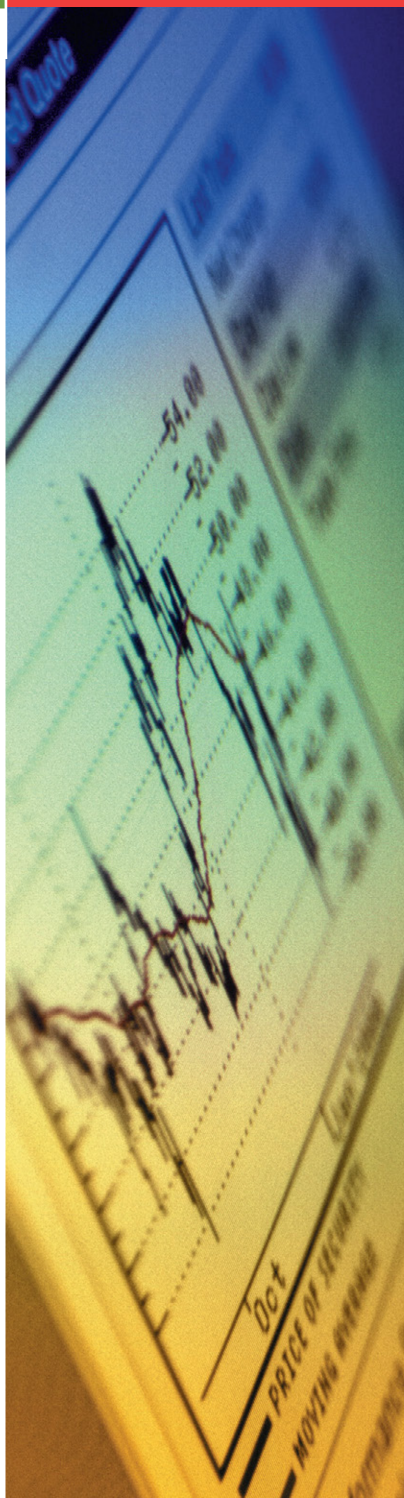
October 2019

Summit Mutual Funds

Third Quarter 2019



Both global equities and bonds rose during the quarter with bonds in particular posting strong gains. Despite another mid quarter correction associated with renewed escalation in trade tensions between the US and China, equity markets recovered from their lows as global central banks again provided relief by adopting more accommodative monetary policy stances to offset the increasing risks to global growth. Bonds similarly benefited from continued loosening of monetary policy and from the general deterioration in the economic outlook and persistence of low inflation.

On the political front, developments on Brexit impacted UK assets but the spill over to global markets tended to be limited. The announcement that Democrats in the US House of Representatives were considering a possible impeachment of President Trump, had little impact on markets as the consensus view is that even if formal impeachment proceedings begin, the Senate is unlikely to remove Trump from office. In Italy 10 year spreads against Germany fell sharply to 139bps as a new more EU friendly coalition was formed and the ECB announced asset purchases would recommence in November. Spanish and Portuguese 10 year spreads also fell to 72bps and 73bps respectively on the back of the ECB's announcement on asset purchases.

Over the quarter, the MSCI AC World equity benchmark rose 1.2% (4.6% in €). Japan rose 3.6% (7.9% in €) as a trade deal was agreed in principle with the US which is expected to avoid the imposition of auto tariffs. Suggestions by the Bank of Japan that it could loosen monetary policy further also provided support. Europe rose 2.5% (2.9% in €) with the weaker Euro boosting exporters while additional monetary policy measures announced by the ECB were also supportive.

The Pacific Basin ex Japan fell -2.5% (-1.0% in €) with Hong Kong in particular being weak on the back of social unrest while the region was also negatively impacted by weaker economic releases towards month, much of this associated with the ongoing trade tensions. Emerging markets fell -1.9% (+0.2% in €) due to the perceived risks to global trade related to renewed escalation of trade tensions while further US dollar strength was also a negative drag for emerging market assets.

Commodities fell -4.2% (+0.1% in €). WTI oil fell -7.5% despite the sharp spike in September associated with the attack on Saudi oil facilities. These gains were quickly reversed as it was reported that Saudi production would recover much more quickly than initially anticipated. Oil and commodities in general were negatively impacted during the quarter by the deteriorating demand backdrop due the weakening global growth environment.

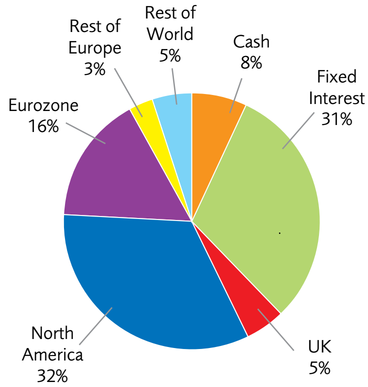
Summit Balanced Fund

Review

Nike's sales momentum has continued as their product portfolio has resonated with consumers in all geographies. Recent results surpassed expectations sending the stock higher in the quarter.

Equity Sector Distribution	%
Communication Services	4.40%
Consumer Discretionary	11.60%
Consumer Staples	10.14%
Energy	5.30%
Financials	18.95%
Health Care	12.95%
Industrials	10.41%
Information Technology	17.59%
Materials	5.28%
Utilities	3.37%

Top 10 holdings	%
Microsoft	2.13%
Berkshire Hathaway	1.97%
DCC	1.76%
Federation Investments	1.69%
Lancashire Holdings	1.67%
Johnson Ctl	1.47%
Melrose Industrial	1.47%
Keysight Tech	1.36%
Oracle	1.27%
Nike Inc	1.24%



Bid/Exit price at 30/09/2019
237.00

***Past Performance**
1 Year – 4.13
2 Years – 5.19
5 Years – 6.40
10 Years – 6.74

Source Moneymate ©

Summit Growth Fund

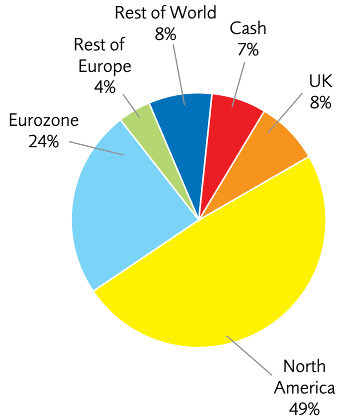
Review

Keysight had strong quarterly results, which more than helped offset concerns over tariff wars between the US and China, with fears of exposure to Huawei products being banned in many countries globally. 5G continues to be a significant tailwind and the long tail in 4G continues to surprise on the upside.

After six quarters of showing improving revenue and earnings, **Ericsson** had a slight stumble in Q2 2019 as higher costs associated with 5G field trials with customers held back profitability. These field trials are part and parcel of investing for growth, so while they are a short term pain we think they could help position the company very well for the pending arrival of 5G. Investors were also spooked to read the potential material impact from an SEC investigation into foreign corrupt practices in six countries stretching as far back as 2011.

Equity Sector Distribution	%
Communication Services	4.33%
Consumer Discretionary	11.54%
Consumer Staples	9.79%
Energy	5.19%
Financials	19.20%
Health Care	12.83%
Industrials	10.58%
Information Technology	17.77%
Materials	5.43%
Utilities	3.35%

Top 10 holdings	%
Microsoft	3.22%
Berkshire Hathaway	3.13%
DCC	2.75%
Lancashire Holdings	2.55%
Federate Investment	2.55%
Melrose Indust	2.33%
Johnson Ctls	2.27%
Keysight Tech	2.16%
Oracle	2.00%
GPE Bruxelles	1.96%



Bid/Exit price at 30/09/2019
254.40

***Past Performance**
1 Year – 2.79
2 Years – 6.33
5 Years – 8.67
10 Years – 8.64

Source Moneymate ©

Summit Global Leaders Fund

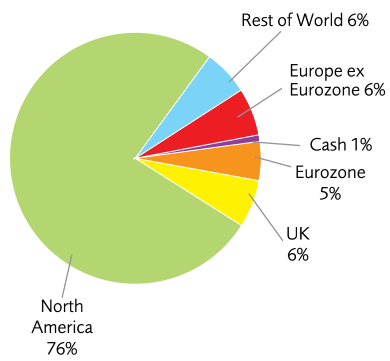
Review

Taiwan Semiconductor, the Taiwanese technology company, rose +14.7% (lc) in the quarter. The company reported a strong rebound in sales in June and this momentum followed through into the third quarter. The chip making industry had been impacted by slowing demand for semiconductors and persistent trade tensions between the US and China.

Procter & Gamble, the US consumer staples company, climbed +14.2% (lc) in the period. The company grew sales in the three months to June at the fastest pace in 13 years. All five main divisions were able to raise prices for their products as its strategy of refocusing on successful brands bore fruit.

Equity Sector Distribution	%
Communication Services	11.78%
Consumer Discretionary	9.16%
Consumer Staples	12.73%
Energy	8.86%
Financials	5.90%
Health Care	16.71%
Industrials	1.76%
Information Technology	32.01%
Materials	1.09%

Top 10 holdings	%
Microsoft	8.74%
Apple	7.96%
Amazon	5.97%
Facebook	3.63%
Alphabet Inc	3.09%
JP Morgan	3.09%
Johnson & Johnson	2.97%
Nestle	2.91%
Visa Inc	2.65%
Proctor & Gamble	2.60%



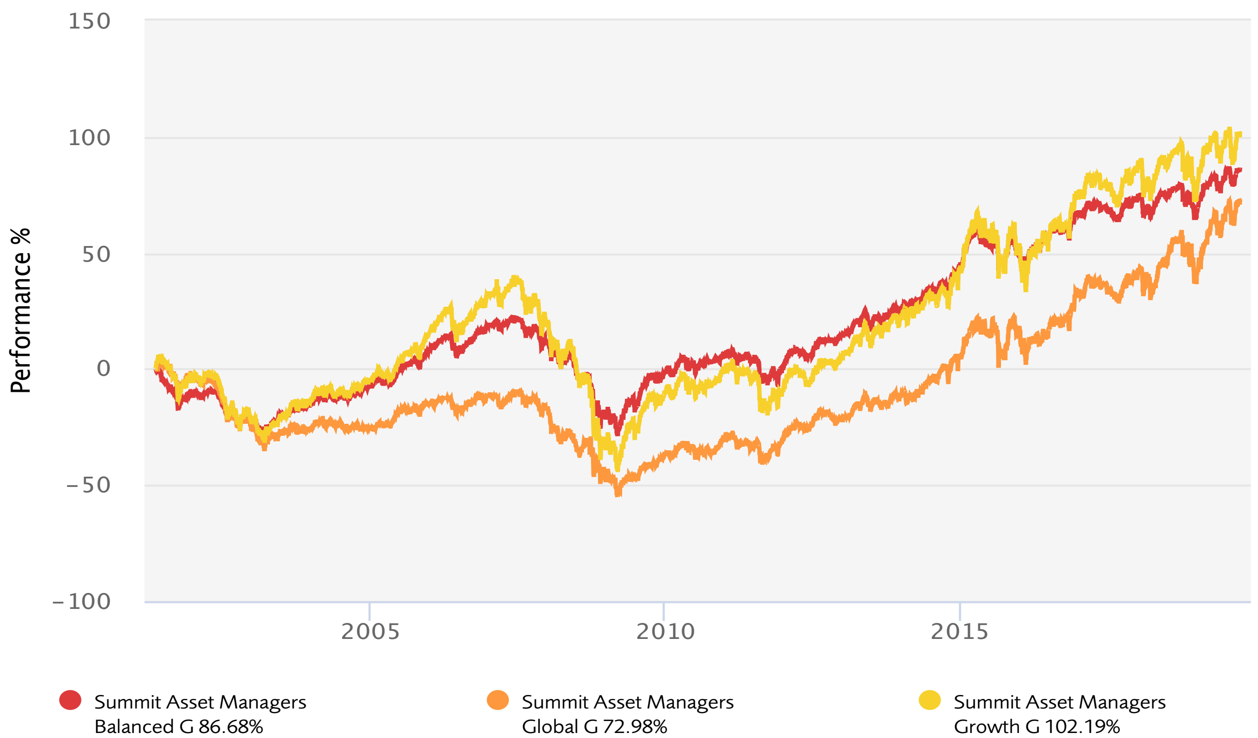
Bid/Exit price at 30/09/2019
219.40

***Past Performance**
1 Year – 9.57
2 Years – 13.84
5 Years – 11.15
10 Years – 11.28

Source Moneymate ©

Fund Performance

Performance Report - Performance - 06/05/2001 to 01/10/2019



Longbboat Anayytics

Investment Outlook

In terms of the outlook for equity markets over the next twelve months, much will depend on developments in the global economy. The level of monetary policy support provided by global central banks and the potential for the introduction of fiscal stimulus. Global growth surprised to the upside in Q1 at 3.0% annualised.

However, recent weakness in activity and sentiment readings suggest growth in the remainder of the year will be slower with growth in the second half of the expected to be close to 2.3%, well below long term trend growth of 2.7%.

Overall, given current valuation levels, risks of earnings downgrades and ongoing uncertainty over the economic outlook we believe equity markets offer limited upside on a twelve month view with risks skewed to the downside. More accommodative monetary policy from global central banks could provide support to markets although with the exception of the US Fed, policy space appears relatively limited at most other major central banks.

A final resolution of the trade war or introduction of significant fiscal stimulus programmes could also support growth and hence equity markets although we believe neither of these are imminent. In contrast, continued deterioration in the global economic outlook and increasing risk of recession could contribute to renewed falls in equity markets.

While equity markets could end up being relatively close to current levels in twelve months' time if consensus forecasts for global economic and earnings growth prove to be correct, we believe risks to both are skewed to the downside and hence the risks to equity markets are also seen as being biased to the downside. Given continued uncertainty associated with key issues which are expected to be important drivers of equity markets, we also believe that volatility will remain a feature in markets over the next twelve months potentially resulting in large swings in equities over the next year.