in emerging market equities giving back some of the robust gains achieved since the start of the year. Volatility increased in the AAA government bond space. German, US and UK government bonds sold off as their yields moved out to 2.04%, 2.36% and 2.34% respectively by the middle of March, rallying back to the month start levels in the last week of March. Commodity markets also suffered volatility particularly as economic data from China confirmed that the economy continues to slow. As a result all commodity sectors sold off with the basic metals underperforming.

The slowdown in the gains in equity markets has been accompanied by a turn in the economic surprise index, which measures the level of outperformance or underperformance of economic data relative to expectations. Concern about the sustainability of robust growth in China has continued, particularly as the most recent economic data has come in below expectations. The Chinese Premier set a lower growth target of 7.5% but maintained the CPI inflation target of 4%. Elsewhere, the Flash HSBC PMI indicator continued to moderate, while industrial orders posted the first annual decline since 2009. This weaker data has hit commodity markets which resulted in losses during March, particularly the industrial metal segment.

Elsewhere, the stresses in the Eurozone have continued to ease, particularly after the EU/IMF and Greek officials managed to enforce a 53% haircut on Greek private sector government bond holders. Nevertheless the economic outlook, particularly for the peripheral countries in the region, has remained challenging. The new Spanish government revealed their fiscal deficit significantly slipped from target last year (8.5% against 6.0% of GDP). As a result a new austerity budget for 2012 to bring government spending back on track has been adopted. Bond markets have also remained cautious on the outlook for Portugal as bond yields remained elevated and the rating agencies downgraded its banking sector. Despite this the liquidity provided by the ECB has eased the major concerns for the Eurozone.

AAA government bond markets were volatile in March, as the 10 year German government bond yield traded from a low of 1.75% to a high of 2.04%, while the US 10 year yield trading range was 1.95% to 2.36%. Encouraging employment reports in the US, reassuring results from the Fed's latest bank stress tests, and a further fading of fears about the crisis in the Eurozone were the significant catalysts for this sell off. Conversely the second half of the month saw a reversal of some of these losses as the US labour market recovery was downplayed and data emanating from the Eurozone and China were disappointingly weak.

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