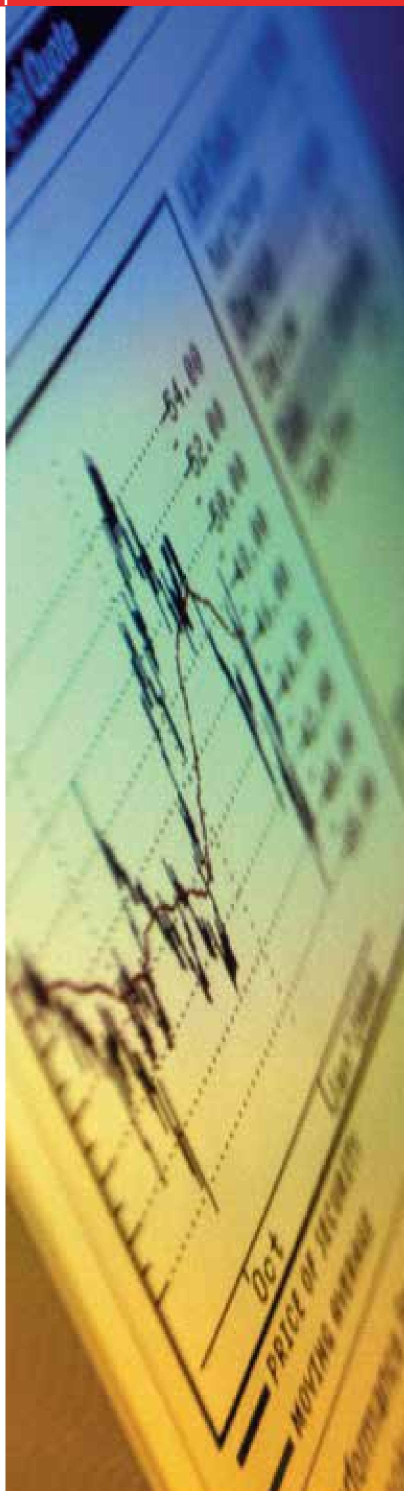
January 2015

Summit Investment Funds

Fourth Quarter Comment 2014



Markets

While equity returns were positive over the period, equity markets were more volatile than in recent quarters, although bonds continued to generate steady gains over the three months. By the middle of October, equity markets had lost their gains for the year on fears over a possible global economic slowdown following weak industrial production figures. Markets rebounded however as it appeared these related to a mid-cycle economic soft patch. At the same time, central banks rhetoric remained dovish and policies remained accommodative, facilitated by falling levels of global inflation which were impacted by the significant fall in oil prices. Notably, the Bank of Japan increased its target asset purchases from Y60/70trn pa to Y80trn pa while commentary from the ECB suggested additional asset purchases, possibly including sovereign bonds.

In the UK, the Bank of England suggested inflation could fall below 1% early in 2015 and forecast inflation to be still below its 2% target by the end of 2017. While the US is now expected to raise rates around the middle of 2015, the Fed is still indicating a willingness to be patient regarding any rate decision.

Following the rebound from mid-October, volatility returned to equity markets in December. The early calling of a Greek general election with the potential for anti EU and Troika programme parties winning power gave rise to uncertainty and concerns that Greece might exit the Euro and the bailout programme post the election.

Eurozone >5 year bonds rose 4.5%, with German 10 year yields falling to all time historic lows of 0.53% Similarly, peripheral bond spreads continued to narrow on the prospect of bond purchases by the ECB. The Euro fell to 1.21 against the US dollar as additional monetary stimulus by the ECB became more likely. Commodities fell -27.7% (-24.5% in €) with Brent oil down -39.4% (-36.8% in €) as supplies exceeded demand.

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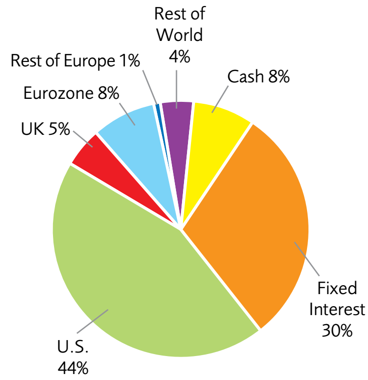
Summit Balanced Fund

Review

Lessons learned in the early part of the Global Financial Crisis stood us in good stead in recent times. One of our investment principles is that we demand financial strength from companies we invest in It also became clear to us, perhaps here more than elsewhere, the importance of having management with a long term orientation, preferably with a lot of their own wealth tied up in the company. This means that management might make mistakes, but at least they will make them for the right reasons, not for short term gain. This thought process has led us to research and ultimately acquire holdings in companies such as Canadian Insurer Fairfax Financial, US Investment Holding Company Berkshire Hathaway and Canadian Infrastructure Investment Company Brookfield. These contributed handsomely during the fourth quarter.

Stock prices may get above the valuation range we view as reasonable and over the course of the quarter we took the opportunity to sell such companies, while adding new companies that we felt were attractive. At year end we owned a diversified portfolio of 87 companies with the top 10 names representing circa 26% of the portfolio



Equity Sector Distribution	%
Berkshire Hathaway	2.24%
Owens Corp	2.13%
DCC	1.97%
Fairfax	1.79%
Sysco Corp	1.64%
Nike Inc	1.55%
Markel Corp	1.51%
Oshkosh Truck	1.36%
Brookfield Asset	1.35%
Lancashire	1.25%

Top 10 Holdings	%
Financial	21.0%
Technology & Telecomms	19.0%
Consumer Cyclicals	11.2%
Energy	10.9%
Pharmaceuticals	10.5%
Consumer Staples	8.4%
Industrial Services	5.9%
Industrial Commodities	5.2%
Capital Goods	4.6%
Utilities	3.2%

Bid/Exit price at 31/12/2014

264.00

***Past Performance**

1 Year – 11.06
2 Years – 9.36
5 Years – 6.43
10 Years – 3.93

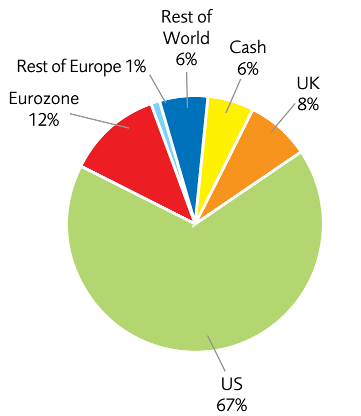
Source Moneymate ©

Summit Growth Fund

Review

During the final quarter of 2014 we also took some profits in the Healthcare sector, deploying the proceeds (circa 2% of the Fund) into Energy, leaving us modestly underweight Healthcare.

On the other hand the Energy sector has been extremely weak, essentially due to the fall in the oil price. We accept we have no ability to forecast the oil price, but we believe that our Energy related holdings are relatively strongly positioned, with solid balance sheets and strong managements. Also importantly we believe that they are now trading at prices which should deliver good returns over the long term.



Equity Sector Distribution	%
Berkshire Hathaway	3.31%
Owens Corp	3.15%
DCC	2.90%
Fairfax Financial	2.72%
Sysco Corp	2.47%
Markel Corp	2.34%
Nike Inc	2.24%
Oshkosh Truck	2.16%
Brookfield Assets	2.05%
Lancashire Holdings	1.95%

Top 10 Holdings	%
Financial	21.0%
Technology & Telecomms	18.9%
Consumer Cyclicals	11.6%
Energy	10.8%
Pharmaceuticals	10.5%
Consumer Staples	8.1%
Industrial Services	5.9%
Industrial Commodities	5.2%
Capital Goods	4.7%
Utilities	3.2%

Bid/Exit price at 31/12/2014
286.40

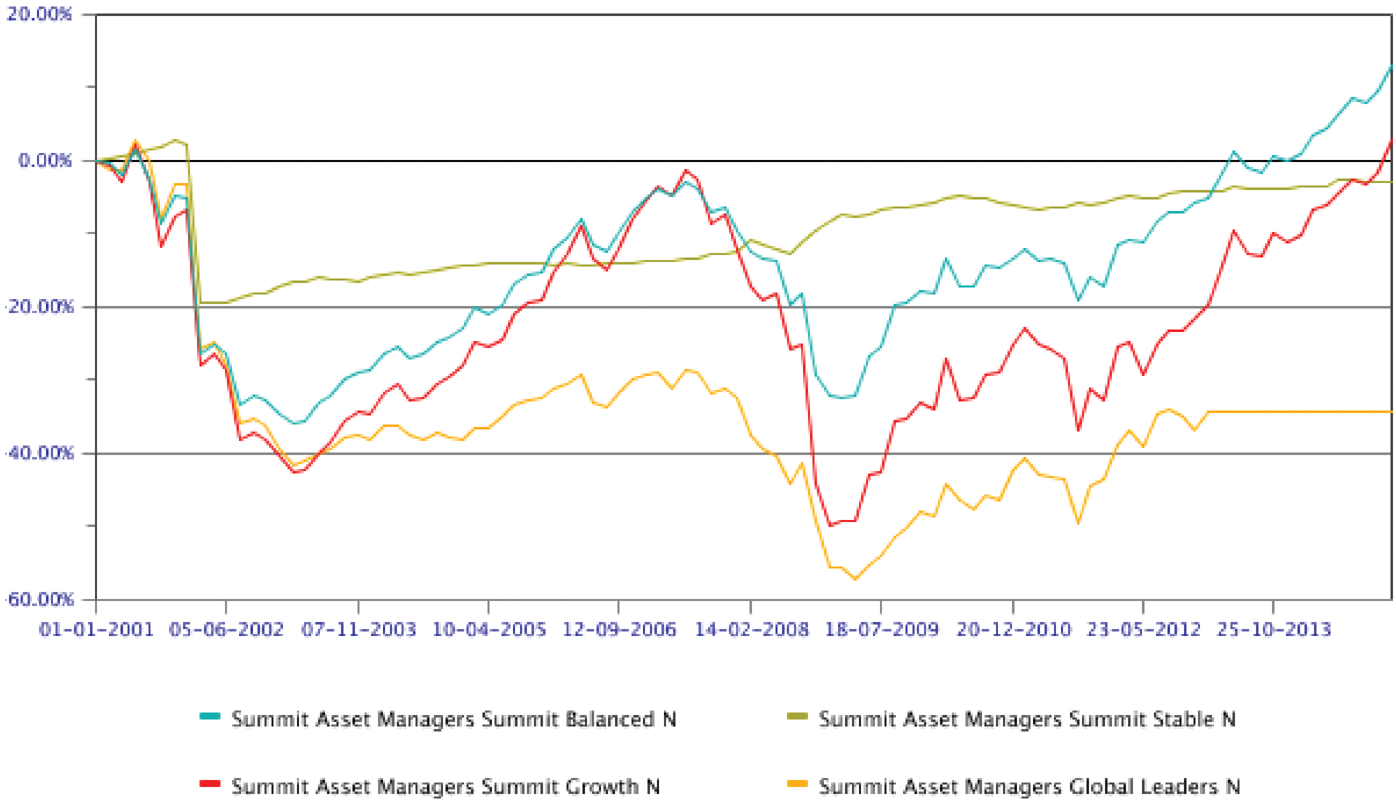
***Past Performance**

1 Year – 11.52
2 Years – 14.27
5 Years – 8.56
10 Years – 3.63

Source Moneymate ©

Fund Performance

Performance Report - Performance - 01/01/2001 to 01/01/2015



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

Investment Outlook

Equity markets continue to be supported by a number of factors. Fundamentals in terms of a modestly improving global economic environment and rising earnings are positive. Iinflation and interest rate backdrop provide scope for some further rise in valuation multiples. Equities remain extremely attractive relative to other asset classes, particularly bonds.

Monetary policies remain accommodative with central banks' balance sheets continuing to expand, even after the ending of QE3 in the US while expectations for the timing of interest rates rises are being pushed out.

Flows into equities have been positive and are expected to remain so. Corporate management remain disciplined and maintain a focus on shareholder value.

Further gains of around high single digit returns from global equities are possible in 2015 and if the Euro continues to weaken, gains could be higher in Euro terms.

Markets however could be more volatile than they have been in recent years. The outlook for growth in China and perceived risks of deflation if inflation expectations fail to rise, potentially giving rise to periods of anxiety and volatile movements in markets from time to time.

Recent concerns related to uncertainties in Greece and Russia high-light this potential for increased volatility in markets. The calling of an early Greek general election with the potential for anti EU and Troika programme parties winning power gave rise to uncertainty and concerns that Greece might exit the Euro and the bailout programme post the election. The emergence of a crisis in Russia as the central bank raised interest rates to 17% to protect the currency and fight inflation, combined with the impact of the falling oil price and ongoing economic sanctions gave rise to fears over possible contagion from a severe Russian recession in 2015.

Bond Outlook

The first quarter of 2015 will be dominated by the ECB, but also by recent political uncertainty in Greece. However, while this could contribute to some continued downward pressure on bond yields in the short term, as the US experience shows, markets tend to anticipate such actions and bond yields could rise once the fact is established.

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