



September 2025 in review

Summit Mutual Funds

Summit Mutual Funds plc is authorised in Ireland
and regulated by the Central Bank of Ireland

Helping people build
better futures

MARKET REVIEW

MARKET ROUND-UP

Market Review

Global stock markets rose further in September amid an improving economic backdrop, optimism around AI and monetary easing from the Fed. The central bank cut its policy rate by 25bps due to softness in the labour market, but guidance around further rate cuts was more cautious than market expectations. European bond yields rose as strong data weakened the case for European Central Bank (ECB) rate cuts, while French spreads widened as political risk lingered. The US dollar fell against the euro as easier policy from the Fed contrasted with the ECB's stance; the latter kept its policy rate unchanged during the month.

Equities

Global stock markets rose in September, supported by further expected monetary easing from the Fed and resilient economic conditions. The MSCI All Country World index ended the month up by 3.7% (3.3% in euros), with the MSCI USA reaching new historical highs as it also rose by 3.7% (3.3% in euros) amid optimism around the AI theme, Fed rate cuts and an improving economic backdrop. The MSCI Emerging Markets (EM) index rallied by 7.1% (6.8% in euros), supported by strong rallies in the MSCI China (9.6% in local terms, 9.4% in euros) and MSCI Taiwan (9.1% in local terms, 9.0% in euros), partly due to a strong liquidity backdrop and the ongoing expansion in AI capex. European stocks were supported by robust activity data, with the MSCI Europe ex-UK higher by 1.8% (1.8% in euros) in September.

Bonds

Eurozone government bond returns were positive, with the ICE BofA 5+ Year Euro Government Bond index returning 0.7%. The 10-year German Bund yield was unchanged for September at 2.71%, while continued political uncertainty in France pushed up the equivalent government bond yields by 2bps to 3.53%.

MARKET SNAPSHOT

Market returns (EUR)

Equity Markets (EUR)	QTD Return (%)	YTD Return (%)	2024 Return (%)
MSCI Ireland	2.0	22.4	22.8
MSCI United Kingdom	5.8	11.3	14.7
MSCI Europe ex UK	2.9	13.5	7.7
MSCI North America	8.1	1.7	32.9
MSCI Japan	8.1	6.7	15.9
MSCI EM (Emerging Markets)	10.8	13.0	15.3
MSCI AC World	7.6	4.8	25.9
10-Year Yields	Yield last month	2024 Yield (%)	2023 Yield (%)
US	4.15	4.57	3.88
Germany	2.71	2.35	2.02
UK	4.70	4.56	3.54
Japan	1.63	1.09	0.61
Ireland	2.95	2.63	2.38
Italy	3.53	3.51	3.69
Greece	3.39	3.23	3.06
Portugal	3.11	2.84	2.66
Spain	3.26	3.04	2.99
FX Rates	End last month	2024 Rates	2023 Rates
U.S. Dollar per Euro	1.18	1.04	1.10
British Pounds per Euro	0.87	0.83	0.87
U.S. Dollar per British Pounds	1.35	1.25	1.27
Commodities (USD)	QTD Return (%)	YTD Return (%)	2024 Return (%)
Oil (Brent)	-0.9	-10.2	-3.1
Gold (Oz)	16.6	46.1	27.1
S&P Goldman Sachs Commodity Index	4.1	6.1	9.2

Source: ILIM, Bloomberg. Data is accurate as at 1 October 2025.

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MARKET OUTLOOK

Irish Life Investment Managers' (ILIM's) view – looking ahead

The fundamental backdrop for global equities on a 12-month view remains positive despite uncertain US policy. The agreement of trade deals provides clarity and helps remove uncertainty. While tariffs are higher than at the start of the year, they are at levels which should avoid a recession. Earnings forecasts have stabilised and show positive growth, consumer balance sheets are strong, ongoing disinflation is expected through 2026 and expected Fed rate cuts and a corporate-friendly stance from the US government should mean a favourable environment for the asset class. Divergence within regional equity performance, however, is likely to remain a feature as policies in the US and the rest of the world are set to remain in flux.

Global equities valuations are above long-term averages, trading on a 12-month forward P/E multiple of 19.4x against a long-term average of 16.2x. However, with a positive growth and earnings backdrop, multiples can remain close to current levels. The 12-month forward P/E for the MSCI USA is 23.0x against a long-term average of 16.5x. Equities outside the US offer better relative value in absolute terms and are trading closer to their long-term average P/E levels. Equities remain expensive against both bonds and cash given the high yields currently available on these assets.

Despite equities appearing fully valued, the outlook on a 12-month view is constructive. With growth expected to remain

positive and US corporates eventually set to benefit from growth-friendly policies from the new administration through 2026, earnings are forecast to rise over the next one to two years, which should be supportive. Additional rate cuts in a positive fundamental backdrop can also contribute to further gains. Over the medium term, the rollout of AI should boost efficiencies and earnings across the whole market and allow equities trade at higher valuation levels. Any short-term volatility in markets is likely to be offset by the above factors, resulting in positive returns on a 12-month time frame.

Sovereign bond yields have been volatile over the past year amid somewhat sticky inflation, but both German and US 10-year yields are below their October 2023 highs. With inflation having fallen significantly, some central banks can cut rates further, enabling bond yields to decline over the next 12 months.

On a 12-month view, our base case is that German and US 10-year government bond yields fall from current levels of 2.71% and 4.15% to 2.25% and 3.75%, respectively. We believe fixed income offers a strong risk-reward profile at this stage in the cycle, with the potential to offer protection if the economy slows. The asset class is attractive from an income perspective while also providing potential for capital gains via falling yields. We believe that the risks of materially higher bond yields have reduced and, if the economy falters, major central banks will be able to cut rates to support growth. In that scenario we would expect bonds to outperform.



Resilient growth has been supportive of equity markets. Global growth decelerated slightly to 2.8% in 2024 (from 2.9% in 2023) and is expected to ease to a still robust 2.6% in 2025. In DM regions, the US economy has been resilient despite some moderation in growth, while Europe had been struggling as higher interest rates impacted activity levels and demand. Lower ECB policy rates have helped stabilise European sentiment and growth, as have recent fiscal stimulus measures.



Steady growth, strong consumer balance sheets, ongoing disinflation, rate cuts and corporate-friendly policies continue to provide a positive backdrop for equities. The Trump policy agenda has broad implications across regions, with trade policies in focus, and will be key in determining the growth path.



Equities are above long-term average valuation multiples, but could move higher with positive economic and earnings growth in 2025/26, with higher multiples supported by the AI theme.



Chinese growth had been lacklustre, and the authorities announced a range of additional stimulus measures to boost the economy.



Volatility is likely to remain a feature due to uncertainty over the implementation of Trump policies, the eventual growth outcome, inflation path, monetary policy and geopolitical tensions. Modest short-term drawdowns in markets are possible, which could provide opportunities to add to exposures.



Structural long-term benefits from the AI theme and evidence of earnings being boosted by AI-related initiatives can support higher equity valuation multiples.

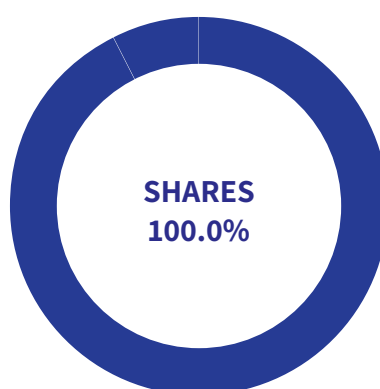
SUMMIT GLOBAL LEADERS FUND

The Summit Global Leaders Fund invests in stocks of international companies with large market capitalisations, operating in different geographical regions and business sectors. From July 2014, equity management has been sub-advised to Setanta Asset Management. While Setanta has discretion in selecting appropriate investments that conform to the fund's investment policy, the fund is passively managed in reference to the Dow Jones Global Titans 50 Index, an index comprised of fifty of the largest (by market capitalisation) multinational companies traded on major exchanges.

Fund update for September

The Summit Global Leaders Fund returned +5.0% net of fund management fees in September. Leading performers included Tesla (+33.2% in US dollars) and ASML (+30.1% in euros). The former benefited from a new compensation package which appeared to secure Elon Musk's long-term commitment to the company, his subsequent purchase of Tesla shares and investor optimism around opportunities like robotics and robotaxis. ASML rose after a number of eye-catching deals in the Technology sector signalled continued optimism about the AI opportunity, with positive implications for semiconductor demand and ASML's lithography machines in turn. Laggards included Salesforce (-7.4% in US dollars) and Unilever (-4.9% in sterling). Salesforce's share price declined after offering a softer-than-expected outlook following in-line Q2 results. Unilever was weak as an Indian goods and services tax and weakness in Latin America weighed on the outlook for the company.

Asset allocation

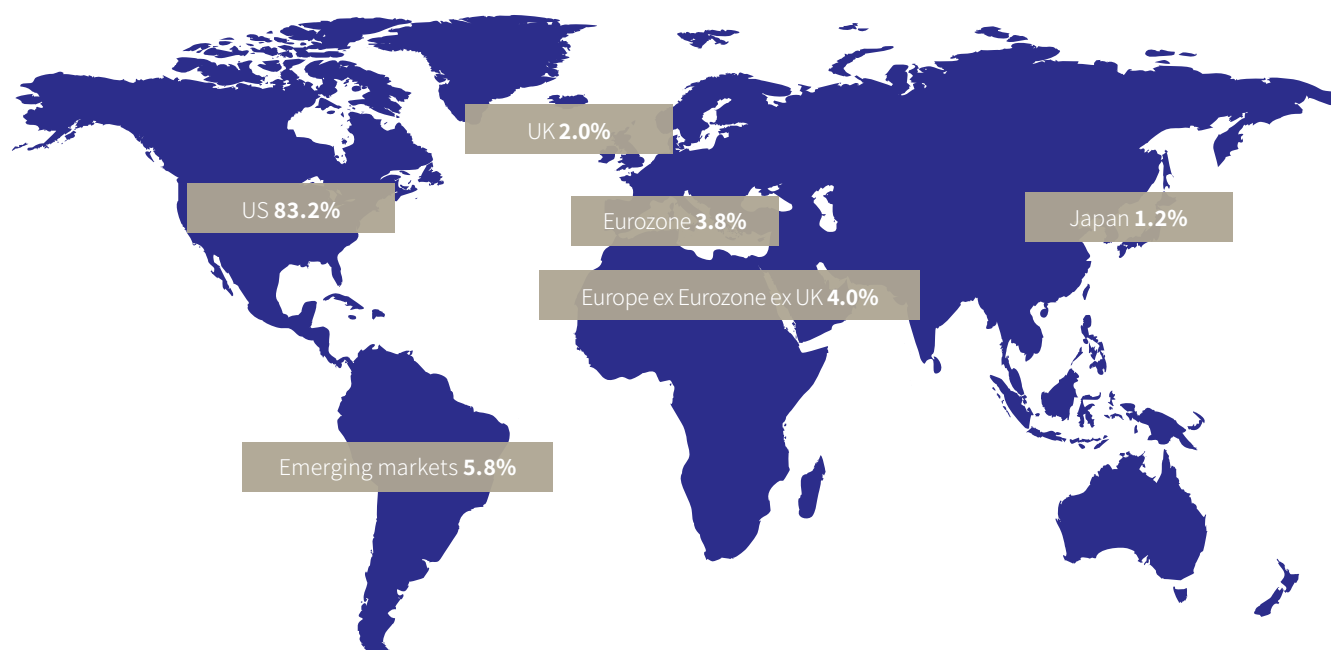


Top 10 share holdings

Stock name	% of fund
Nvidia	9.0
Alphabet	8.7
Apple	7.8
Microsoft	7.6
Amazon.com	6.9
Taiwan Semiconductor	4.4
Meta Platforms	4.4
Broadcom	4.1
Tesla	3.8
JP Morgan	3.4

Source: ILIM, Factset.
Data is accurate as at 30 September 2025.

Share regional distribution



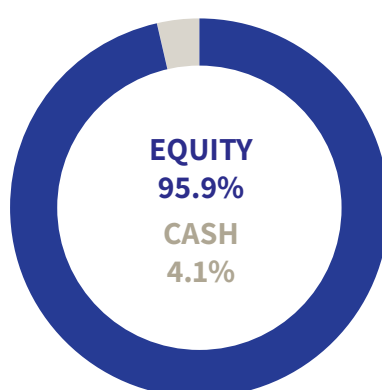
SUMMIT GROWTH FUND

The Summit Growth Fund aims to achieve growth by investing exclusively in global equities. From July 2014, equity management has been sub-advised to Setanta Asset Management. Equities are managed under the Setanta Global Equity Strategy.

Fund update for September

The Summit Growth Fund returned +2.6% net of fund management fees in September. From a sector perspective, Technology, Communication Services and Materials were the best performers. The Consumer Staples, Consumer Discretionary and Industrials sectors lagged over the month. The stocks contributing most to the fund return were Oracle Corp, Taiwan Semiconductor and Alphabet Inc. The stocks that detracted most from the fund return were Nike Inc, S&P Global and Oshkosh Corp.

Asset allocation

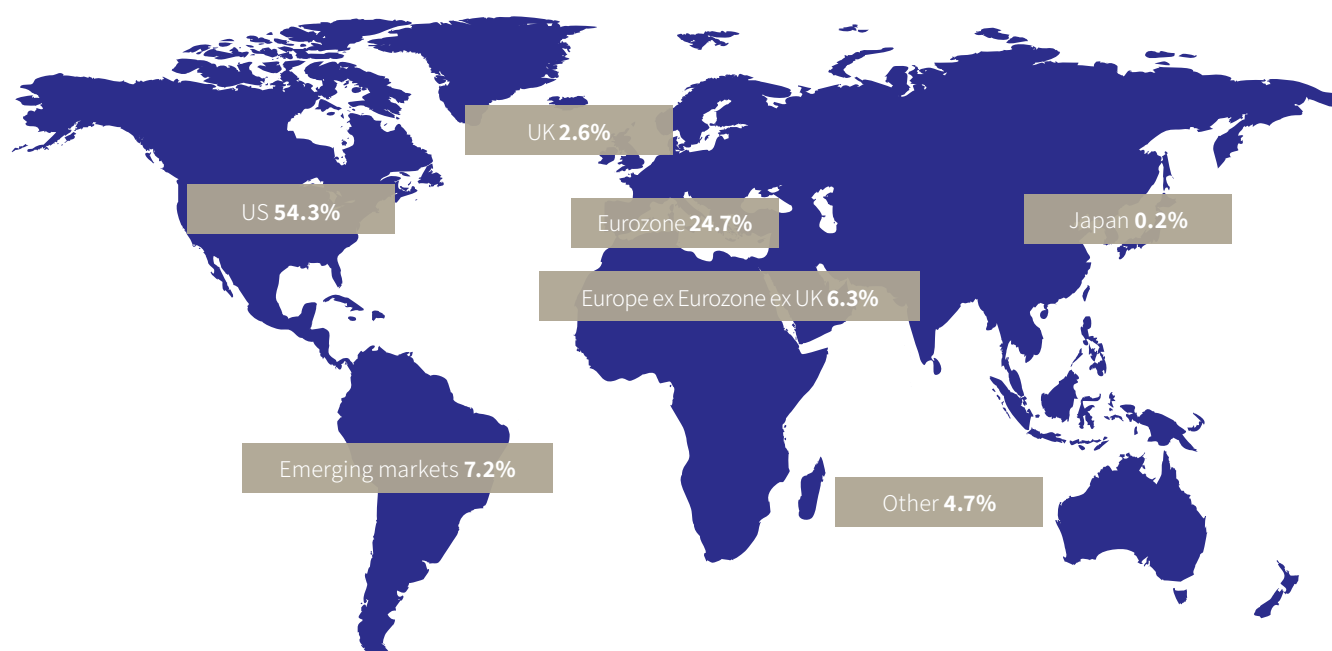


Top 10 share holdings

Stock name	% of fund
Alphabet	4.7
Microsoft	4.7
Taiwan Semiconductor	4.3
Berkshire Hathaway	3.8
Meta Platforms	3.5
Booking Holdings	3.0
Marsh & McLennan	2.6
CRH	2.5
Ryanair	2.5
Nike	2.3

Source: ILIM, Factset.
Data is accurate as at 30 September 2025.

Share regional distribution



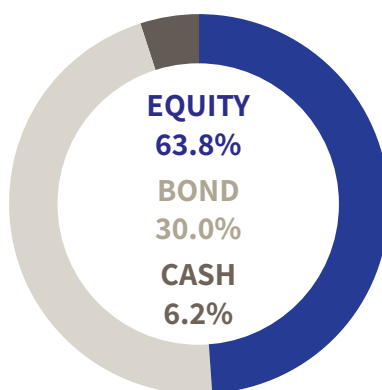
SUMMIT BALANCED FUND

The objective of the Summit Balanced Fund is to avoid excessive volatility, while still providing solid returns over the medium to long term. The fund invests in global equities but also maintains a minimum of 33% invested in a mix of fixed income and cash. From July 2014, equity management has been sub-advised to Setanta Asset Management. Equities are managed under the Setanta Global Equity Strategy.

Fund update for September

The Summit Balanced Fund returned +1.8% net of fund management fees in September. From a sector perspective, Technology, Communication Services and Materials were the best performing sectors. The Consumer Staples, Consumer Discretionary and Industrials sectors lagged over the month. Global economic activity remains resilient, with US data firm and flash European PMIs strong in September. The Fed cut its policy rate by 25bps due to softness in the labour market, but guidance around further rate cuts was more cautious than market expectations. The US government entered a shutdown at the start of October as Republicans and Democrats disagreed on spending measures. Global stock markets rose further in September amid an improving economic backdrop, optimism around AI and expected further monetary easing from the Fed. European bond yields rose as strong data weakened the case for ECB rate cuts, while French spreads widened as political risk lingered.

Asset allocation

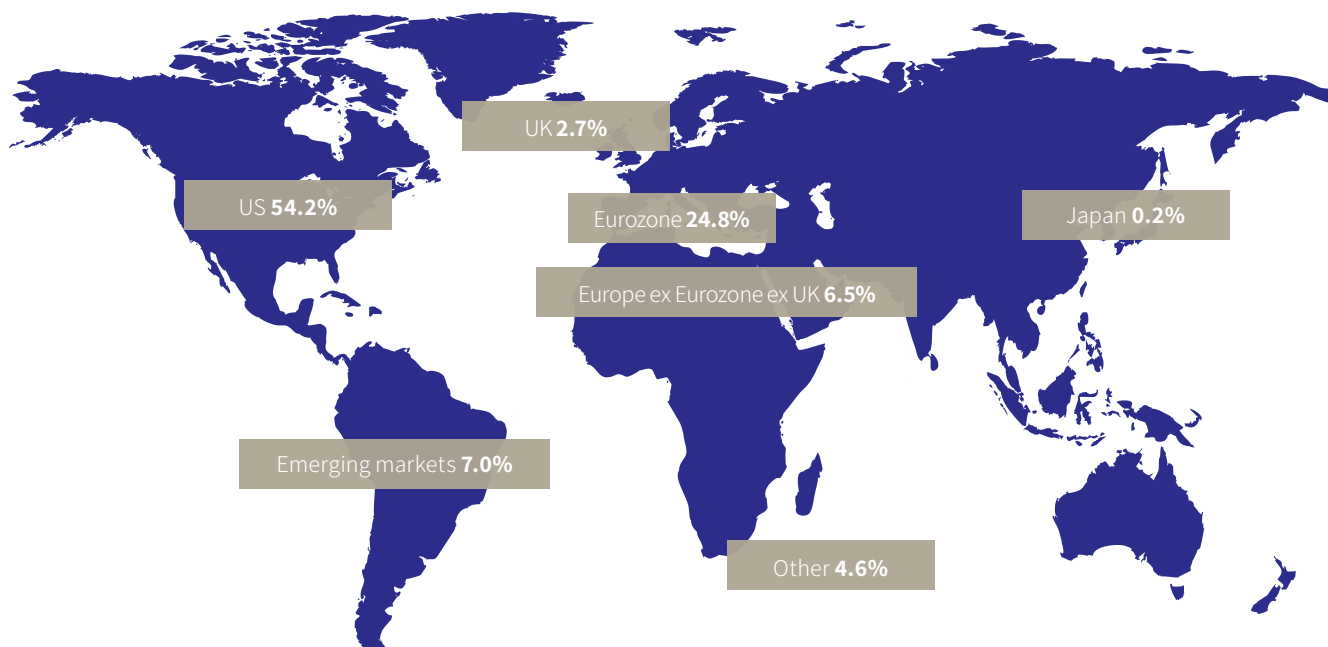


Top 10 share holdings

Stock name	% of fund
Alphabet	4.6
Microsoft	4.6
Taiwan Semiconductor	4.1
Berkshire Hathaway	3.8
Meta Platforms	3.5
Booking Holdings	2.8
CRH	2.6
Marsh & McLennan	2.5
Nike	2.3
Ryanair	2.3

Source: ILIM, Factset.
Data is accurate as at 30 September 2025.

Share regional distribution



Information is correct at 30 September 2025

SUMMIT FUND PERFORMANCE



At 30 September 2025

Fund returns after fund management fee	Balanced	Growth	Global Leaders
1 Month	1.77%	2.56%	5.03%
QTD	3.86%	6.42%	10.82%
3 Month	3.86%	6.42%	10.82%
YTD	3.23%	5.52%	2.70%
1 Year	5.12%	9.08%	15.45%
2 Years pa	9.00%	12.90%	22.62%
3 Years pa	7.63%	12.01%	20.97%
5 Years pa	5.95%	11.84%	15.35%
10 Years pa	4.72%	8.16%	13.99%

Source: ILIM Performance Team

Warning: If you invest in these funds you may lose some or all of the money you invest.

Warning: These funds may be affected by changes in currency exchange rates.

Warning: The value of your investment may go down as well as up.

Warning: Past performance is not a reliable guide to future performance.

ILIM'S CREDENTIALS



Irish Life Investment Managers (ILIM) is recognised internationally for its expertise, innovation and track record:

**European Pensions
AWARDS 2019**

WINNER
Passive Manager of the Year



WINNER
Investment Manager of the Year



WINNER
Investment Manager of the Year

**European Pensions
AWARDS 2018**

WINNER
Passive Manager of the Year



WINNER
Risk Management Provider of the Year



WINNER
Investment Manager of the Year



WINNER
Property Manager of the Year



WINNER
Investment Manager of the Year

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Figures referenced herein have been sourced from ILIM and Bloomberg. Forecast figures have been prepared by ILIM based on reasonable assumptions, internal data and data sourced from Bloomberg.