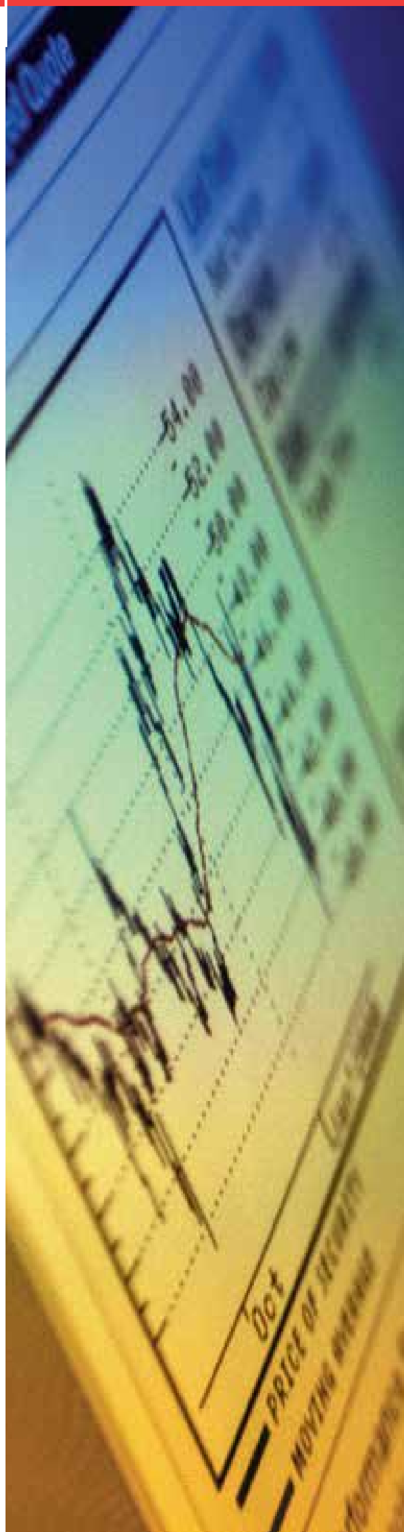
April 2017

Summit Investment Funds

First Quarter 2017



Markets

Global economic data, particularly sentiment surveys, continued to improve during the quarter and moved to levels consistent with growth in the global economy of over 3%. European data in particular surprised positively and led to upgrades of GDP forecasts for the Eurozone. The positive economic backdrop combined with improvements in fundamentals across the energy, materials and financial sectors also contributed to a positive earnings reporting season during the quarter and earnings upgrades to global earnings forecasts for 2017 which supported equities.

On the political front, uncertainty regarding the details of fiscal and trade policies under the new US administration remained. Rhetoric from President Trump regarding trade protectionism eased substantially suggesting that much 'softer' trade restrictions could be introduced compared to the more draconian measures proposed during the election campaign which eased investor fears. The failure to pass healthcare reform proposals in Congress however gave rise to concerns that fiscal stimulus measures could be more difficult to implement. In Europe, concerns surrounding the French Presidential election contributed to widening of French and peripheral bond spreads against Germany.

Central banks generally tended to become more hawkish during the quarter, adding to the belief that the scale of monetary accommodation provided in recent years would be reduced in future. This contributed to the rise in Eurozone bond yields as did the surprise rise in Eurozone inflation to a peak of 2%y/y in February although it subsequently declined to 1.5% y/y by quarter end.

Over the quarter, the MSCI AC World equity benchmark rose 5.8% (5.6% in €). Equity markets were supported by the improving economic and earnings backdrop and continued expectations of fiscal stimulus in the US even though these hopes subsided somewhat compared to levels at the beginning of the year. Pacific Basin equities rose 8.0% (10.2% in €) benefiting from better economic data in China and across the region in general, particularly in relation to export and industrial production data. Emerging markets rose 7.8% (9.9% in €), supported by general softness in the US dollar which was beneficial for flows into the region and improved the debt servicing capacity of corporates which have borrowed in US dollars. European equities rose 7.1% (7.1% in €) despite political uncertainties surrounding the upcoming French Presidential election as economic data surprised positively. Japan lagged with equities flat in the quarter (+3.2% in €) as the stronger Yen was negative for exporters. The UK rose 3.8% (3.6% in €) as uncertainty related to Brexit and some signs of recent strength in the economy beginning to roll over caused the market to lag.

The Eurozone > 5 year sovereign bond benchmark fell -2.3% during the quarter. German 10 year yields rose from 0.21% to 0.33%. The better economic backdrop across the Eurozone and higher than expected inflation readings for most of the period with inflation reaching a high of 2.0% y/y in February contributed to the rise in yields.

While the ECB left policy unchanged in the quarter, speculation grew that the ECB was considering raising interest rates earlier than previously expected and possibly before asset purchases concluded which also contributed to higher yields. French and peripheral spreads against Germany widened during the quarter due to uncertainty related to the upcoming French Presidential election and expectations that ECB asset purchases could end by mid 2018. French 10 year yield spreads against Germany peaked at over 80bps before ending the quarter at 63bps while Spanish and Italian spreads had risen to 134bps and 199bps at the end of March.

Despite the political uncertainties, the Euro rose slightly against the US dollar over the quarter from 1.052 to 1.065 as European economic data was relatively strong and contributed to speculation that the ECB would tighten policy at a faster pace than previously expected. While the US Fed raised interest rates for a second time in three months, it did not guide to a faster pace of rate rises over the remainder of 2017 which also contributed to the slight strengthening of the Euro versus the US dollar.

Summit Balanced Fund

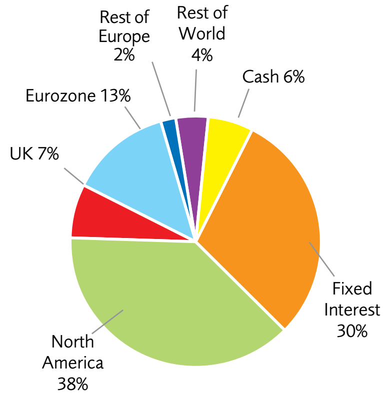
Review

DCC Plc rose 0.49% during Q1 2017. DCC continues to benefit from oil majors selling downstream retail & LPG assets with the latest acquisition of the Norwegian Esso retail network. We expect deal flow to represent on-going optionality for shareholder value and consider DCC very attractively placed in this regard.

Owens Illinois Inc gained 0.47 during the quarter. The new management team are proving their ability to drive stability and flexibility into the organization; leveraging best practices in a manner not achieved before. The market may be beginning to appreciate we are in the final stages of the legacy asbestos liability which continues to contribute to a ~25% valuation gap to take out multiples for comparable assets. Moreover O-I are on track to de-lever towards 3.5x Net Debt/EBITDA as well as saving materially on interest expense as they restructure the balance sheet.

Equity Sector Distribution	%
Financial	21.65%
Telecomms & Technology	20.93%
Pharmaceuticals	11.60%
Consumer Cyclicals	9.49%
Consumer Staples	7.92%
Energy	7.62%
Capital Goods	6.47%
Industrial Commodities	6.12%
Industrial Services	5.45%
Utilities	2.75%

Top 10 holdings	%
DCC	2.03%
Owens	2.02%
CRH	1.86%
Berkshire Hathway	1.84%
Leucadia Natl Corp	1.78%
Samsung Electronic	1.65%
Oshkosh	1.60%
Johnson & Johnson	1.39%
Fairfax	1.34%
Mircrosoft	1.31%



Bid/Exit price at 31/03/2017

300.2

***Past Performance**

1 Year – 9.67
2 Years – 2.99
5 Years – 7.62
10 Years – 3.10

Source Moneymate ©

Summit Growth Fund

Review

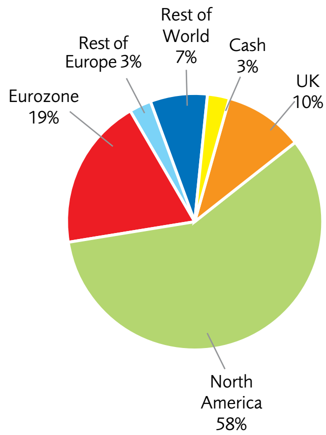
No new companies were added or sold during the quarter. In Q3, 2016 we added Keysight Technologies to the fund. The investment case was partly grounded on our belief that scale and brand awareness driving industry leading margins were not being appreciated by the market.

In January 2017 Keysight announced the acquisition of IXIA for $1.68bn to be funded through debt and new issuance of Keysight stock. IXIA is a good strategic fit for Keysight as it allows them to expand their range of test and measurement services provided and increases the percentage of revenues coming from Software, which has higher margins and is more recurring in nature.

The equity issuance of $400m was completed in March 2017 at a price of $35 per share. We used this event to almost double our position in the stock as we continue to believe that the longer term demand outlook for test & measurement hardware and software is strong and that this acquisition helps cement Keysight's position at the top of their market.

Equity Sector Distribution	%
Financial	21.73%
Telecomms & Technology	20.93%
Pharmaceuticals	11.49%
Consumer Cyclicals	9.63%
Consumer Staples	7.80%
Energy	7.69%
Capital Goods	6.35%
Industrial Commodities	6.04%
Industrial Services	5.41%
Utilities	2.93%

Top 10 holdings	%
DCC	3.13%
Owens	3.04%
Berkshire Hathaway	2.89%
CRH	2.80%
Leucadia Nat Corp	2.74%
Samsung Electronic	2.47%
Oshkosh Truck	2.35%
Johnson & Johnson	2.13%
Fairfax	2.06%
Microsoft	2.00%



Bid/Exit price at 31/03/17

341.80

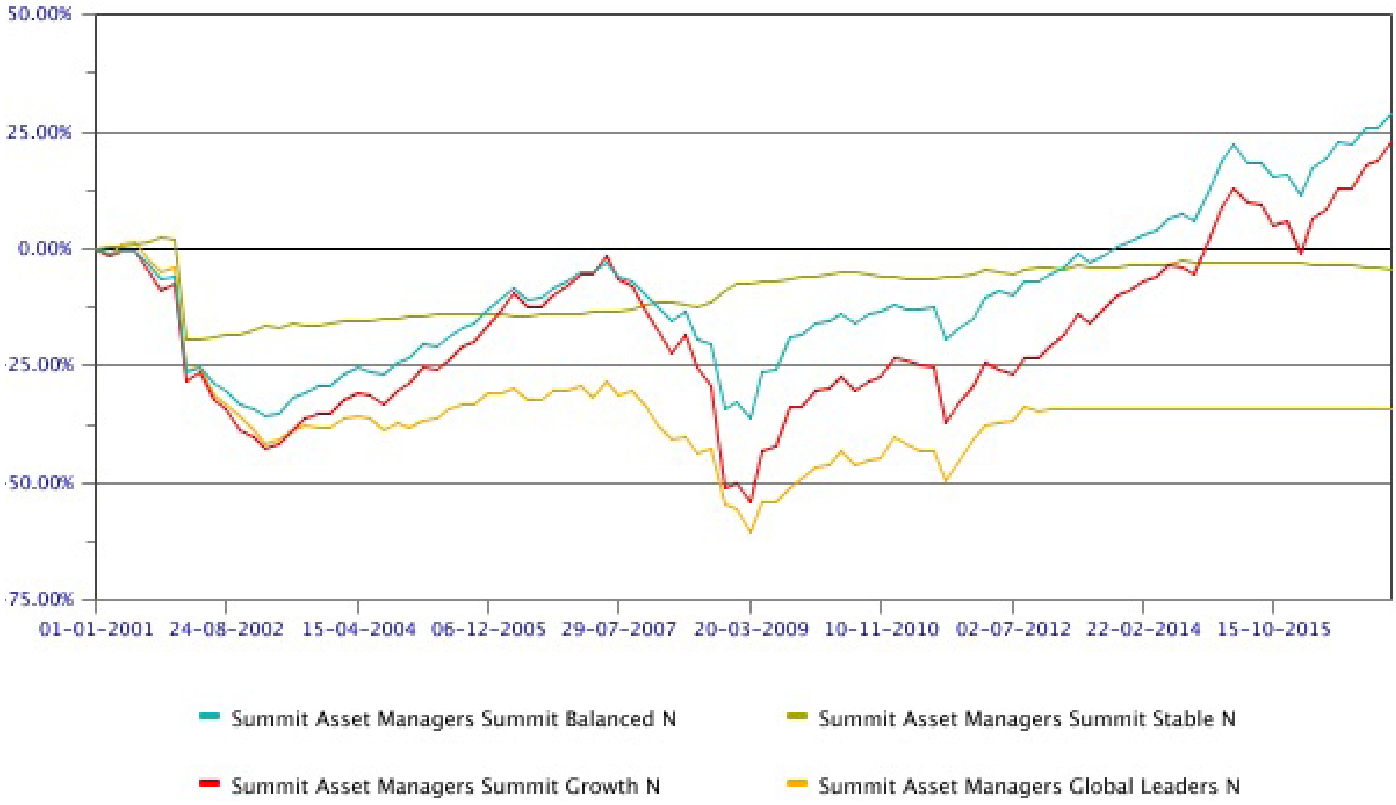
***Past Performance**

1 Year – 15.25
2 Years – 4.65
5 Years – 10.27
10 Years – 2.65

Source Moneymate ©

Fund Performance

Performance Report - Performance - 01/01/2001 to 31/03/2017



Presented by: MoneyMate Limited
The figures shown are based on the following:
Local Currency, Offer to Offer, Gross income re-invested on Ex-dividend date
Past performance is not necessarily a guide to future performance; Unit prices may fall as well as rise

Equity Outlook

An improving global economic backdrop in recent months combined with the election of Donald Trump as US President have helped improve the outlook for equity markets in 2017. Nevertheless, wider tail risks both to the upside and downside are evident depending on the policies adopted by the new US administration and the path of global growth.

On the upside, greater fiscal stimulus is expected although there is still a lack of detail regarding the actual fiscal programme which will be implemented in the US. If President Trump's fiscal proposals are implemented, in full without any negative trade restrictive policies being put in place, there could be 5-10% further upside in equity markets from current levels by year end. However, fiscal conservatism among Republican congressional members and difficulties in funding Trump's more aggressive fiscal easing measures reduces the probability of a relatively large fiscal package being implemented. Fiscal multipliers are also likely to be relatively low for any fiscal programme which is announced given the current stage of the US economic cycle and the specific tax measures which are currently on the table.

The recent failure to pass the healthcare reform bill in the House of Representatives has given rise to some concerns that fiscal measures in the US could be curtailed and delayed. We believe that political pressure on the Republicans to achieve a measure of political success ahead of mid-term elections in 2018 will ensure that a fiscal package with a modest net positive impact on US growth will be implemented before year end. The potential boost to US GDP growth from the ultimate fiscal programme implemented is likely to only be in the region of 20bps. As a result the overall boost to global economic and earnings growth from any US fiscal package, while positive, is expected to be relatively modest.

Notwithstanding, any positive boost from a US fiscal package, US and global economic data has however already been stronger than expected in recent months suggesting global growth in 2017 can move towards the top end of the 2.5/3% range which has been in place since the current recovery began in 2009. With an expected recovery in global earnings due to this improving growth backdrop and an earnings rebound in sectors such as energy, commodities and financials as sector specific fundamentals improve, equities are expected to generate positive returns in 2017, especially as equities remain relatively attractive on a valuation basis compared to bonds and cash. Recent evidence of improved flows into equity funds is also supportive of equity markets.

In terms of potential downside, trade restrictions to the extent proposed by Trump during the election campaign if fully implemented would have significant negative implications for global growth, possibly pushing the US and other regions close to recession and thus leading to declines in equity markets. Recent rhetoric around potential trade protectionism however has eased significantly, suggesting any trade restrictions will be modest as more severe measures would ultimately be negative for both the global and US economies, something which President Trump probably wants to avoid.