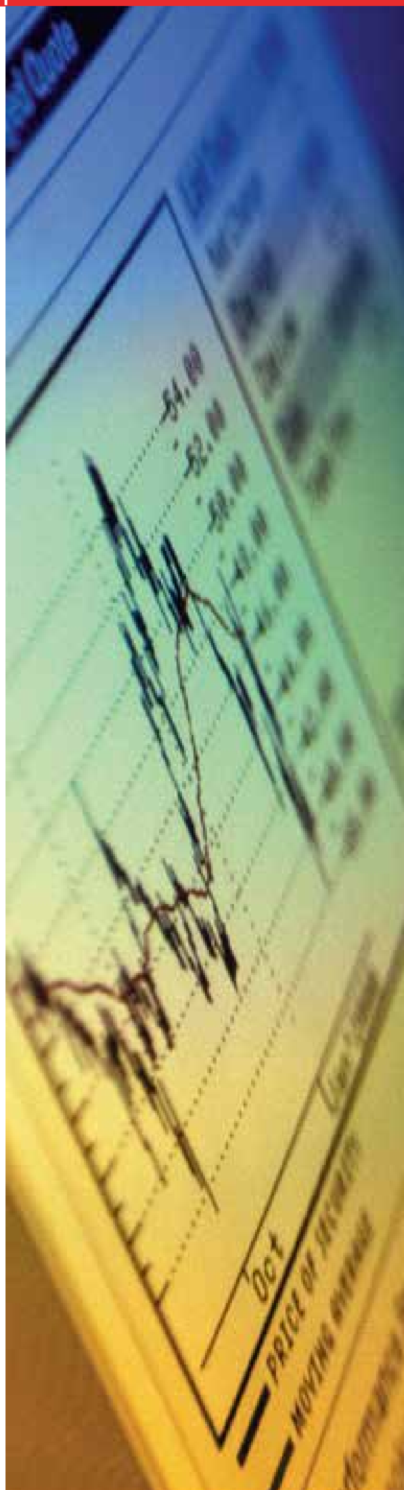
July 2015

Summit Investment Funds

Second Quarter Comment 2015



Markets

The second quarter proved to be a difficult one for investment markets with Eurozone bond markets experiencing significant declines for the first time in a number of years, while equities saw marginal losses in local currency terms. Both bonds and equities saw increased volatility, impacted in particular by developments in relation to Greece's bailout programme negotiations, global economic news flow and expectations regarding global central bank policy actions.

Earnings reporting seasons relating to Q1 surprised positively and were 6%, 11% and 4% ahead of expectations in the US, Europe and Japan respectively. Following a six month period of earnings downgrades, mainly centred on the energy and materials sectors given weaker oil and commodity prices, earnings forecasts were upgraded post the reporting season with forecasts in Europe seeing upgrades for the first time in four years.

Central banks continued to have a significant impact on markets. The ECB emphasised on a number of occasions that it intends to fully complete the asset purchase programme. In the US, given the softer economic data in the earlier part of the year, expectations for the first US interest rate rise were pushed out to December 2015. In the UK, a more hawkish tone in the quarterly Inflation Report pulled forward expectations for the timing of the first UK rate rise to Q2 2016. Elsewhere, a combination of weak growth and low inflation led to further interest rate cuts in a number of countries including Russia, China and Sweden with the latter also increasing the level of asset purchases it is undertaking.

Bond markets, particularly those in the Eurozone experienced significant losses through the quarter. With inflation levels globally beginning to trough as oil prices bottomed in February, previous fears of deflation began to ease, contributing to higher bond yields. Tentative signs of higher wage growth in some regions and the general improvement in economic data through the quarter also helped to push yields higher. Eurozone peripheral bond spreads also widened through the quarter on contagion fears relating to the Greek uncertainties. Eurozone >5 year bonds fell -8.5%. German 10 year yields fell to an all-time low of 0.05% in mid-April only to reach a high of 1.06% in early June as economic data improved, deflation fears eased and demand/supply conditions deteriorated. By quarter end, German 10 year yields had fallen back to 0.76%, benefiting late in the quarter from a flight to safety relating to developments in Greece. Having troughed in March at just over 90bps, Eurozone peripheral bond spreads against Germany rose through the quarter as Greek tensions escalated giving rise to fears of contagion to other peripheral markets.

Despite uncertainties relating to Greece, the Euro rose to 1.114 against the US dollar as expectations for the first US interest rate rise were pushed out to December and the Fed suggested a more gradual pace of tightening than it had previously been indicating. Commodities rose 8.7% (4.8% in €). Brent oil rose 15.4% on expectations of reduced US shale oil production in the second half of 2015 following the sharp fall in oil related investment spending in the US through the first half of the year.

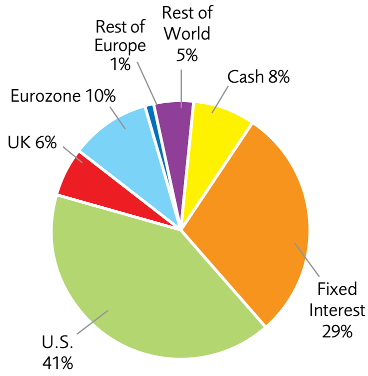
Summit Balanced Fund

Review

Leucadia was up 5% during the quarter. Leucadia is an investment vehicle, something like Berkshire Hathaway without the insurance business. They buy and sell financial assets with a value investment philosophy. Leucadia was added to the portfolio in late 2011 when the holding company had a Price to Tangible Book of less than 1. This price meant we paid little for the exceptional investment track record that the two Founders had developed; having grown the book value of the company by a CAGR of 19.6% per annum from 1978 to 2010.The Founders of the company, Ian Cumming and Joseph Steinberg, owned 19% of the company between them at time of our initial investment. During the quarter Leucadia now under new management announced 1st Quarter results and additional long-term value investments.

Equity Sector Distribution	%
Telecomms & Technology	18.7%
Pharmaceuticals	11.1%
Energy	10.5%
Consumer Cyclicals	10.7%
Consumer Staples	8.0%
Industrial Services	5.8%
Industrial Commodities	5.6%
Capital Goods	4.5%
Utilities	3.1%

Top 10 holdings	%
DCC	2.84%
Owens Inc	1.92%
Nike Inc	1.85%
Fairfax	1.78%
Berekshire Hathway	1.77%
Markel Corp	1.75%
CRH	1.63%
Leucadia Natl Corp	1.61%
Sysco Corp	1.54%
Brookfield Asset	1.50%



Bid/Exit price at 30/06/2015
274.80

***Past Performance**
1 Year – 11.17
2 Years – 10.01
5 Years – 7.26
10 Years – 3.71

Source Moneymate ©

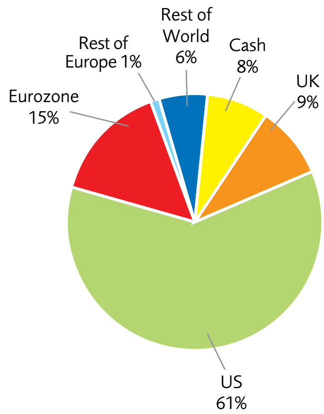
Summit Growth Fund

Review

Dragon Oil gained 26% during the quarter. It has been part of the fund since early 2013. It was purchased based on its valuation and its ability to grow its oil production and reserve capacity. Although, relatively small for an oil company Dragon has a number of potential lucrative aspects to its business that we felt made the company rather undervalued. Dragon Oil Dragon benefits from low production costs in Turkmenistan as well as having potentially valuable exploration assets across North Africa and Middle East. Dragon Oil is conservatively managed with $2bn cash balance available to purchase assets at cheap prices. However, the most significant factor behind the performance in the quarter is that the majority owner of Dragon Oil, the Emirates National Oil Company, announced an offer for the company.

Equity Sector Distribution	%
Financial	22.0%
Telecomms & Technology	18.5%
Pharmaceuticals	11.1%
Consumer Cyclicals	10.8%
Energy	10.3%
Consumer Staples	8.0%
Industrial Commodities	5.8%
Industrial Services	5.7%
Capital Goods	4.9%
Utilities	3.1%

Top 10 holdings	%
DCC	4.07%
Owen Inc	2.94%
Markel Corp	2.66%
Fairfax Financial	2.64%
Nike Inc	2.60%
Berkshire Hathaway	2.53%
CRH	2.41%
Leucadia Natl Corp	2.38%
Sysco Corp	2.25%
Brookfield Assets	2.22%



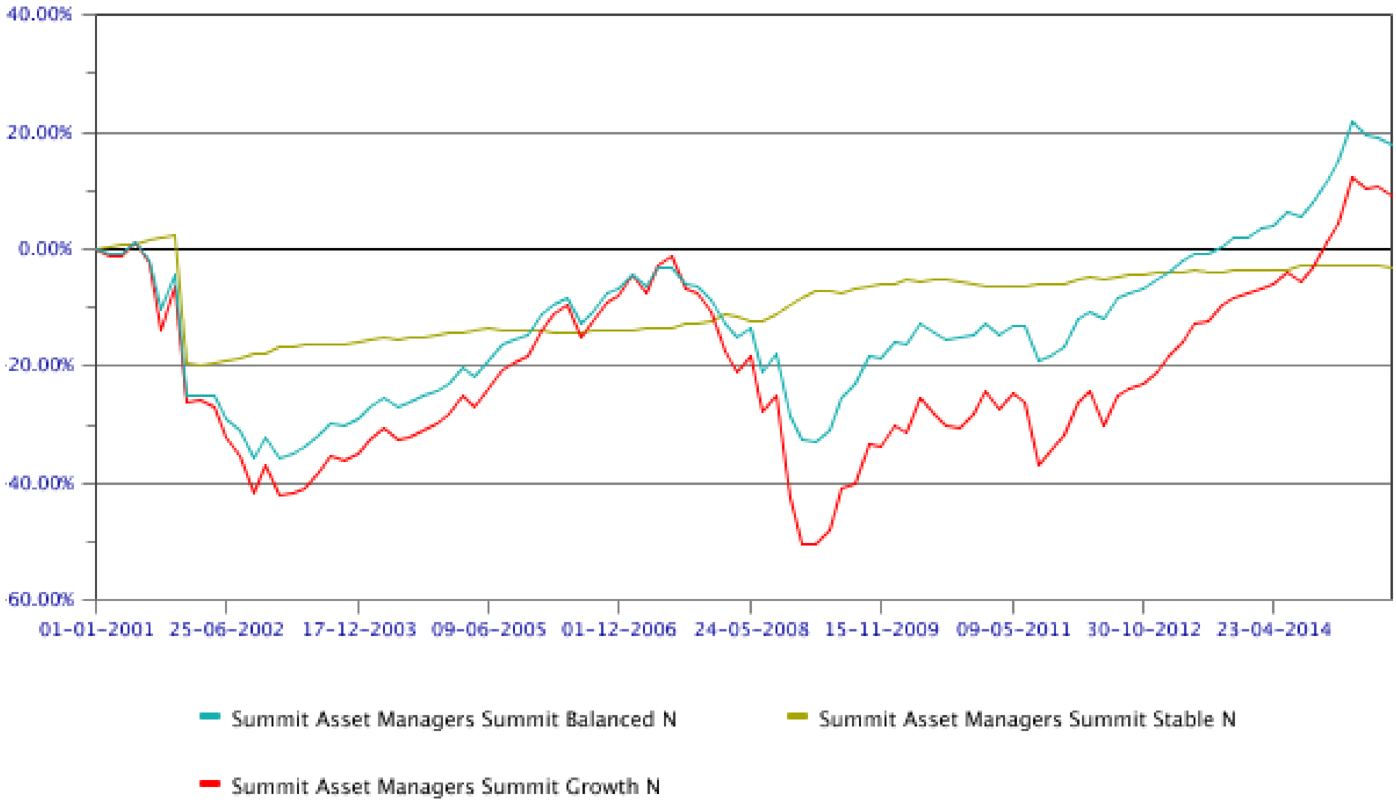
Bid/Exit price at 30/06/2015
304.20

***Past Performance**
1 Year – 14.22
2 Years – 13.78
5 Years – 9.96
10 Years – 3.50

Source Moneymate ©

Fund Performance

Performance Report - Performance - 01/01/2001 to 01/07/2015



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 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. Equity valuations are not stretched and are around fair value based on historic averages although the economic, inflation 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, facilitated by ongoing low levels of inflation. Numerous central banks have also cut interest rates in recent months, facilitated by low inflation and oil prices.

Flows into equities have been positive and are expected to remain so given switching by investors into what is seen as an attractive asset class which should continue to benefit from improving fundamentals and better growth while corporate managements remain disciplined and maintain a focus on shareholder value. 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, with issues such as the exact timing of rate rises in the US and UK, political uncertainties and election cycles across Europe and the outlook for growth in China, all potentially giving rise to periods of anxiety and increased volatility in markets from time to time.

Recent concerns related to political developments in Greece highlight this potential for increased volatility in markets. The 'No' vote in the Greek referendum has given rise to fears of a possible Greek exit from the Euro and concerns over possible contagion to other peripheral markets. A compromise is still possible although now appears more difficult to achieve while the probability of a Greek Euro exit has risen post the referendum result. An ultimate agreement and compromise would be positive for markets if reached. In the event of a 'Grexit; given Greece's relatively small size both in a European and global context, we believe the economic and fundamental impact from any significant deterioration in the Greek economic environment is limited. Contagion risks relate more to concerns over potential risks posed to the Eurozone and Euro itself. If a 'Grexit' does occur, we would expect a policy response from the ECB and Eurozone members to limit any contagion to peripheral markets and the Eurozone in general. As a result we would expect any sell off in equities in the event of a 'Grexit to be relatively small and short lived.