



# July 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

Tariff-related tensions continued to ease in July, with the US agreeing deals with numerous trading partners including the EU, Japan and Vietnam.

Global economic data remains robust, with a growth shock from tariffs yet to materialise, though July employment data in the US indicated weaker conditions.

Global stock markets rallied during the month, supported by improving trade relations, healthy economic activity and a positive Q2 earnings season. This backdrop reduced the likelihood of further monetary easing from the Federal Reserve and the European Central Bank (ECB), which helped push up bond yields.

The US dollar rose against the euro as the outlook improved for American assets due to a softer stance on tariffs and fiscal stimulus measures.

### Equities

Global stock markets continued to rally in July, supported by easing trade tensions, resilient economic data and supportive Q2 earnings announcements and guidance.

The MSCI All Country World index ended the month up by 2.2% (4.0% in euros), with the MSCI USA rising by 2.3% (4.9% in euros) to new historical highs, supported by improving news flow on tariffs.

Easing trade tensions and healthy economic data from China helped push up the MSCI Emerging Markets (EM) index by 3.4% (4.6% in euros). European stocks underperformed the US for a third consecutive month, with the MSCI Europe ex-UK lower by -0.2% (0.0% in euros) in July.

### Bonds

Eurozone government bond returns were negative as capital losses from increased bond yields offset carry. The 10-year German Bund yield rose by 10bps in July to 2.70%; the German government announced larger than expected fiscal deficits in coming years as it attempted to front-load stimulus measures. The ICE BofA 5+ Year Euro Government bond index returned -0.4%.

## MARKET SNAPSHOT

### Market returns (EUR)

Equity Markets (EUR)	MTD Return (%)	YTD Return (%)	2024 Return (%)
MSCI Ireland	-1.0	18.7	22.8
MSCI United Kingdom	3.4	8.8	14.7
MSCI Europe ex UK	0.0	10.3	7.7
MSCI North America	4.8	-1.3	32.9
MSCI Japan	1.1	-0.1	15.9
MSCI EM (Emerging Markets)	4.6	6.7	15.3
MSCI AC World	4.0	1.2	25.9
10-Year Yields	Yield last month	2024 Yield (%)	2023 Yield (%)
US	4.36	4.57	3.88
Germany	2.70	2.35	2.02
UK	4.57	4.56	3.54
Japan	1.56	1.09	0.61
Ireland	2.90	2.63	2.38
Italy	3.52	3.51	3.69
Greece	3.36	3.23	3.06
Portugal	3.10	2.84	2.66
Spain	3.22	3.04	2.99
FX Rates	End last month	2024 Rates	2023 Rates
U.S. Dollar per Euro	1.14	1.04	1.10
British Pounds per Euro	0.86	0.83	0.87
U.S. Dollar per British Pounds	1.32	1.25	1.27
Commodities (USD)	MTD Return (%)	YTD Return (%)	2024 Return (%)
Oil (Brent)	7.3	-2.8	-3.1
Gold (Oz)	0.0	25.3	27.1
S&P Goldman Sachs Commodity Index	3.6	5.6	9.2

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

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied upon as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

## 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 evident in Europe and expected Fed rate cuts and a corporate-friendly stance from the US government all 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 18.9x 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 22.5x against a long-term average of 16.5x. Equities outside the US offer somewhat better relative value. Europe ex-UK equities trade at a multiple of 15.0x against a long-term average 13.4x; Japanese equities trade at 15.2x versus a long-term average of 15.1x; UK equities trade at 12.9x against a long-term average of 12.5x; and emerging markets are trading at 13.2x against a long-term average of 11.4x. 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 later in 2025, 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, central banks can cut rates further through 2025, 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 2.70% and 4.36% 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 to a greater extent.



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 2.3% in 2025. In DM regions, the US economy has been resilient despite some recent moderation in growth, while Europe has struggled as higher interest rates have impacted activity levels and demand. Lower ECB policy rates can help stabilise European sentiment and growth, as can recent fiscal stimulus measures.



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



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 with positive economic and earnings growth in 2025/26, the asset class could continue to make gains, with higher multiples supported by the AI theme.



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



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

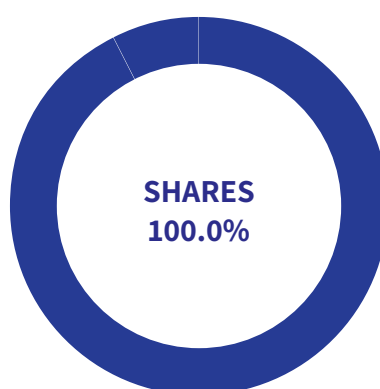
# SUMMIT GLOBAL LEADERS FUND

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 July

The Summit Global Leaders Fund returned 5.7% net of fund management fees in July. Leading performers included Samsung Electronics (+19.4% in KRW) and Oracle (+16.3% in US dollars). The former announced that it will be supplying advanced chips to Apple and may be a beneficiary of the Trump administration's tariff policy. Oracle's share price strength reflects optimism that its Oracle Cloud Infrastructure offering will drive accelerating revenue and operating profit growth. Laggards included Novo Nordisk (-28.4%) and Netflix (-13.4%). Novo Nordisk's share price declined sharply after reducing its sales and profit forecasts for the year amid competition in the US from rival weight loss drugs. Netflix gave back some of its year-to-date gains when its June results fell slightly short of heightened market expectations.

## Asset allocation

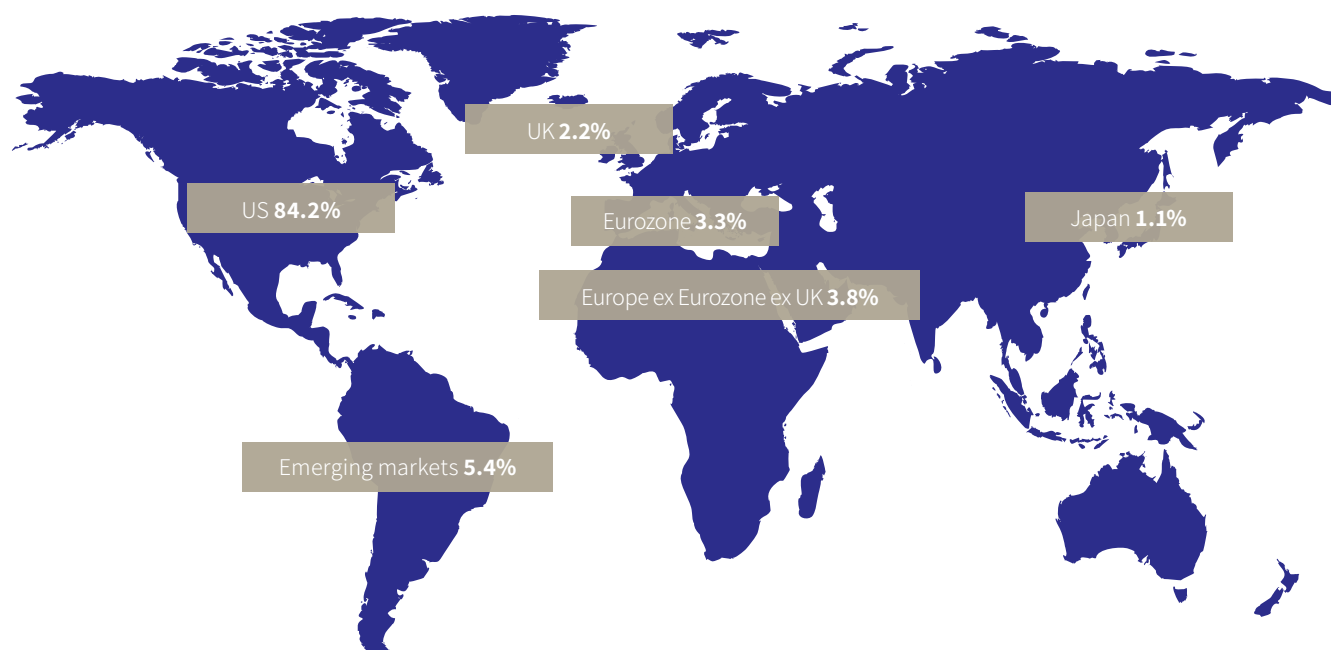


## Top 10 share holdings

Stock name	% of fund
Nvidia	9.6
Microsoft	8.8
Amazon.com	7.9
Alphabet	7.5
Apple	6.9
Meta Platforms	5.0
Broadcom	4.8
Taiwan Semiconductor	4.1
JP Morgan	3.4
Tesla	2.8

Source: ILIM, Factset.  
Data is accurate as at 31 July 2025.

## Share regional distribution





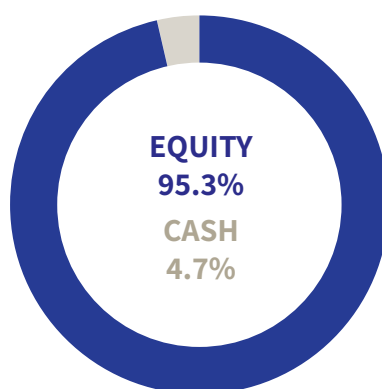
# SUMMIT GROWTH FUND

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 July

The Summit Growth Fund returned +3.7% net of fund management fees in July. From a sector perspective, technology, industrials and communication services were the best performing sectors. The consumer staples, financials and healthcare sectors lagged over the month. The stocks contributing most to the fund return were Oracle Corp, Alphabet Inc and Microsoft Corp. The stocks that detracted most from the fund return were Netflix Inc, UnitedHealth Group and Kerry Group.

## Asset allocation

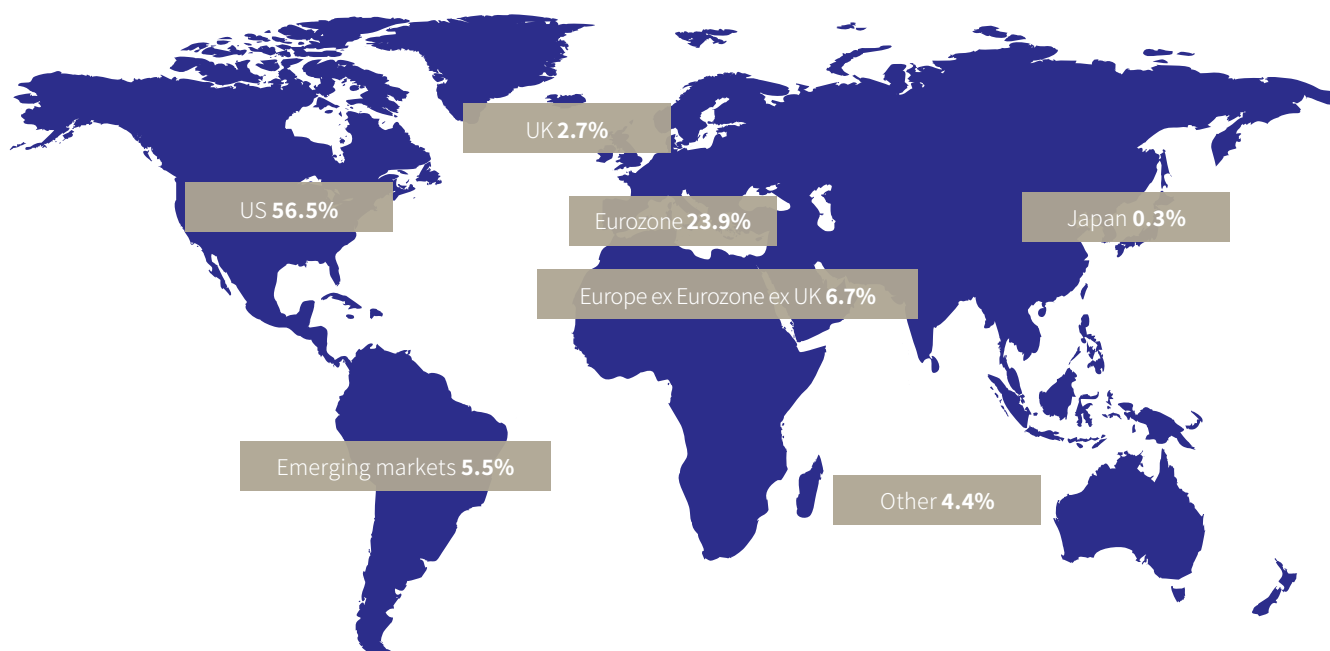


## Top 10 share holdings

Stock name	% of fund
Oracle	4.7
Microsoft	4.7
Alphabet	4.3
Taiwan Semiconductor	3.9
Booking Holdings	3.8
Berkshire Hathaway	3.7
Meta Platforms	2.8
Ryanair	2.5
Nike	2.4
Marsh & McLennan	2.4

Source: ILIM, Factset.  
Data is accurate as at 31 July 2025.

## Share regional distribution



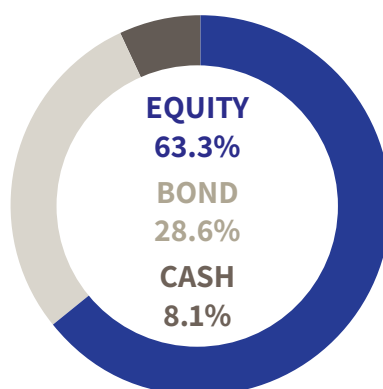
# SUMMIT BALANCED FUND

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 July

The Summit Balanced Fund returned +2.3% net of fund management fees in July. From a sector perspective, technology, industrials and communication services were the best performing sectors. The consumer staples, financials and healthcare sectors lagged over the month. Tariff-related tensions continued to ease in July, with the US agreeing deals with numerous trading partners including the EU, Japan and Vietnam. Global economic data remains robust, with a growth shock from tariffs yet to materialise, though July employment data in the US indicated weaker conditions. Global stock markets rallied during the month, supported by improving trade relations, healthy economic activity and a positive Q2 earnings season. This backdrop reduced the likelihood of further monetary easing from the Fed and the ECB, which helped push up bond yields.

## Asset allocation

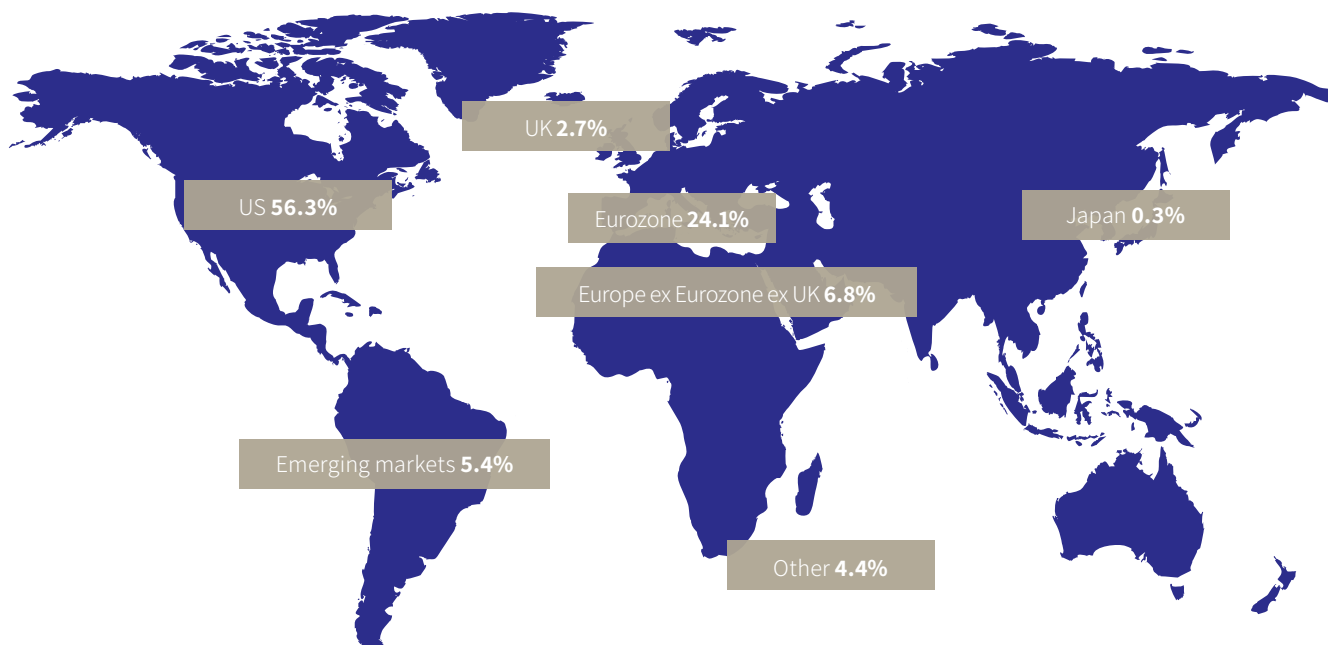


## Top 10 share holdings

Stock name	% of fund
Oracle	4.6
Microsoft	4.5
Alphabet	4.1
Taiwan Semiconductor	3.8
Booking Holdings	3.7
Berkshire Hathaway	3.5
Meta Platforms	2.8
Nike	2.5
Ryanair	2.4
Marsh & McLennan	2.3

Source: ILIM, Factset.  
Data is accurate as at 31 July 2025.

## Share regional distribution



Information is correct as 31 July 2025

# SUMMIT FUND PERFORMANCE



## At 31 July 2025

Fund returns after fund management fee	Balanced	Growth	Global Leaders
1 Month	2.25%	3.71%	5.69%
QTD	2.25%	3.71%	5.69%
3 Month	6.24%	10.37%	16.42%
YTD	1.62%	2.83%	-2.05%
1 Year	5.15%	8.20%	9.35%
2 Years pa	6.42%	9.47%	18.56%
3 Years pa	3.31%	7.08%	14.43%
5 Years pa	5.67%	11.33%	14.99%
10 Years pa	3.94%	6.93%	12.29%

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:





This is intended as a general review of investment market conditions. It does not constitute investment advice and has not been prepared based on the financial needs or objectives of any particular person, and does not take account of the specific needs or circumstances of any person.

The author cannot make a personal recommendation for any person and you should seek personal investment advice as to the suitability of any investment decision or strategy to your own needs and circumstances. Any comments on specific stocks are intended as an objective, independent view in relation to that stock generally, and not in relation to its suitability to any specific person.

ILIM may manage investment funds which may have holdings in stocks commented on in this document. Past performance may not be a reliable guide to future performance. Investments may go down as well as up. Funds may be affected by changes in currency exchange rates. Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland.

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.