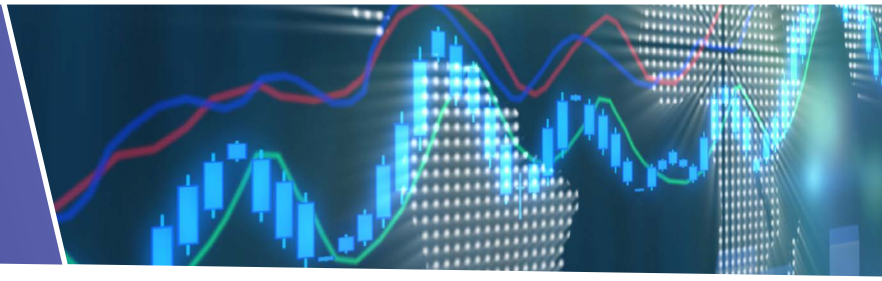
Irish Life

Life \ Pensions \ **Investments**

August 2025 in review
Summit Mutual Funds

Helping people build
better futures

MARKET REVIEW



MARKET ROUND-UP

Market Review

Global stock markets rallied in August. Equities were supported by a positive Q2 earnings season and increased clarity on US tariffs. Global economic activity remains solid, with inflation controlled in most economies and signs of tariff-induced price pressures more limited than expected in the US.

US Treasury yields fell as the Federal Reserve guided towards a September rate cut, while French yields rose in response to increased political risk. French Prime Minister Francois Bayrou called a confidence vote for September amid tensions relating to efforts to cut France's budget deficit.

The US dollar declined against the euro as investor expectations for Fed rate cuts increased.

Equities

Global stock markets continued to rally in August, supported by the prospect of monetary easing from the Fed and healthy economic conditions. The MSCI All Country World index ended the month up by 2.0% (0.2% in euro), with the MSCI USA rising by 2.0% (-0.3% in euro) to new historical highs, supported by a broadly positive Q2 earnings season. The MSCI Emerging Markets (EM) index rose by 1.6% (-0.8% in euro), supported by a rally in the MSCI China (4.2% in local terms, 2.6% in euro) amid increased flows from and improved sentiment among retail investors. European stocks underperformed the US for a fourth consecutive month, with the MSCI Europe ex-UK higher by 1.2% (1.1% in euro) in August. France (-0.9%) was the main drag as political developments weighed on sentiment.

Bonds

Eurozone government bond returns were negative as capital losses from increased bond yields offset income. The 10-year German Bund yield only rose by 1 basis point (bp) in August, to 2.71%, but the increased political uncertainty in France pushed up the equivalent government bond yields by 16bps to 3.51%, with the spread over Bunds reaching the highest level since January during the month. Peripheral spreads also widened slightly. The ICE BofA 5+ Year Euro Government bond index returned -0.9%.

MARKET SNAPSHOT

Market returns (EUR)

Equity Markets (EUR)	MTD Return (%)	YTD Return (%)	2024 Return (%)
MSCI Ireland	-1.2	17.3	22.8
MSCI United Kingdom	1.4	10.3	14.7
MSCI Europe ex UK	1.1	11.5	7.7
MSCI North America	-0.2	-1.5	32.9
MSCI Japan	4.6	4.4	15.9
MSCI EM (Emerging Markets)	-0.8	5.8	15.3
MSCI AC World	0.2	1.4	25.9
10-Year Yields	**Yield last month**	**2024 Yield (%)**	**2023 Yield (%)**
US	4.22	4.57	3.88
Germany	2.71	2.35	2.02
UK	4.72	4.56	3.54
Japan	1.61	1.09	0.61
Ireland	2.96	2.63	2.38
Italy	3.58	3.51	3.69
Greece	3.40	3.23	3.06
Portugal	3.17	2.84	2.66
Spain	3.27	3.04	2.99
FX Rates	**End last month**	**2024 Rates**	**2023 Rates**
U.S. Dollar per Euro	1.17	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)	**MTD Return (%)**	**YTD Return (%)**	**2024 Return (%)**
Oil (Brent)	-6.1	-8.7	-3.1
Gold (Oz)	5.5	32.1	27.1
S&P Goldman Sachs Commodity Index	-0.2	5.4	9.2

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

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 and ongoing disinflation is evident in Europe. Along with expected Fed rate cuts and a corporate-friendly stance from the US government, these factors 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 19.1x 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 22.7x 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 14.8x against a long-term average of 13.4x; Japanese equities trade at 16.2x versus a long-term average of 15.1x; UK equities trade at 13.1x against a long-term average of 12.5x; and emerging markets are trading at 13.1x 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 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, central banks can cut rates further in 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 2.71% and 4.22% 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 2.5% in 2025. In DM regions, the US economy has been resilient despite some moderation in growth while Europe has been struggling as higher interest rates have 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 with positive economic and earnings growth in 2025/26 could continue to move up, with higher multiples supported by the AI theme.

Chinese growth has been lacklustre, and the authorities announced a range of additional economic stimulus measures.

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 exposure.

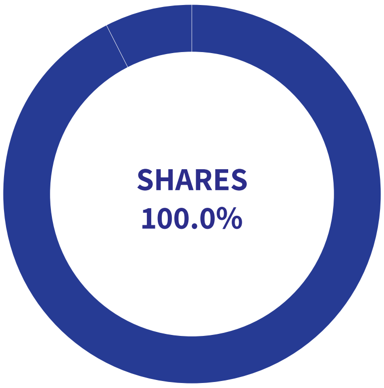
SUMMIT GLOBAL LEADERS FUND

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 August

The Summit Global Leaders Fund returned -0.2% net of fund management fee in August. Leading performers included Novo Nordisk (+15.4% in Danish krone) and Apple (+12.4% in US dollars). The former benefited from disappointing trial data from a competing weight-loss drug from Eli Lilly and saw a positive reaction to its decision to cut the price of its own weight-loss drug Ozempic in the US. Apple's share price rose after President Trump exempted the company from a 100% tariff on semiconductors following commitments to increase investments in the US. Laggards included Oracle (-10.9% in US dollars) and Microsoft (-4.9% in US dollars). Oracle's share price declined after a very strong run as market enthusiasm dipped for some beneficiaries of AI-related demand in August. It was a similar story for Microsoft, as strong growth in the firm's cloud computing division has helped to drive investor appetite for its shares this year.

Asset allocation

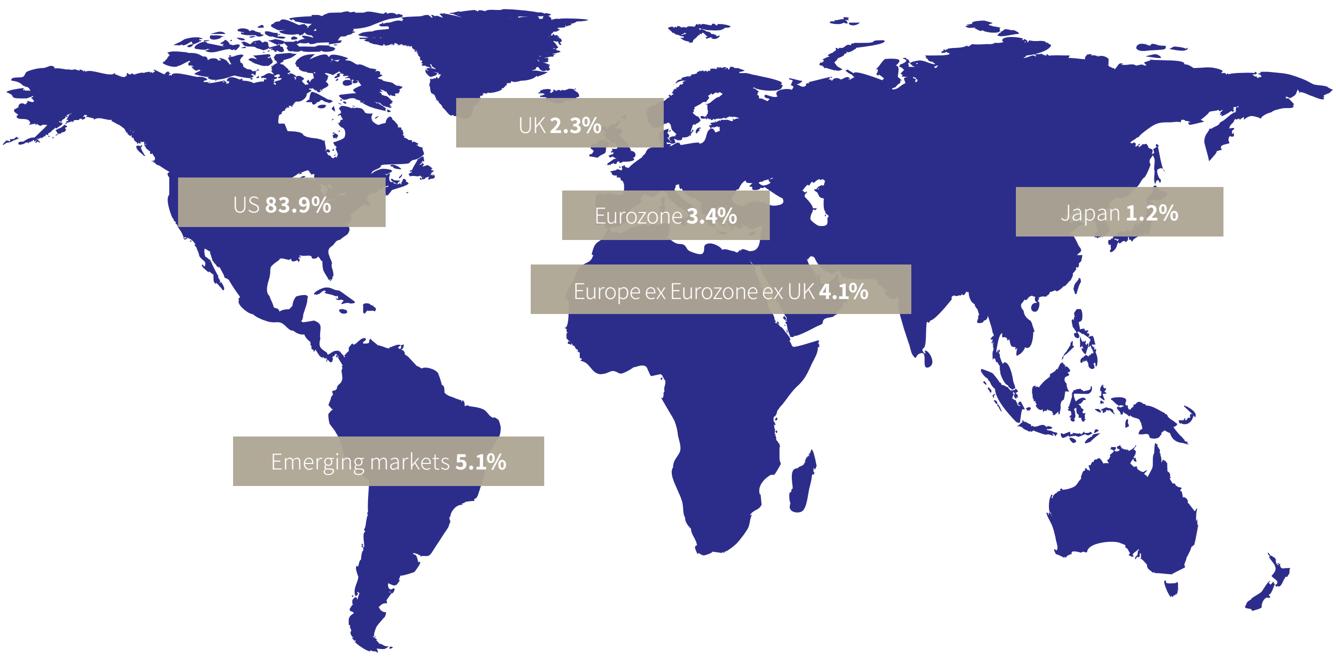


Top 10 share holdings

Stock name	% of fund
Nvidia	8.9
Alphabet	8.0
Microsoft	7.9
Amazon.com	7.6
Apple	7.6
Broadcom	4.7
Meta Platforms	4.7
Taiwan Semiconductor	3.9
JP Morgan	3.4
Tesla	3.0

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

Share regional distribution



Information is correct at 31 August 2025

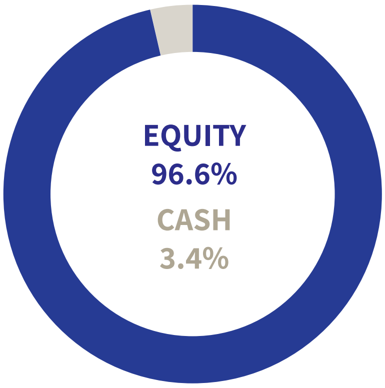
SUMMIT GROWTH FUND

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 August

The Summit Growth Fund returned +0.1% net of fund management fee in August. From a sector perspective, materials, communication services and healthcare were the best performers. The technology, utilities and industrials sectors lagged over the month. The stocks contributing most to the fund return during the month were Alphabet Inc, CRH Plc and UnitedHealth Group. The stocks that detracted most from the fund return were Oracle Corp, Microsoft Corp and Taiwan Semiconductor.

Asset allocation

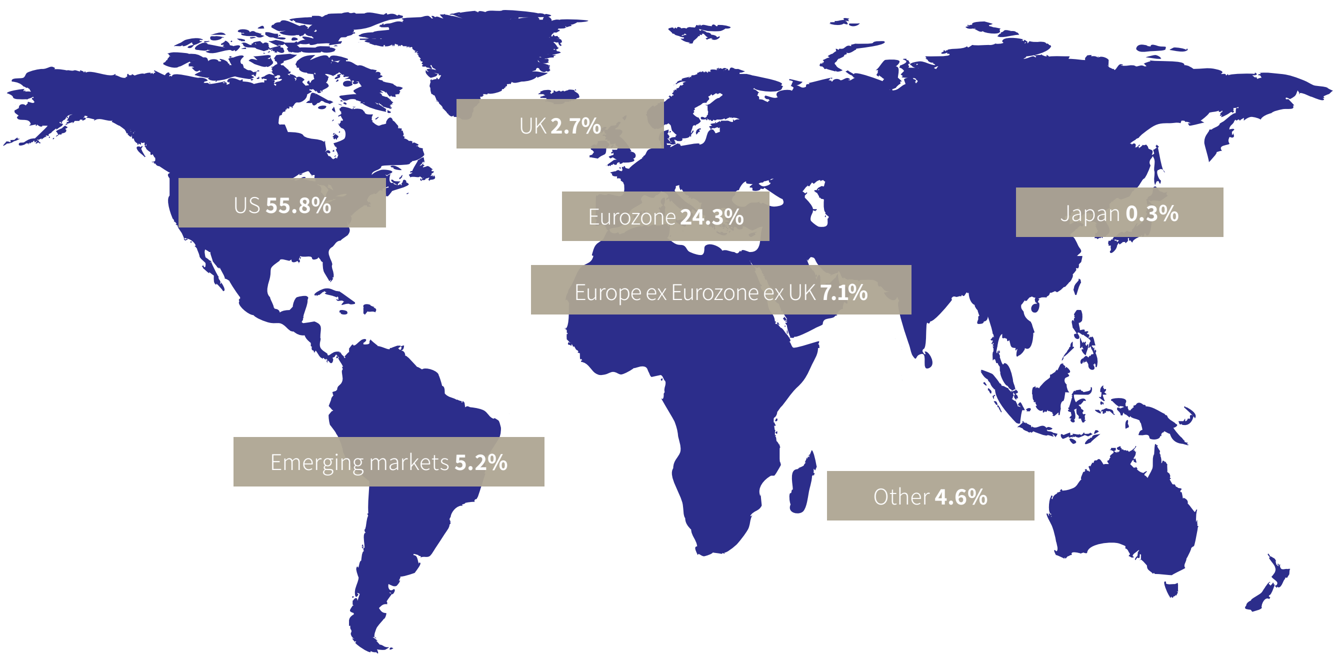


Top 10 share holdings

Stock name	% of fund
Alphabet	4.6
Microsoft	4.3
Oracle	4.1
Berkshire Hathaway	3.9
Taiwan Semiconductor	3.7
Booking Holdings	3.1
Meta Platforms	2.6
Ryanair	2.6
Nike	2.5
Marsh & McLennan	2.4

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

Share regional distribution



Information is correct at 31 August 2025

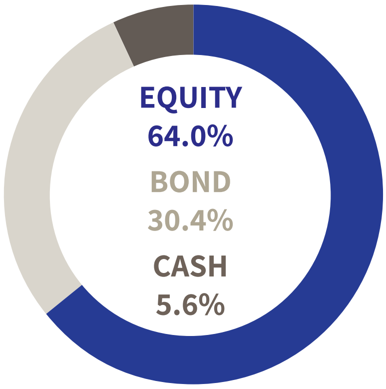
SUMMIT BALANCED FUND

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 August

The Summit Balanced Fund returned -0.2% net of fund management fee in August. From a sector perspective, materials, communication services and healthcare were the best performing sectors. The technology, utilities and industrials sectors lagged over the month. Global economic activity remains robust, with inflation also controlled; thus far, signs of tariff-induced price pressures in the US have been lower than expected. Softness in the US labour market has led the Fed to favour easing monetary policy in the coming months. Political uncertainty rose in France as Prime Minister Bayrou called a confidence vote for September amid tensions around reducing the country's budget deficit. Global stock markets rallied in August, supported by a positive Q2 earnings season and greater clarity around tariff levels. US Treasury yields fell amid a more dovish Fed while French yields rose due to increased political risk.

Asset allocation

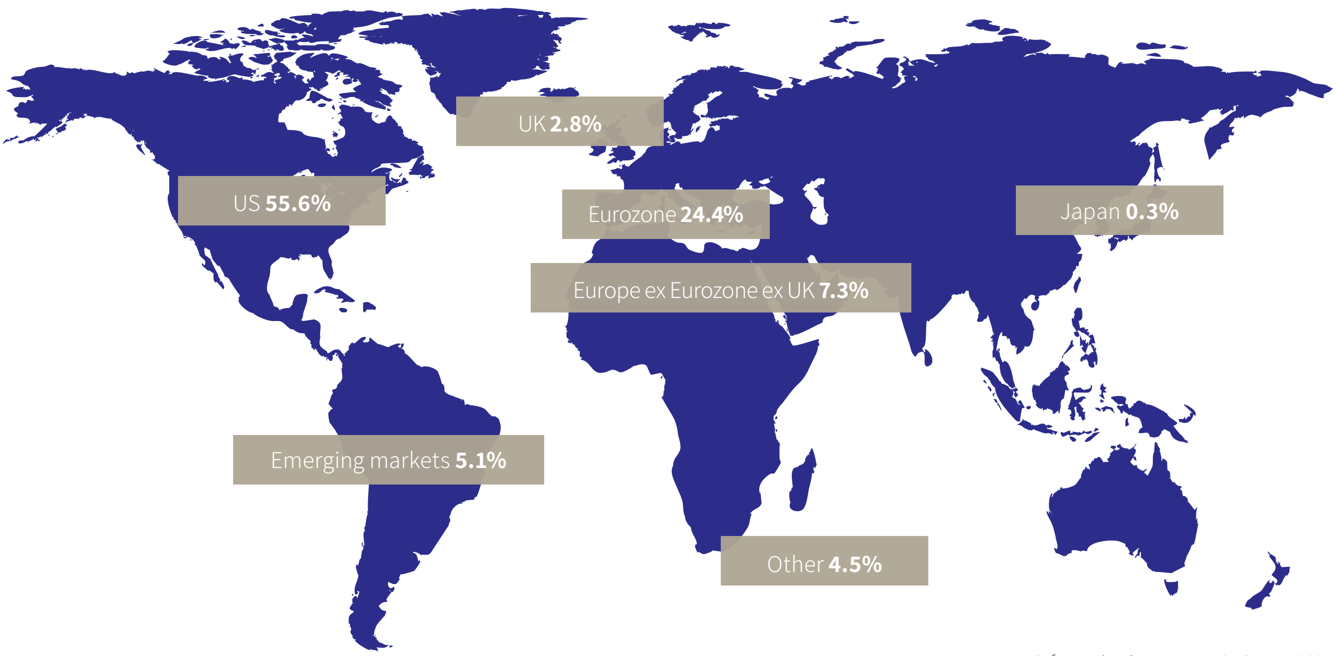


Top 10 share holdings

Stock name	% of fund
Alphabet	4.6
Microsoft	4.2
Oracle	4.0
Berkshire Hathaway	3.9
Taiwan Semiconductor	3.6
Booking Holdings	3.0
Meta Platforms	2.7
Nike	2.6
CRH	2.5
Ryanair	2.4

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

Share regional distribution



Information is correct at 31 August 2025

SUMMIT FUND PERFORMANCE

At 31 August 2025

Fund returns after fund management fee	Balanced	Growth	Global Leaders
1 Month	-0.18%	0.05%	-0.17%
QTD	2.06%	3.76%	5.51%
3 Month	2.84%	5.31%	7.57%
YTD	1.44%	2.88%	-2.22%
1 Year	4.38%	7.69%	9.71%
2 Years pa	6.82%	10.39%	18.34%
3 Years pa	4.82%	8.50%	16.03%
5 Years pa	5.46%	10.94%	13.51%
10 Years pa	4.35%	7.53%	13.22%

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

European Pensions AWARDS 2018
WINNER
Passive Manager of the Year

GRESB 2024

KPMG Irish Independent PROPERTY INDUSTRY EXCELLENCE AWARDS
2019
PROPERTY INVESTMENT/

Irish Pensions AWARDS 2019
WINNER
Investment Manager of the Year

Irish Pensions AWARDS 2020
WINNER
Investment Manager of the Year

Irish Pensions AWARDS 2021
WINNER
Risk Management Provider of the Year

Irish Pensions AWARDS 2022
WINNER
Investment Manager of the Year

Irish Pensions AWARDS 2023
WINNER
Property Manager of the Year

Irish Pensions AWARDS 2024
WINNER
Investment Manager of the Year

Summit Mutual 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.