



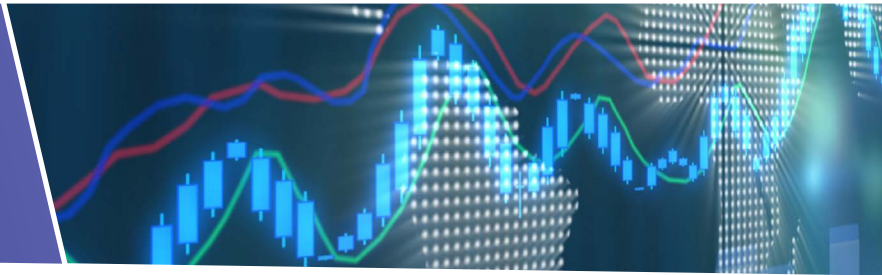
# February 2026 in review

## 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

The global macro backdrop in February was shaped by signs of moderating inflation. The growth outlook remained firm despite a disappointing Q4 GDP release in the US, although rising geopolitical tensions in the Middle East posed some potential risks. Trade policy was also firmly in the news after the US Supreme Court ruled that the Trump administration’s use of the IEEPA to impose global tariffs was unlawful. In Europe, economic conditions remained relatively stable, with easing inflation allowing the ECB to maintain a steady policy stance.

### Equities

Global equities were up 1.5% (2.1% in euros) in February, delivering a mixed but resilient performance over the month. Large-cap technology and software names lagged on concerns about AI-driven disruption and questions over the return on record AI capital expenditure plans. Old-economy asset-rich companies and sectors performed well with energy, utilities, materials, consumer staples, industrials, real estate and healthcare outperforming, benefiting from a broadening growth narrative beyond high tech.

The MSCI All Country World index ended the month up by 1.5% (2.1% in euros), with the MSCI USA down 0.9% in local terms (-0.1% in euros), as mega-cap technology generally underperformed. The MSCI Emerging Markets (EM) index surged by 5.0% (6.3% in euros), continuing to benefit from rising commodity prices. The Korean and Taiwanese markets benefited from increased hyperscaler capex announcements; these commitments supported hardware and memory stocks, which are large parts of both markets. European stocks advanced, with the MSCI Europe ex-UK higher by 3.4% (3.5% in euros), supported by moderated inflation and resilient Eurozone macroeconomic data. Japan rose 9.9% (9.4% in euros) following the landslide victory for Prime Minister Takaichi and the LDP party, with the expectation that a large fiscal stimulus programme will be forthcoming.

### Bonds

US 10-year Treasury yields decreased by 30 basis points to 3.94%, as cooling inflation data and increased demand for safe-haven assets supported government bonds. Eurozone government bond returns were also positive, with the ICE BofA 5+ Year Euro Government bond index rising by 2.1%, as the 10-year German Bund yield declined 20bps to 2.64% amid easing inflation pressures and stronger demand for high-quality sovereign debt.

## MARKET SNAPSHOT

### Market returns (EUR)

Equity Markets (EUR)	MTD Return (%)	YTD Return (%)	2024 Return (%)
MSCI Ireland	-1.3	-1.3	39.9
MSCI United Kingdom	5.9	10.0	19.1
MSCI Europe ex UK	3.5	6.6	20.4
MSCI North America	0.2	0.2	4.5
MSCI Japan	9.4	15.1	10.3
MSCI EM (Emerging Markets)	6.3	14.3	18.5
MSCI AC World	2.1	3.8	8.3
10-Year Yields	Yield last month	2025 Yield (%)	2024 Yield (%)
US	3.94	4.17	4.57
Germany	2.64	2.86	2.37
UK	4.23	4.48	4.57
Japan	2.12	2.07	1.10
Ireland	3.01	3.01	2.64
Italy	3.27	3.55	3.52
Greece	3.27	3.44	3.22
Portugal	3.00	3.15	2.85
Spain	3.06	3.29	3.06
FX Rates	End last month	2025 Rates	2024 Rates
U.S. Dollar per Euro	1.18	1.17	1.03
British Pounds per Euro	0.88	0.87	0.83
U.S. Dollar per British Pounds	1.35	1.35	1.25
Commodities (USD)	MTD Return (%)	YTD Return (%)	2025 Return (%)
Oil (Brent)	2.5	19.1	-18.5
Gold (Oz)	7.9	22.1	64.7
S&P Goldman Sachs Commodity Index	2.4	12.4	7.1

Source: ILIM, Bloomberg. Data is accurate as at 1 March 2026.  
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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, even with IEEPA tariffs being declared illegal; the Trump administration seeks to replicate the previous tariffs under new authorities. While tariffs are higher than at the start of 2025, they are at levels which should not lead to a recession. Earnings forecasts are now being revised higher, consumer balance sheets are strong and ongoing disinflation is expected through 2026, while 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 18.7x against a long-term average of 16.3x. 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 21.6x against a long-term average of 16.7x. 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 by double digits 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. Assuming the recent conflict in Iran ends soon and oil prices fall from their recent highs, then the positive backdrop for equities can remain in place. However, if oil prices were to remain persistently high because of tensions in the Middle East, the path for equities could become more uncertain.

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 the German 10-year yield falls from the current level of 2.64% to 2.50%, while the US 10-year yield can remain close to the current level of 3.94% and provide a healthy income stream. 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 was probably unchanged in 2025 at 2.8%, much stronger than feared on Liberation Day in early April. The global economy is expected to remain firm in 2026, with growth of 2.8% again expected. 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 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, can continue to rise.



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, impact on monetary policy and geopolitical tensions. Modest short-term drawdowns in markets are possible which could provide opportunities to add to exposure. A quick resolution of the Iran crisis would result in minimal impact on the growth and inflation outlook.



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

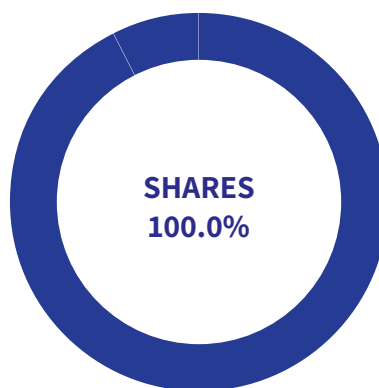
# SUMMIT GLOBAL LEADERS FUND

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 February

The Summit Global Leaders Fund returned 0.3% net of fund management fees in February. Leading performers included Samsung Electronics (+44.0% in KRW) and Netflix (+16.3% in USD). The former has gained market share in the key high-bandwidth memory market while also benefiting from strong memory prices generally. Netflix gained after conceding defeat to Paramount in its attempt to acquire Warner Brothers Discovery and easing fears of overpayment. Laggards included Novo Nordisk (-36.2% in DKK) and Amazon (-13.6% in USD). Novo Nordisk’s weakness owed to disappointing trial data for its weight-loss drug Cagrisema which fell short of that delivered by Eli Lilly’s competitor treatment. Amazon’s guidance for \$200bn capex in 2026, significantly ahead of consensus expectations, raised renewed concerns about the elevated capital intensity in the business and the uncertainty of the payoffs.

## Asset allocation

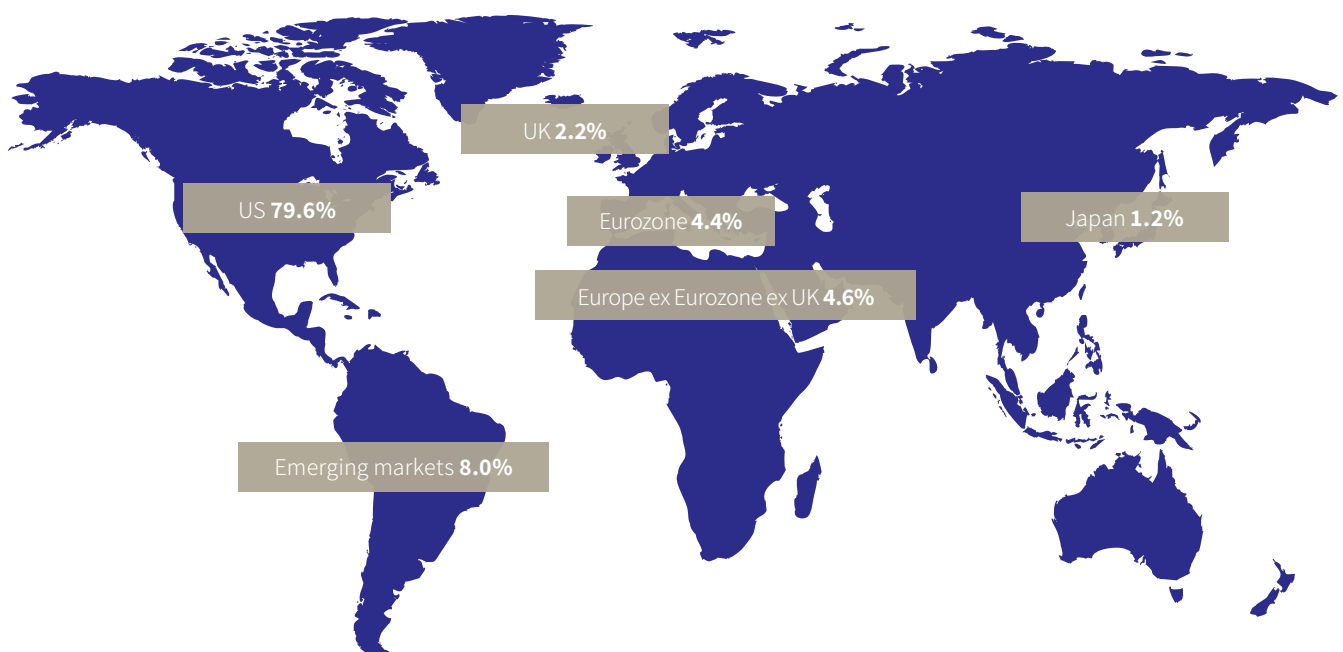


## Top 10 share holdings

Stock name	% of fund
Alphabet	8.0
Apple	7.8
Nvidia	7.0
Microsoft	6.5
Amazon.com	6.3
Taiwan Semiconductor	4.7
Meta Platforms	4.3
Broadcom	4.0
Samsung	3.3
Tesla	3.3

Source: ILIM, Factset.  
Data is accurate as at 28 February 2026.

## Share regional distribution



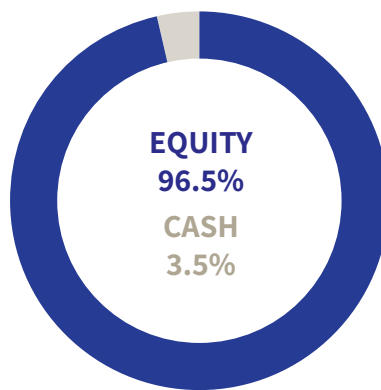
# SUMMIT GROWTH FUND

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 February

The Summit Growth Fund returned +2.5% net of fund management fees in February. From a sector perspective, Energy, Technology and Utilities were the best performers. The Healthcare, Consumer Discretionary and Financials sectors lagged over the month. The stocks contributing most to the fund return during the month were Samsung Electronics, Keysight Technologies and Taiwan Semiconductor. The stocks that detracted most from the fund return were Booking Holdings, Microsoft Corp and Meta Platforms Inc.

## Asset allocation

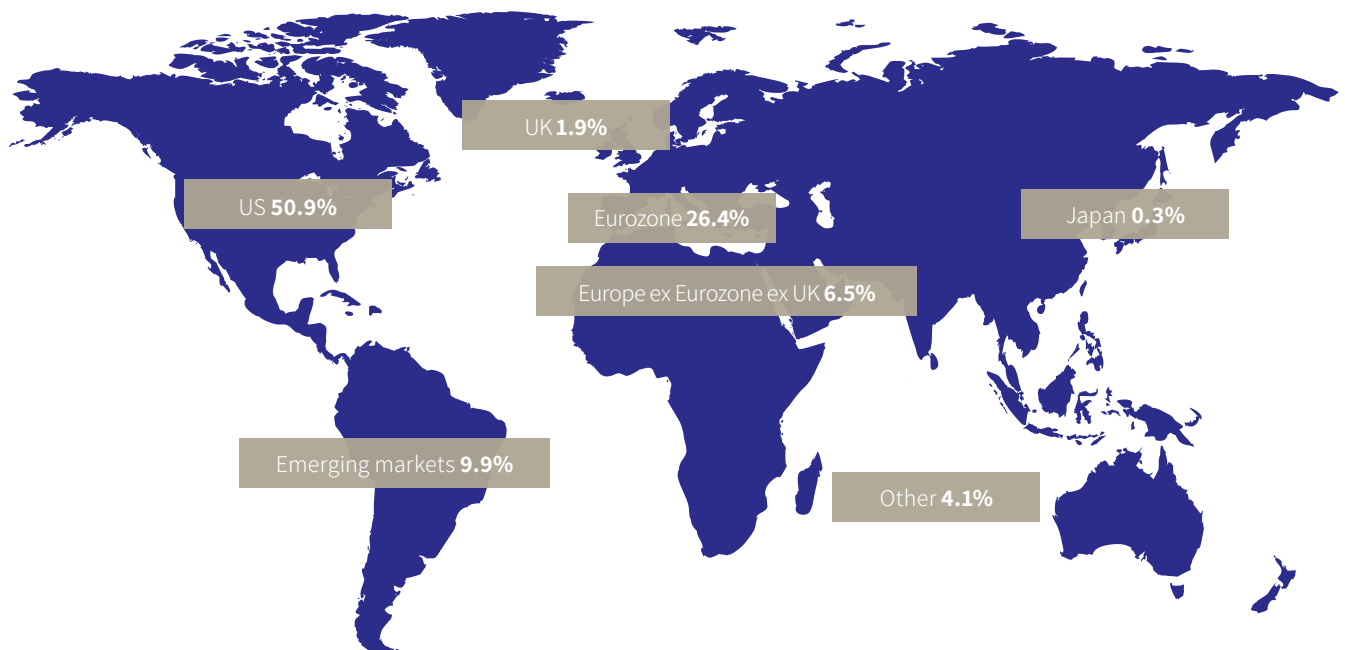


## Top 10 share holdings

Stock name	% of fund
Taiwan Semiconductor	4.4
Microsoft	4.0
Samsung	3.9
Alphabet	3.7
Berkshire Hathaway	3.4
Meta Platforms	3.0
Ryanair	2.7
Marsh & McLennan	2.4
Oshkosh	2.4
Netflix	2.3

Source: ILIM, Factset.  
Data is accurate as at 28 February 2026.

## Share regional distribution



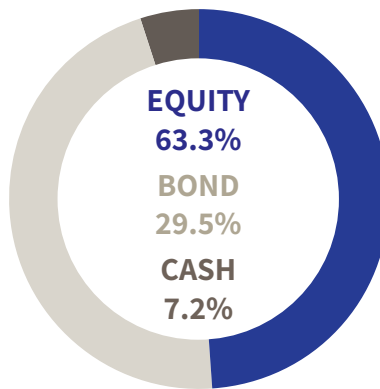
# SUMMIT BALANCED FUND

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 February

The Summit Balanced Fund returned +2.1% net of fund management fees in February. From a sector perspective, Energy, Technology and Utilities were the best performers. The Healthcare, Consumer Discretionary and Financials sectors lagged over the month. Global equities advanced, as strong gains in Japan, emerging markets and European markets offset modest declines in US equities, where valuation pressures and profit-taking in large technology stocks weighed on performance. US Treasuries rallied in February; the 10-year yield fell 30bps to finish the month below 4% on the back of the lower CPI reading and fall in Japanese yields following the election, while EU bond yields also declined amid steady ECB policy. At the start of March, equities have fallen slightly while bond yields have risen following the US and Israel's attacks on Iran. The duration of the conflict, damage to energy infrastructure across the region and the extent of restrictions on traffic through the Strait of Hormuz will determine the impact on oil prices and hence global growth, inflation and markets.

## Asset allocation

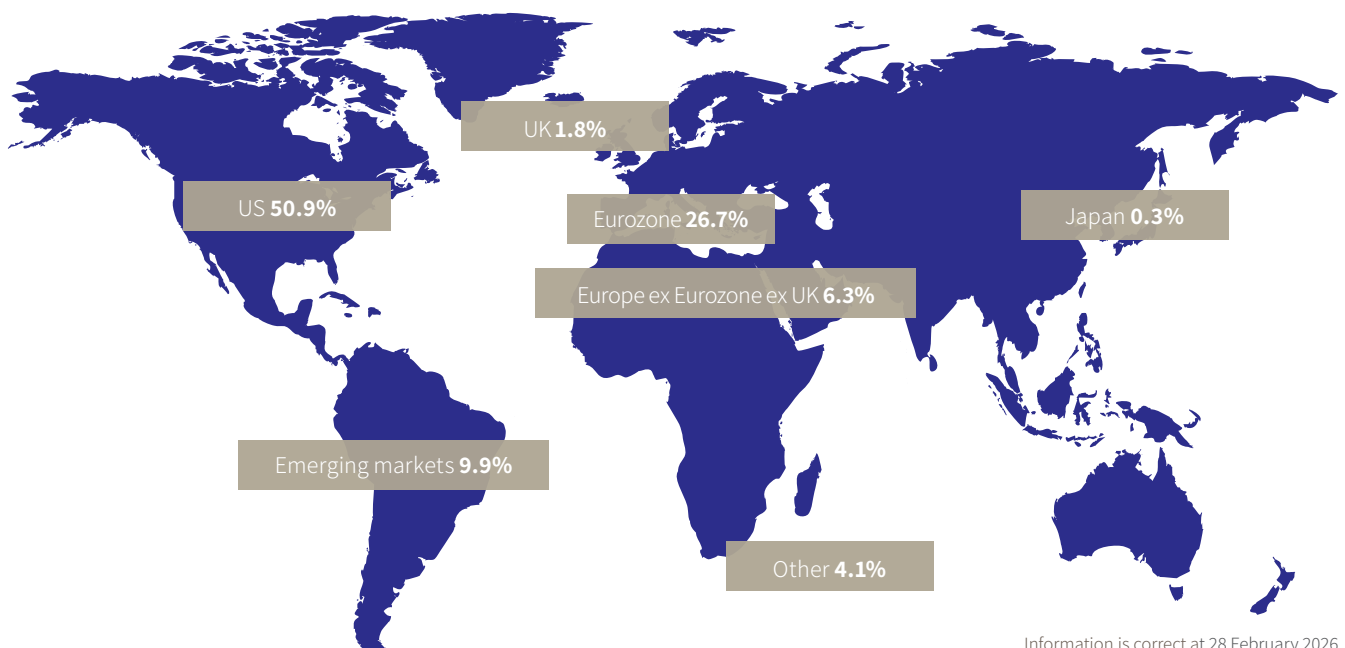


## Top 10 share holdings

Stock name	% of fund
Taiwan Semiconductor	4.3
Microsoft	4.0
Samsung	4.0
Alphabet	3.6
Berkshire Hathaway	3.3
Meta Platforms	3.0
Ryanair	2.7
Oshkosh	2.5
Netflix	2.4
Marsh & McLennan	2.4

Source: ILIM, Factset.  
Data is accurate as at 28 February 2026.

## Share regional distribution



Information is correct at 28 February 2026

# SUMMIT FUND PERFORMANCE



## At 28 February 2026

Fund returns after fund management fee	Balanced	Growth	Global Leaders
1 Month	2.09%	2.47%	0.25%
QTD	3.57%	4.43%	0.62%
3 Month	2.72%	3.68%	-0.18%
YTD	3.57%	4.43%	0.62%
1 Year	5.15%	8.07%	10.13%
2 Years pa	7.88%	11.93%	15.73%
3 Years pa	8.02%	11.74%	23.15%
5 Years pa	5.29%	10.34%	15.21%
10 Years pa	4.94%	8.66%	14.23%

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 REAL ESTATE**  
★★★★★ 2025

**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

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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.

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