



April 2025 in review

Summit Investment Funds

Summit Investment Funds plc is authorised in Ireland
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Helping people build
better futures

MARKET REVIEW

MARKET ROUND-UP

Market Review

The tariffs announced by President Trump on “Liberation Day” were more aggressive than anticipated, but the implementation of “reciprocal” import taxes was subsequently delayed by 90 days to allow for negotiations, indicating a somewhat softer stance on trade by the Trump administration.

Global stock markets sustained sharp losses after US tariff announcements, but recovered later in the month as the Trump administration appeared to scale back some of the planned levies.

The US suggested it was close to agreeing trade deals with countries including Japan and India towards the end of April, but little progress was made with Europe and China.

Bond yields fell as investors assessed the chances of an all-out trade war reducing activity markedly. Further central-bank rate cuts are projected for this year.

The US dollar fell sharply against the euro, with the former weighed down by reduced confidence in American assets amid policy-related uncertainty.

Equities

Global stock markets were volatile in April. Equities suffered heavy losses early in the month following “Liberation Day” tariff announcements, but recovered after a subsequent delay to the implementation of the US’s “reciprocal” tariffs and tentative signs of easing trade tensions. The MSCI All Country World index ended the month down by 0.3% (-4.0% in euros) while the MSCI USA declined by 0.5% (-5.5% in euros), with both indices having recorded double-digit falls prior to the temporary postponement of the levies. Both European and emerging market (EM) stocks outperformed the US, with the former expected to experience less of a growth shock from tariffs than America. The MSCI Europe ex-UK was lower by 0.4% (-0.1% in euros) while the MSCI EM index fell by 0.2% (-3.7% in euros) in April.

Bonds

After “Liberation Day”, US Treasury yields surged. The yield on the 10-year bond moved as high as 4.59% as inflation was expected to rise markedly and the safe-haven status of the asset was questioned due to erratic policies. However, the rollback from the Trump administration meant the price shock was likely to be more muted. A hit to growth remains probable, however, and rate markets priced in Fed easing, which pushed down the 10-year yield to end the month down by 5bps at 4.16%.

Eurozone government bond returns were positive as bond yields fell on expectations of further ECB rate cuts to support growth, with the 10-year German Bund yield ending the month 25bps lower at 2.45%.

The ICE BofA 5+ Year Euro Government bond index returned 2.5% in April.

MARKET SNAPSHOT

Market returns (EUR)

Equity Markets (EUR)	MTD Return (%)	YTD Return (%)	2024 Return (%)
MSCI Ireland	-1.3	10.1	22.8
MSCI United Kingdom	-2.5	2.6	14.7
MSCI Europe ex UK	-0.1	6.2	7.7
MSCI North America	-5.3	-13.1	32.9
MSCI Japan	0.0	-3.7	15.9
MSCI EM (Emerging Markets)	-3.7	-4.9	15.3
MSCI AC World	-4.0	-9.1	25.9
10-Year Yields	Yield last month (%)	2024 Yield (%)	2023 Yield (%)
US	4.16	4.57	3.88
Germany	2.45	2.35	2.02
UK	4.46	4.56	3.54
Japan	1.31	1.09	0.61
Ireland	2.79	2.63	2.38
Italy	3.58	3.51	3.69
Greece	3.30	3.23	3.06
Portugal	3.01	2.84	2.66
Spain	3.13	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	0.85	0.83	0.87
U.S. Dollar per British Pounds	1.34	1.25	1.27
Commodities (USD)	MTD Return (%)	YTD Return (%)	2024 Return (%)
Oil (Brent)	-15.5	-15.4	-3.1
Gold (Oz)	5.8	25.7	27.1
S&P Goldman Sachs Commodity Index	-8.4	-4.0	9.2

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

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MARKET OUTLOOK

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

The fundamental backdrop for global equities over the next 12 months remains positive, despite uncertain US policy. Steady growth, strong consumer balance sheets, ongoing disinflation, rate cuts and a corporate-friendly stance should 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.

Global equities valuations are above long-term averages, trading on a 12-month forward P/E multiple of 17.1x against a long-term average of 16.1x. However, with a positive fundamental backdrop, multiples could remain close to current levels. Equities remain expensive against both bonds and cash given the high yields currently available on these assets.

While equities appear fully valued, growth is expected to remain firm and earnings are forecast to rise over the next one to two years. Additional rate cuts could 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. As a result, our 12-month view on equities is constructive.

Sovereign bond yields were volatile over 2024 amid somewhat sticky inflation, but both German and US 10-year yields are now below their October 2023 highs. With inflation having fallen significantly and central banks suggesting policy is still above neutral levels, rates are likely to be cut 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 2.45% and 4.16% 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 such a scenario, we would expect bonds to outperform to a greater extent.



Resilient growth has been supportive of equity markets in recent years. Growth decelerated slightly to 2.8% in 2024, but given tariff announcements could ease to 2.0% in 2025, though the range of outcomes remains wide due to ongoing uncertainty. In developed markets, the US economy has been strong, although it is expected to ease considerably this year. 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 Germany's seismic fiscal stimulus package.



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



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 could continue to move higher. Stronger multiples are 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 and the eventual growth outcome, inflation path and impacts on monetary policy and geopolitical tensions. Modest short-term drawdowns in markets are possible, which could provide opportunities to add to exposure.

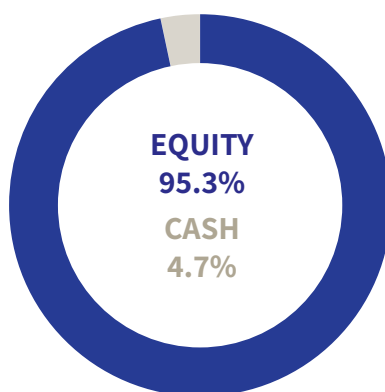
SUMMIT GROWTH FUND

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 April

The Summit Growth Fund returned -2.8% net of fund management fee in April. From a sector perspective, Materials, Consumer Staples and Utilities were the best performers. The Energy, Healthcare and Financials sectors lagged over the month. The stocks contributing most to the fund return during the month were Netflix Inc, Ryanair Holdings and Booking Holdings. The stocks that detracted most from the fund return were United Healthcare Group, Nike Inc and Marsh & McLennan.

Asset allocation

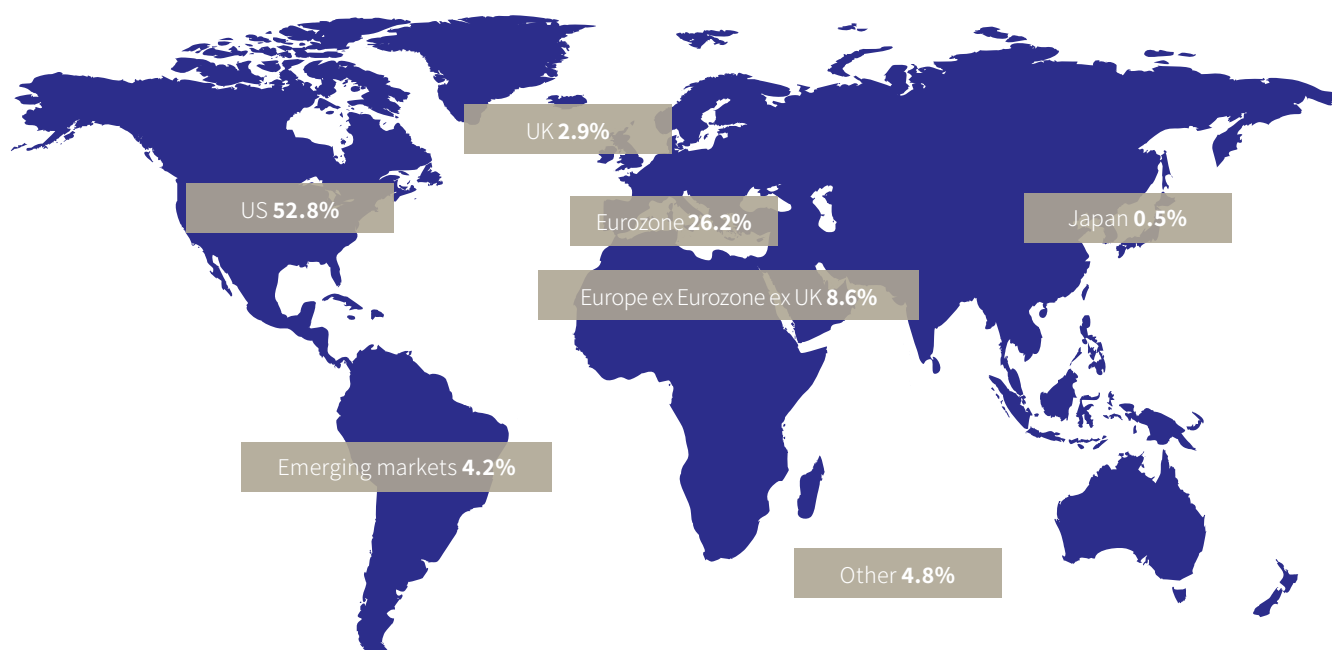


Top 10 share holdings

Stock name	% of fund
Berkshire Hathaway	4.4
Microsoft	4.0
Booking Holdings	3.9
Alphabet	3.8
Oracle	3.3
Taiwan Semiconductor	3.0
Marsh & McLennan	2.4
CRH	2.4
Hannover Rueck	2.3
Ryanair	2.2

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

Share regional distribution



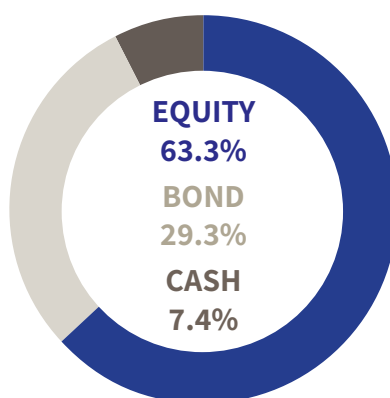
SUMMIT BALANCED FUND

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 April

The Summit Balanced Fund returned -1.3% net of fund management fee in April. From a sector perspective, Materials, Consumer Staples and Utilities were the best performers. The Energy, Healthcare and Financials sectors lagged over the month. Tariffs announced by President Trump on “Liberation Day” were more aggressive than anticipated but the implementation of “reciprocal” import taxes was subsequently delayed by 90 days to allow for negotiations, indicating a somewhat softer stance on trade by the Trump administration. Global stock markets recovered from sharp losses after initial tariff announcements, rebounding due to the potential for lower US import taxes than originally expected. Bond yields fell as a trade war was expected to reduce activity markedly, leading to projections of further central-bank rate cuts this year.

Asset allocation

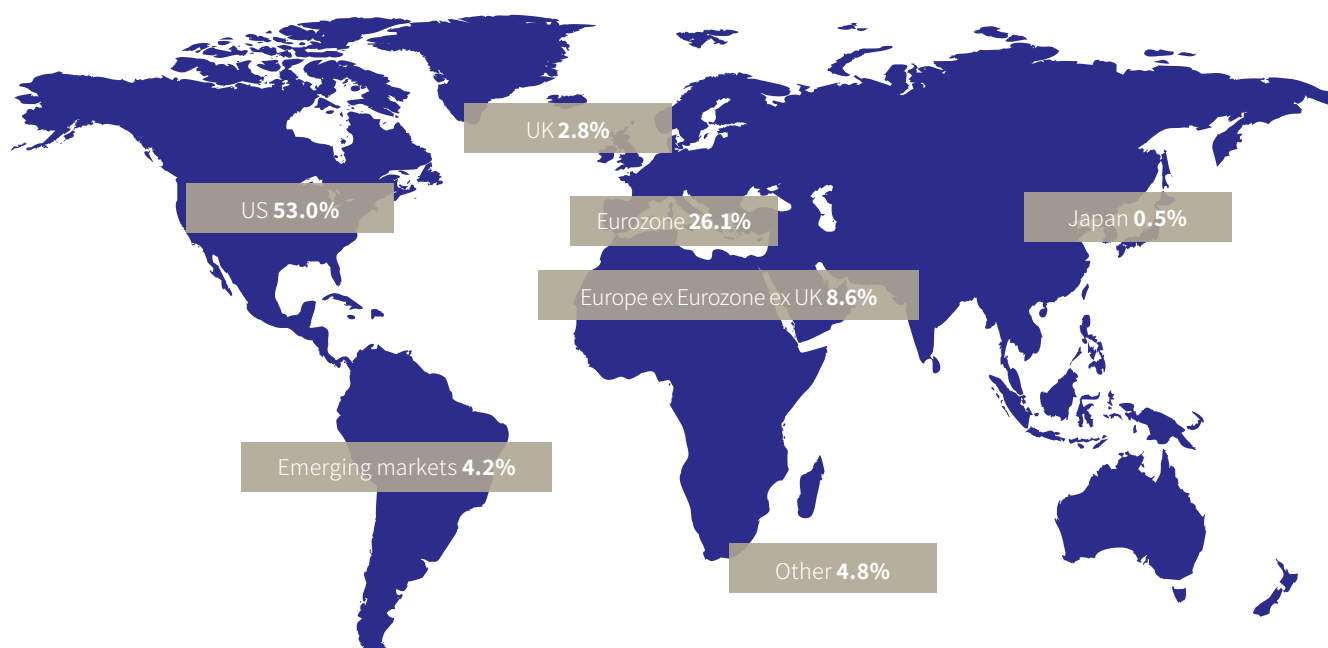


Top 10 share holdings

Stock name	% of fund
Berkshire Hathaway	4.5
Microsoft	4.0
Booking Holdings	3.9
Alphabet	3.8
Oracle	3.4
Taiwan Semiconductor	2.9
Marsh & McLennan	2.4
CRH	2.4
Hannover Rueck	2.3
McDonald's	2.3

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

Share regional distribution



Information is correct as 30 April 2025

SUMMIT FUND PERFORMANCE



At 30 April 2025

Fund returns after fund management fee	Balanced	Growth
1 Month	-1.29%	-2.77%
QTD	-1.29%	-2.77%
3 Month	-4.86%	-7.82%
YTD	-2.93%	-4.80%
1 Year	2.76%	3.25%
2 Years pa	3.71%	5.35%
3 Years pa	1.52%	3.51%
5 Years pa	3.95%	7.63%
10 Years pa	2.63%	4.58%

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:



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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.