

Part 2A of Form ADV: *Firm Brochure*

Peak Asset Management, LLC

1371 E. Helca Drive, Suite A
Louisville, Colorado 80027

Telephone: 303-926-0100
Email: peakam@peakam.com
Web Address: www.peakam.com

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This brochure provides information about the qualifications and business practices of Peak Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 303-926-0100 or peakam@peakam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Peak Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 106944.

Item 2 Material Changes

- 1) We combined clients of HCM Investors into Peak's client base.
- 2) Terry L. Robinette has joined Peak as a manager.
- 3) Katherine Spines and Terry Robinette have joined Peak's Investment Management Committee.

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Item 4 Advisory Business

Peak Asset Management, LLC (Peak) is a SEC-registered investment adviser with its principal place of business located in Colorado. Peak began conducting business in 1994.

Listed below are the firm's managers and owners:

- Terrance William Hefty (manager and beneficial owner through Bart Partners, LP)
- Noel Fletcher Bennett (manager and owner)
- John Neal McCorvie, CFA (manager and owner)
- John Joseph Glasman, CFA, CPA, CFP (manager and beneficial owner through Gilpin Partners, Inc.)
- Tara J Hume, CFA (manager and beneficial owner through Tara J. Hume Financial Consulting, LLC)
- Terry L. Robinette (manager)

(Please see information on the CFA designation in the Additional Information at the end of this document).

Peak offers the following advisory services to our clients:

1) Individual Portfolio Management

Peak primarily provides individual portfolio management of client accounts based on the individual needs of the client. Through personal discussions regarding financial planning topics in which goals, objectives and constraints based on the client's particular circumstances are established, we develop a custom investment policy statement (IPS) with the client. We create and manage a portfolio based on that IPS for the respective client. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance and liquidity needs as well as any legal or regulatory constraints. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

The large majority of the assets that we manage are on a discretionary basis (within the parameters established in the respective client IPS), but we do manage some non-discretionary accounts as well. Account supervision is guided by the client's stated objectives (i.e., growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors in the IPS.

Once the client's portfolio has been established, we review the portfolio on an ongoing basis, and if necessary, make appropriate changes based on the client's individual needs. Client meetings are available on a regular basis, or as determined by the client, to review the account.

Since we are an independent registered investment advisor, our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers – traded on public exchange or over-the-counter
- Corporate debt securities
- Certificates of deposit
- Municipal securities
- United States governmental securities
- Options contracts on securities
- Mutual Funds or Electronically Traded Funds (ETFs) that may invest in a range of securities, including but not limited to stocks, bonds and options, as well as commodities and real estate.
- Limited Partnerships that trade on a stock exchange, such as the New York Stock Exchange, that participate in businesses including: real estate, oil and gas and coal interests, pipelines, amusement parks, as well as a variety of other businesses.

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

2) Managed Account Solutions

As an alternative to our Individual Portfolio Management service, Peak also offers advisory management services to clients in our *Managed Account Solutions* (MAS) program through the Genworth Financial Wealth Management platform wrap fee program. In this program, Peak facilitates clients working with investment managers who provide discretionary management of individual portfolios of equity and/or fixed income outside of Peak. When advising clients investing in MAS, Peak uses model portfolios of mutual funds provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these strategists.

Based on the client's individual circumstances and needs (as exhibited in the client's Investment Policy Statement) we determine which selected registered investment adviser's ("adviser" or "asset manager") portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected asset manager. Clients should refer to the asset manager's Firm Brochure or other disclosure document for a full description of the services offered. Client meetings are available on a regular basis, or as determined by the client, to review the account.

3) Financial Planning (Note: this is a complimentary service to our portfolio management services. We do not offer financial planning as a standalone service).

We offer financial planning services to our clients to help form a more accurate picture of a client's financial goals, objectives and constraints. Financial planning is a comprehensive evaluation of a client's current and future financial state in relation to the client's current life and future goals or vision. There is no additional fee for this service beyond our Portfolio Management Services Fee.

In general, the financial plan can address any or all of the following areas:

- Personal Goals, Objectives and Constraints;
- Income and Expenses;
- Investments and Debt;
- Retirement Planning;
- Risk Management (example: Insurance);
- Tax Planning; and
- Estate Planning.

We gather required information through personal interviews and review of appropriate documents. We strive to facilitate solutions in areas outside of our expertise with appropriate professionals.

4) Newsletters

Peak Asset Management publishes a quarterly newsletter, *Financial Intelligence*, providing general information on various financial topics including, but not limited to, financial planning (such as estate planning or retirement planning), economic trends, etc. The information provided is intended to be educational in nature and does not include specific investment or planning recommendations to meet the objectives or needs of any specific individual. This newsletter is distributed free of charge to our advisory clients (as well as to prospective clients, business contacts, friends and relatives).

We also include a general *client letter* with our quarterly account report that is intended to provide insight regarding our perspective on the financial markets and economic events. This newsletter is distributed free of charge to our advisory clients (as well as to prospective clients, business contacts, friends and relatives).

Amount of Managed Assets:

As of 12/31/2011, we were actively managing approximately \$202,000,000 of clients' assets, approximately \$181,500,000 on a discretionary basis plus approximately \$20,500,000 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

Individual Portfolio Management Fees:

Peak Asset Management is a fee-only advisor.

The only fee payments that we receive are directly from our clients for our Portfolio Management services.

Our annual fees for Portfolio Management are based upon a percentage of assets under management and generally range from 0.50% to 1.25%.

One-fourth of the annual fee is invoiced quarterly, either 1) at the end of the quarter in arrears based on the account value as of the last day of the quarter, or 2) in the middle of each quarter based on the account value as of the last day of the first month of the quarter, one half in arrears and one half in advance (if a client closes an account, any pre-paid fees will be refunded on a pro rata basis). All fees are charged on a pro rata basis, based on the actual number of days under management during the quarter.

The client may pay the quarterly fee invoice by check or may authorize the custodian to pay Peak out of the client's account upon instructions from Peak.

Peak does not participate in any other fees or commissions outside of our basic portfolio management fee paid to us by our clients. Examples of *other fees and commissions* that a client may pay to third parties, incidental to the management of their assets, include: brokerage transaction commissions; prime brokerage fees; mutual fund (including money market funds) internal management and marketing fees, sales charges and redemption fees.

The annualized fee for Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1,500,000	0.75%
Over \$2,500,000	0.50%

Limited Negotiability of Advisory Fees: Although Peak Asset Management has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Managed Account Solutions Fees:

For client accounts participating in Peak's *Managed Account Solutions* (MAS) program, the following fee schedule represents the combination of Peak Asset Management's fee (as outlined under the Individual Portfolio Management Fees) along with the Genworth Financial Wealth Management platform fees. The following fee schedule represents the maximum fees charged to clients participating in Peak's *Managed Account Solutions* program, but does not include "other fees or commissions" detailed directly below. At no time will Peak Asset Management receive as compensation fees greater than the percentages detailed in our basic Individual Portfolio Management fee schedule directly above.

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.95%
Next \$1,500,000	1.65%
Over \$2,500,000	1.30%

Financial Planning Fees:

There are no additional fees for financial planning for our clients and we do not offer it as a standalone service.

General Information:

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the quarter (billing period).

Mutual Fund Fees: All fees paid to Peak Asset Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Managed Account Solutions (MAS) Fees: Clients participating in our MAS program may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the

broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Peak Asset Management is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar, higher or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-by-Side Management

Peak Asset Management does not currently charge performance-based fees, but as noted above, we keep open the option to negotiate fees.

Item 7 Types of Clients

Peak Asset Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans
- Trusts and Foundations
- Corporations or other businesses or entities not listed above

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. We attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp share price increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies:

Peak is generally a long-term oriented investment manager, but we are able to provide a number of different strategies to meet specific client needs and objectives. We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for 3-5 years or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our assumptions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Other potential strategies used to meet very specific client need or objectives (with specific client approval) are short-term trading, margin transactions, short sales and option transactions.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Peak has combined clients of HCM Investors into Peak's client base in 2012. Peak provides a payout to HCM Investors for the combination. Katherine Spines is a principal of HCM Investors.

It is important to note that in our *Managed Account Solutions* (MAS) program we currently only work with Genworth Financial Wealth Management's platform. This sole relationship limits the availability of selecting any appropriate strategist/manager that may potentially be available through other relationships. A potential conflict of interest would be that we favor the Genworth platform over other platforms because we already have the relationship set up.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including that we:

- Comply with applicable federal securities laws;
- Act with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospective clients, employers, and fellow advisors;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on investment advisors and their profession;
- Strive to maintain and improve our competence and the competence of others in the profession;
- Use reasonable care and exercise independent professional judgment while pursuing our fiduciary duties.

Peak Asset Management and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities by Peak personnel in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Peak Asset Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access

to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to peakam@peakam.com, or by calling us at 303-926-0100/800-298-9081.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may knowingly purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory account (i.e., "front running"). This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

Peak's clients primarily work with either TD Ameritrade or Charles Schwab as custodian/broker, though depending on practical constraints we are open to working with other firms as custodians/brokers for client accounts. Those wishing Peak to recommend a Broker will get a recommendation based on the broker's costs, skills, reputation, dependability and compatibility with the client (please note potential conflicts of interest outlined below).

Peak Asset Management, LLC does participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Peak receives some benefits from TD Ameritrade through its participation in the program. Peak may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Peak's participation in the program and the investment advice it gives to its Clients, although Peak receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include: receipt of duplicate Client statements and confirmations; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Peak by third party vendors. Some of the products and services made available by TD Ameritrade through the program may benefit Peak but may

not benefit its Client accounts. These products or services may assist Peak in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Peak manage and further develop its business enterprise. The benefits received by Peak or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Peak endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Peak or its related persons in and of itself creates a potential conflict of interest.

Peak Asset Management, LLC does participate in the Schwab Institutional program. Schwab Institutional is a division of Charles Schwab & Co., Inc. ("Charles Schwab") member FINRA/SIPC. Charles Schwab is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. Charles Schwab offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Peak receives some benefits from Charles Schwab through its participation in the program. Peak may recommend Charles Schwab to Clients for custody and brokerage services. There is no direct link between Peak's participation in the program and the investment advice it gives to its Clients, although Peak receives economic benefits through its participation in the program that are typically not available to Charles Schwab retail investors. These benefits include: receipt of duplicate Client statements and confirmations; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Peak by third party vendors. The benefits received by Peak or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Charles Schwab. As part of its fiduciary duties to clients, Peak endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Peak or its related persons in and of itself creates a potential conflict of interest.

Block Trades:

Peak Asset Management will aggregate or block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. In these instances clients participating in any block transaction will receive an average share price.

Transactions for Peak and its employees and principals are not aggregated with client transactions but are traded separately from and after client transactions.

As a matter of policy, Peak's allocation procedures must be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

It is important to note that non-discretionary accounts may be treated differently than discretionary accounts when executing a block trade due to the particular communication requirements of non-discretionary accounts.

Prime Brokerage Trades:

In general, listed stocks and mutual funds are purchased directly through the custodian of the respective client account. If the client has established a prime brokerage agreement with the custodian, authorizing the use of other broker/dealers and the subsequent settlement of security transactions through the custodian, Peak Asset Management may choose a broker/dealer that we believe offers the best value to the client. We frequently utilize the prime brokerage authorization in purchasing and selling individual bonds.

Item 13 Review of Accounts

1) INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Client activity is reviewed by the operations department (Debbie Harper or Angela Dwinal) or a portfolio manager (Noel Bennett, John McCorvie, Joe Glasman, Tara Hume, or Terry Robinette). Investment management strategy is reviewed on an ongoing basis by the portfolio manager and/or our investment advisory committee (Terry Hefty, Noel Bennett, John McCorvie, Joe Glasman, Tara Hume, Katherine Spines and Terry Robinette).

REPORTS: In addition to the monthly or quarterly statements and confirmations of transactions that custodian/broker provides to the client, Peak provides a quarterly statement that includes account performance.

2) MANAGED ACCOUNT SOLUTIONS

REVIEWS: The performance of the registered investment adviser(s) selected to manage client portfolios within our Manager of Managers Program is continually monitored by Peak Asset Management. Furthermore, accounts within this program are formally reviewed at least quarterly. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Client activity is reviewed by operations department (Debbie Harper or Angela Dwinal) or Joe Glasman, manager. Portfolio management strategy is reviewed on an ongoing basis by Joe Glasman, manager.

REPORTS: Monthly or quarterly statements and confirmations of transactions are provided by the broker-dealer. Additionally, either Genworth or Peak provides a quarterly statement that includes account performance.

3) FINANCIAL PLANNING SERVICES

REVIEWS: Reviews occur as needed based on initiation by Peak or by the client.

REPORTS: Reports upon request.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- the fact that we do not increase the management fee charged to the referred client above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

Item 15 Custody

All client assets are held at an independent qualified custodian, primarily Charles Schwab or TD Ameritrade.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts (for those clients that authorize the custodian to allow us to).

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to the custodial statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability of our managers to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary authorization with our firm as well as a Limited Power of Attorney with the client's custodian/broker, and may limit or change/amend this authority by giving us written instructions.

Managed Account Solutions:

As previously disclosed in Item 4 of this brochure, in the Managed Account Solutions program we do not "manage" client portfolios in the traditional sense of the definition, rather Peak Asset Management manages the managers of client portfolios within this program.

Accordingly, clients participating in this program grant us authority to hire and fire the selected asset manager(s) managing client accounts.

Clients give us this authority when they sign a discretionary authorization with our firm as well as a Limited Power of Attorney with the Genworth Financial Wealth Management platform, and may limit or change/amend these limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

Peak Asset Management will vote proxies related to client securities owned for those clients who provide specific designation of authority through proper documentation to their respective custodian. As a matter of policy and as a fiduciary to our clients, Peak seeks to vote all proxies consistent with the best economic interests of our clients. Peak will provide our proxy voting policy as well as voting records related to his or her specific accounts upon client request during regular business hours in writing or over the telephone at (303)926-0100/(800) 298-9081.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Peak Asset Management has no such financial conditions to report.

Additional Information:

CFA Institute Financial Adviser Statement for SEC Form ADV

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own;
- Maintain independence and objectivity;
- Act with integrity;
- Maintain and improve their professional competence; and
- Disclose conflicts of interest and legal matters.

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.