



# October 2025 in review

## Summit Investment Funds

Summit Investment 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 rallied to new historical highs amid easing trade tensions, strong Q3 corporate earnings and positive sentiment towards the AI theme. Bond yields declined, aided by improved control of inflation and Federal Reserve easing, and supported positive fixed income returns in October. The US dollar rose against the euro as the potential for fewer Fed rate cuts in the coming months supported the former.

### Equities

Global stock markets rallied to new historical highs in October, supported by the US-China trade war truce, policy easing from the Fed and robust Q3 corporate earnings. The MSCI All Country World index ended the month up by 2.8% (4.1% in euros), with the MSCI USA rising by 2.4% (4.2% in euros) amid broadly positive big tech earnings and optimism around the AI theme. The MSCI Emerging Markets (EM) index rallied by 4.6% (6.1% in euros), supported by strong rallies in the MSCI South Korea (24.6% in local terms, 24.9% in euros) and the MSCI Taiwan (10.8% in local terms, 11.8% in euros), partly due to the ongoing expansion in AI capex. European stocks also gained, with the MSCI Europe ex-UK higher by 2.1% (2.3% in euros) in October.

### Bonds

Eurozone government bond returns were positive, with the ICE BofA 5+ Year Euro Government bond index returning 1.3%, supported by capital gains from falling yields. The 10-year German Bund yield declined by 7bps to 2.64% in October.

## MARKET SNAPSHOT

### Market returns (EUR)

Equity Markets (EUR)	MTD Return (%)	YTD Return (%)	2024 Return (%)
MSCI Ireland	2.5	25.4	22.8
MSCI United Kingdom	3.5	15.2	14.7
MSCI Europe ex UK	2.3	16.1	7.7
MSCI North America	4.1	6.0	32.9
MSCI Japan	5.3	12.3	15.9
MSCI EM (Emerging Markets)	6.1	19.9	15.3
MSCI AC World	4.1	9.0	25.9
10-Year Yields	Yield last month	2024 Yield (%)	2023 Yield (%)
US	4.09	4.57	3.88
Germany	2.64	2.35	2.02
UK	4.43	4.56	3.54
Japan	1.65	1.09	0.61
Ireland	2.86	2.63	2.38
Italy	3.37	3.51	3.69
Greece	3.26	3.23	3.06
Portugal	2.99	2.84	2.66
Spain	3.15	3.04	2.99
FX Rates	End last month	2024 Rates	2023 Rates
U.S. Dollar per Euro	1.15	1.04	1.10
British Pounds per Euro	0.88	0.83	0.87
U.S. Dollar per British Pounds	1.31	1.25	1.27
Commodities (USD)	MTD Return (%)	YTD Return (%)	2024 Return (%)
Oil (Brent)	-2.9	-12.8	-3.1
Gold (Oz)	3.7	51.5	27.1
S&P Goldman Sachs Commodity Index	1.3	7.5	9.2

Source: ILIM, Bloomberg. Data is accurate as at 1 November 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 not lead to 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 19.5x 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 23.1x against a long-term average of 16.6x. 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 timeframe.

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 2.64% and 4.09% 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, underlying 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 2026/27 could continue to rise, 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 growth.



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.



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

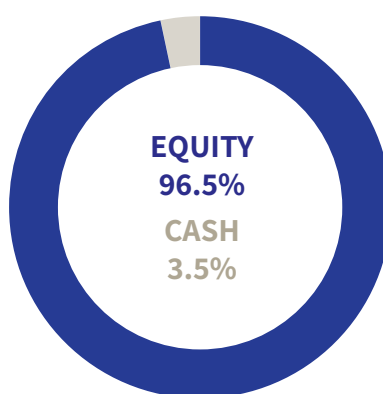
# SUMMIT GROWTH FUND

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 October

The Summit Growth Fund returned +1.2% net of fund management fees in October. From a sector perspective, Energy, Utilities and Technology were the best performers. The Consumer Discretionary, Financials and Materials sectors lagged over the month. The stocks contributing most to the fund return during the month were Alphabet Inc, Samsung Electronics and Taiwan Semiconductor. The stocks that detracted most from the fund return were Meta Platforms, Dassault Systemes and Marsh McLennan.

## Asset allocation

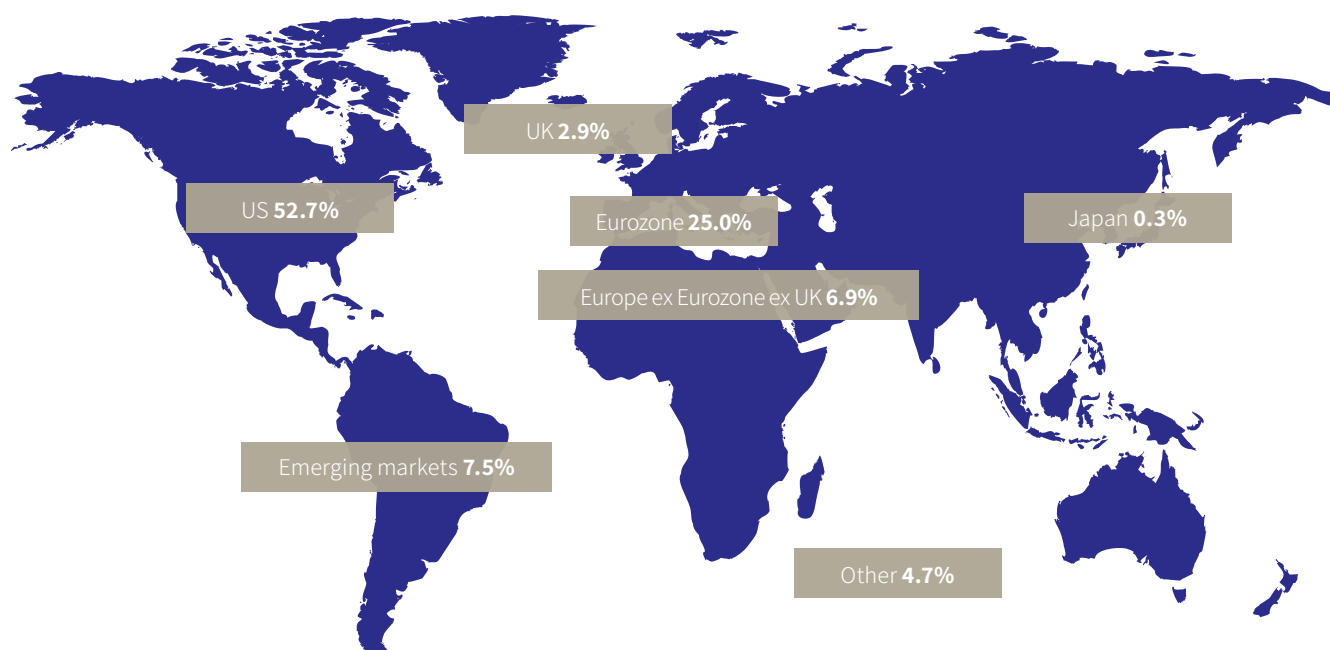


## Top 10 share holdings

Stock name	% of fund
Microsoft	4.4
Taiwan Semiconductor	4.3
Alphabet	4.1
Berkshire Hathaway	3.7
Meta Platforms	3.2
Booking Holdings	2.9
Ryanair	2.6
CRH	2.5
Applied Materials	2.4
Marsh & McLennan	2.3

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

## Share regional distribution



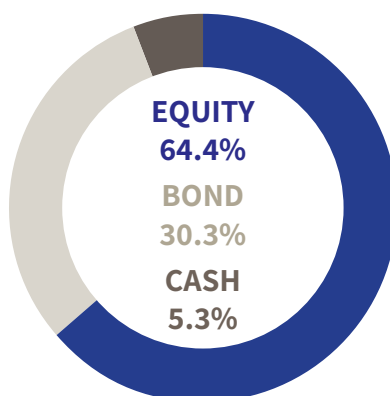
# SUMMIT BALANCED FUND

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 October

The Summit Balanced Fund returned +1.0% net of fund management fees in October. From a sector perspective, Energy, Utilities and Technology were the best performers. The Consumer Discretionary, Financials and Materials sectors lagged over the month. A one-year truce in the US-China trade war was agreed following a meeting between Presidents Trump and Xi in South Korea. The Fed cut its policy rate by another 25bps at its October meeting but suggested that further reductions would be data dependent amid split views within the rate-setting committee. US economic data remained sparse as the government shutdown resulted in a lack of releases. Global stock markets rallied to new historical highs amid easing trade tensions, strong Q3 corporate earnings and positive sentiment towards the AI theme. Bond yields declined, aided by controlled inflation and Fed easing, and supported positive fixed income returns in October.

## Asset allocation

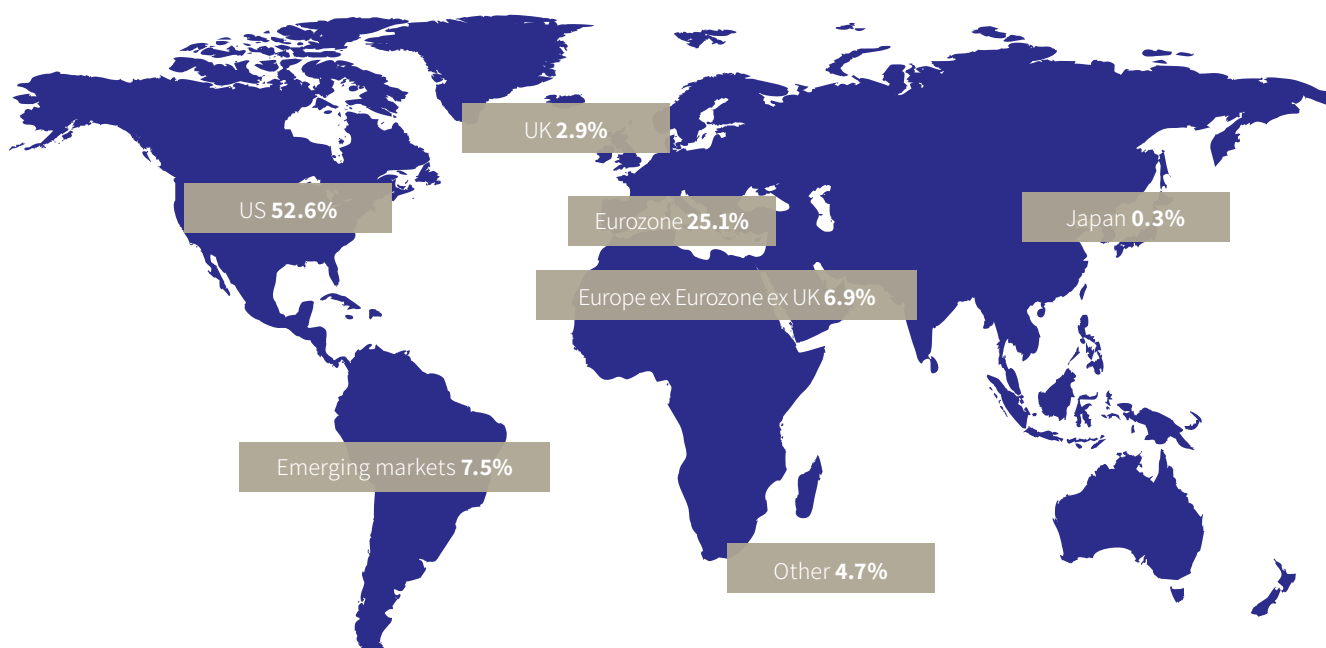


## Top 10 share holdings

Stock name	% of fund
Microsoft	4.4
Taiwan Semiconductor	4.3
Alphabet	4.1
Berkshire Hathaway	3.7
Meta Platforms	3.2
Booking Holdings	2.9
Ryanair	2.6
CRH	2.5
Applied Materials	2.4
Marsh & McLennan	2.3

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

## Share regional distribution



Information is correct at 31 October 2025

# SUMMIT FUND PERFORMANCE



## At 31 October 2025

Fund returns after fund management fee	Balanced	Growth
1 Month	0.96%	1.23%
QTD	0.96%	1.23%
3 Month	2.13%	3.20%
YTD	3.63%	5.77%
1 Year	5.52%	8.73%
2 Years pa	8.08%	11.83%
3 Years pa	4.88%	7.81%
5 Years pa	4.98%	9.59%
10 Years pa	3.46%	5.83%

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:



Summit Investment Funds plc is managed by Summit Asset Managers Limited. The Investment Manager is Irish Life Investment Managers Limited. Summit Asset Managers Limited and Irish Life Investment Managers Limited are both part of the Great-West Lifeco group of companies, global leaders in financial services.

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.