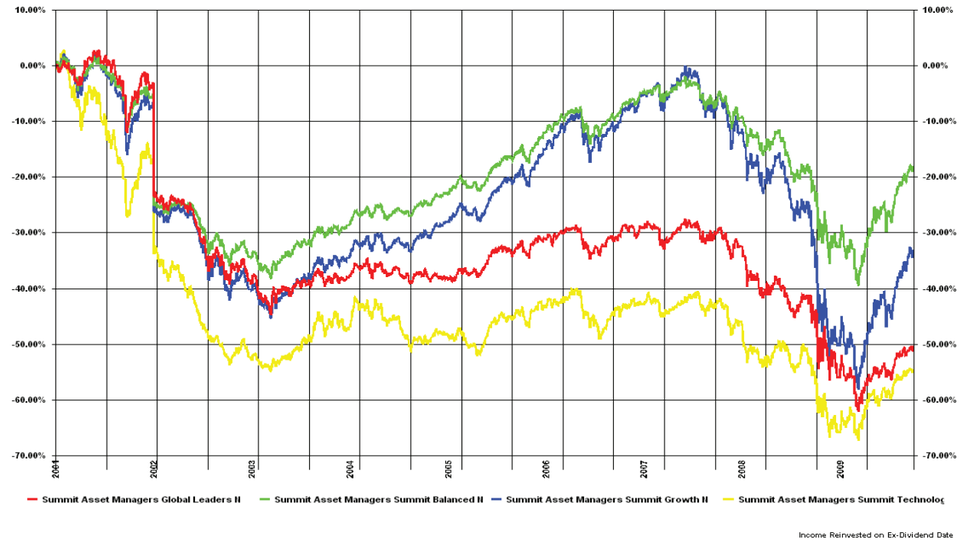
Fund Performance

Performance Report - 01 Jan 2001 to 01 Oct 2009



Outlook

Although there had been signs that the advanced economies had been slowing prior to the Lehman crisis, it was not until afterwards that the global economy came to a halt and exports plunged sharply. The IMF predicts that the global economy will contract by 1% in 2009, which will be the first global contraction since it started to collate this data in 1980. However - with the help of unprecedented amounts of both monetary and fiscal policy global trade has improved, led by a recovery in the emerging markets. It is expected that growth will rebound sharply for the remainder of 2009 as the effects of the fiscal stimulus boost economic activity, while the rebuild to inventories levels will also help. However - once these factors have eased the sustainability of this recovery remains uncertain. A recent IMF study showed that the recovery from recessions that are a result of a financial crisis tend to be slower and more prolonged. Even Ben Bernanke acknowledged that while the recession in the US may be over, any expansion may be lacklustre as the consumer pays back debt and recovers from the sharp decline in wealth. Leverage is shifting over the past few months from the private sector to the public sector and governments have taken on more debt to provide stimulus packages, while central bank balances sheets have been expanding to provide liquidity into the financial system. These strategies have proved successful in curbing the economic decline and restoring confidence in the banking system. However - this means that any future policies resources are now limited, while the timing and the speed of any exit strategy also remains a risk.

This more subdued recovery will mean that companies will have to adjust to a lower level of earnings growth than seen in the previous cycle. However - companies have clearly started to make this transition through the extensive restructuring programs to their cost base, which has led to a sharp rise in unemployment rates and lower wage growth in many advanced economies. But this reduction in corporations cost base will position companies well to return to profitability even in a sub par economic growth environment and hence allowing positive earnings growth and equity market returns albeit at lower levels than seen in the previous cycle.

If you have any further enquiries please do not hesitate to contact EBS Savings and Investments on 01 665 8027.

DISCLOSURE:-

Irish Life Investment Managers Limited is authorised by the Financial Regulator. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.
Summit Asset Management is regulated by the Financial Regulator.

ILA 5730 (REV 11-09)

October 2009

Summit Investment Funds

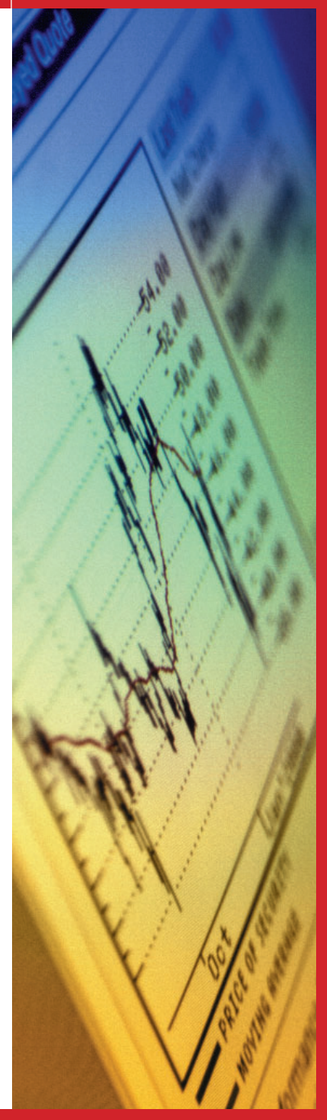
Quarterly Review

Markets

Equity markets continued to rebound from the lows set in March of this year. Through the third quarter, economic releases continued to surprise positively across various data points such as employment, manufacturing output, consumer and business confidence, manufacturing orders and housing, all of which gave greater confidence in the strength of the economic rebound. Confirmation by central banks and monetary authorities that the low interest rate environment would be maintained and that easy liquidity conditions and various market support measures would remain for the foreseeable future also added to the belief that the economic recovery could continue and the chances of a double dip were receding. Earnings upgrades were a feature across most markets in contrast to the earlier part of the year when analysts were still downgrading estimates in response to the economic and financial crisis.

The earnings season in the US surpassed expectations by over 9% with much of the beat coming from cost reductions. Money began to move back into equity markets as confidence returned. Bond markets were supportive of equity markets as yields stayed low despite the backdrop of large supply coming through while credit spreads tightened across various high yield and investment grade bond markets as default fears eased. Through the quarter most major markets were significantly stronger. The UK rose 21.3%, Europe 20.7%, Pacific Basin 18.1% and US 15.0%. Japan was the exception among major markets, falling 2.1%. Ireland rose 23.7% as the broad terms of the NAMA legislation in relation to the purchase of assets from the banks were announced which led to rebounds in the financial stocks. Some domestic commentators also became more positive on the outlook for GDP in Ireland for 2010 and 2011, suggesting growth of up to 4% in 2011.

All sectors were up during the quarter. Financials were the best performing sector as capital concerns were eased post the conclusion of the stress tests in the US and it was accepted that individual banks were likely to survive and continue to operate whereas in the first quarter the belief was that many would collapse or be nationalised. As asset markets improved, write backs became evident while some banks indicated there was evidence that credit charges on loans books were beginning to stabilise. Industrials and commodity stocks also outperformed as confidence grew regarding the level of the economic recovery. Underperformers were dominated by defensives such as utilities, telecoms and healthcare as investors switched into more cyclical areas of the market.



Summit Balanced Fund

Review

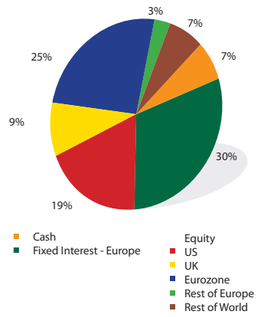
The fund ended the quarter with
Investment Balanced 30% Bonds, 63%Equities, 7% cash

Stocks which were bought during the quarter included **Societe Generale**, the French bank given its exposure to the relatively safe French economy, benefits from early deleveraging in investment banking, strong pre provision earnings and undue concerns over its loan exposure in central and Eastern Europe which we believe is of higher quality than the market suggested. **Ryanair** was purchased given its superior cost and fare structure, strong balance sheet which facilitates fleet expansion, falling airport and handling costs and ongoing growth opportunities in terms of developing new routes.

Positions which were sold included **Commerzbank, Banco Santander, Eaton Corp,** a power management company and **Daimler**.

Equity Sector Distribution	%
Financial	26.7%
Industrial	12.8%
Food, Retail and Misc	10.8%
Technology &Telecomms	10.7%
Consumer Staples	9.7%
Energy	9.1%
Pharmaceuticals	8.6%
Capital Goods	7.1%
Utilities	4.6%

Top 10 Holdings	%
CRH	2.56%
RYANAIR	1.06%
E.ON	0.75%
HSBC	0.75%
TELEFONICA	0.73%
BP	0.70%
KERRY GROUP	0.69%
BANK OF IRELAND	0.65%
UNICREDITO	0.61%
BNP PARIBAS	0.60%



Bid/Exit price at 30/09/09
190.8c

***Past Performance**
1 Year — 6.03%
2 Year — -6.48%
5 Year — 1.78%
10 Year — -0.60%

Source: Moneymate © Annualised Performance

Summit Growth Fund

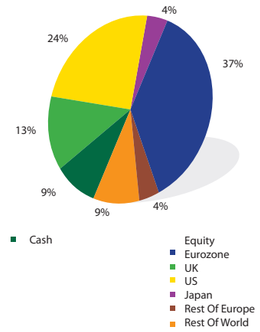
Review

During the quarter we bought **McDermott Intl**, an engineering company in the power and energy space given its strong balance sheet and stability from government contracts and power generation operations. A more stable oil price environment and falling costs are likely to lead to more offshore oil and gas contracts being signed. **Adidas** was purchased given potential in emerging markets, margin improvements, cost restructuring and increased sales through direct channels which reduces the dependence on third party retailers which have squeezed margins.

Positions which we sold were **Goodyear Tire, Whirlpool, Friends Provident, Randstad** the temporary staffing provider.

Equity Sector Distribution	%
Financials	19.30%
Food Retail and Misc	17.31%
Industrial	13.68%
Telecomms and Technology	11.03%
Consumer Staples	9.62%
Pharmaceuticals	8.68%
Energy	8.58%
Capital Goods	7.45%
Utilities	4.34%

Top 10 Holdings	%
CRH	3.88%
Ryanair	1.63%
Novartis	1.14%
E On AG	1.13%
HSBC	1.04%
Telefonica	1.03%
Kerry Group	0.99%
Bank of Ireland	0.98%
Allied Irish Bank	0.90%



Bid/Exit price at 30/09/09
185.70c

***Past Performance**
1 Year — 0.65%
2 Year — -15.28%
5 Year — -0.74%
10 Year — -2.04%

Source: Moneymate © Annualised Performance

Summit Global Leaders Fund

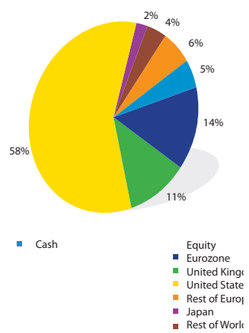
Review

During the quarter we bought **Samsung Electronics,** the Korean technology and electronics company. It dominates competitors globally in terms of marketing, product leadership, costs and technological capabilities. It has strong growth potential in a number of markets such as LCD TV's where it has a secure in house supply of LCD panels. A cyclical upturn in the semiconductor business is also possible which would reduce volatility of earnings. We also bought **Google** given improving prospects for revenue growth with increasing advertising budgets and the possibility of improving click growth. Cost cuts should improve margins while recent innovations in its search business should also benefit.

We sold **Schlumberger**, the oil services company and **Abbott Laboratories**, the pharmaceuticals company

Equity Sector Distribution	%
Telecomms and Technology	27.14%
Energy	18.35%
Pharmaceuticals	12.89%
Consumer Staples	12.01%
Financials	13.47%
Food Retail and Misc	8.70%
Capital Goods	4.19%
Industrial	3.25%

Top 10 Holdings	%
EXXON MOBIL	5.23%
HSBC	3.24%
MICROSOFT	3.20%
GENERAL ELECTRIC	2.77%
J P MORGAN	2.76%
PROCTER & GAMBLE	2.67%
JOHNSON & JOHNSON	2.65%
BP	2.61%
APPLE COMPUTERS	2.59%



Bid/Exit price at 30/09/09
77.6c

***Past Performance**
1 Year — -11.59%
2 Year — -15.97%
5 Year — -4.52%
10 Year — N/A

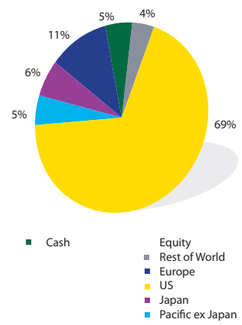
Source: Moneymate © Annualised Performance

Summit Technology Fund

Review

Over the quarter the technology sector rose approx 11.2% in Euro terms. **Apple** rose 30.1% as it launched a new range of i phone products and is set to benefit from accounting changes which will bring forward revenue and profit recognition and saw improved sales forecast for its PC operations. **EMC**, the IT storage system provider, rose 30.0% as it indicated it thought the worst of the recession was over and pressure on IT budgets was easing which could lead to opportunities for the company in 2010. It said it had better visibility and was more confident about the outcome in the second half of this year while it is set to benefit from a refresh of its product portfolio and restructuring.

Top 10 Holdings	%
MICROSOFT	8.20%
IBM	7.86%
HEWLETT PACKARD	6.98%
SAMSUNG	5.14%
Oracle	5.06%
APPLE	4.97%
Google	4.53%
Intel	4.51%
Cisco Systems	4.46%
Qualcomm	3.90%



Bid/Exit price at 30/09/09
67.30c

***Past Performance**
1 Year — 1.98%
2 Year — -11.25%
5 Year — -2.03%
10 Year — N/A

Source: Moneymate © Annualised Performance