

## **Summit Strategies Group**

8182 Maryland Ave., 6<sup>th</sup> Floor • St. Louis, MO 63105 • [www.summitstrategies.com](http://www.summitstrategies.com)

Part 2A of Form ADV – Firm Brochure

**March 31, 2012**

This brochure (the “Brochure”) provides information about the qualifications and business practices of Summit Strategies Group (“Summit”). If you have any questions about the contents of this Brochure, please contact one of the following individuals at Summit:

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Summit Strategies Group is a registered investment adviser with the United States Securities and Exchange Commission (the “SEC”). Such registration does not imply a certain level of skill or training and the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Summit also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Item 2 - Material Changes**

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the disclosure document that Summit provides to clients as required by SEC rules. This Brochure, dated March 31, 2012, is prepared according to the SEC’s new requirements and rules.

No material changes have been made to this Brochure since our last annual update dated March 31, 2011.

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### Item 4 - Advisory Business

Summit Strategies Group is an independent Missouri corporation dedicated to providing investment consulting and other investment advisory services to our clients. The company was founded in 1995 and our principal owners are: Stephen P. Holmes, President; Daniel J. Holmes, Managing Director; Christopher C. Fox, Managing Director; and Thomas P. Pollihan, Managing Director.

Summit provides comprehensive investment consulting and/or other investment advisory services primarily to taxable and tax-exempt plan sponsors such as corporate, governmental and Taft-Hartley employee benefit and retirement plans; endowments; foundations and nonprofit corporations; and hospitals and insurance reserves.

Summit tailors its investment advisory services to the specific investment objectives and restrictions of each client pursuant to the investment guidelines and restrictions set forth in such client's investment advisory agreement. There is no assurance that any client's investment objectives will be achieved.

As described below, Summit provides investment consulting services. For a small number of clients (See Summit Solutions, below), Summit may be considered as managing client assets on a discretionary basis. As of December 31, 2011, the amount of assets Summit manages on a discretionary basis is \$229 million.<sup>1</sup>

Summit offers the following investment advisory services:

#### **INVESTMENT CONSULTING SERVICES**

Summit's general list of consulting services follows below. Some or all of these services may be provided to clients depending upon individual client needs or requests and will vary according to client:

##### *Strategy Development (Design):*

- Asset/Liability Modeling for Defined Benefit Plans
- Asset/Financial Statement Modeling for Hospital Funds
- Asset/Spending Modeling for Foundations/Endowments
- Integrated Asset/Liability Modeling for Insurance Reserves
- Asset Allocation Analysis for Defined Contribution Plans
- Investment Policy Development (including Investment Guidelines, Goals and Objectives)

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<sup>1</sup>The amount disclosed may be rounded to nearest \$100,000. The method for computing the AUM can be different from the method for computing AUM required for Item 5.F of Part 1.A (note that the Part 1A method is designed for making a determination as to whether an adviser should register with the SEC or with the states, rather than to convey meaningful information about the scope of the adviser's business). If the adviser chooses to use a different method to compute assets under management, it must keep documentation describing the method it uses.

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### *Implementation:*

- Board/Committee/Staff Education Seminars
- Portfolio Construction
- Asset Class Research and Analysis
- Equity Analysis and Custom Benchmarks
- Fixed Income Analysis and Custom Benchmarks
- Alternative Assets and Alternative Strategies Analysis
- Real Estate and Alternative Investments Analysis and Custom Benchmarks
- Investment Manager/Fund and Custodian Searches
- Plan Administrator and Fund Provider Searches
- Fee Negotiations with all Vendors
- Manager/Fund and Custodian Transition Management
- Securities Lending Review, Search and Selection

### *Ongoing Support (Monitoring):*

- Performance Measurement and Analysis (including specialized reporting for insurance and DC plans)
- Style Analysis and Performance Attribution
- Due Diligence Meetings with Investment Managers
- Customized Education Forums
- Customized Investment Research
- Trade and Compliance Monitoring
- Periodic Asset Allocation Reviews (Asset/Liability, Asset/Spending, etc.)
- Tax Modeling

A general description of some of these consulting services follows below. Summit may tailor its services to the needs of its clients as requested by the client or as recommended by Summit to the client. Each service is delivered in a customized fashion according to client needs. Clients may impose restrictions on investing in certain securities, types of securities or asset classes.

Investment Policy Development and Review: This service includes assisting the sponsor client in defining and implementing appropriate investment objectives, investment policies and strategies designed to achieve the stated objectives based upon that client's unique needs and circumstances.

Liability Analysis and Asset Allocation: This service includes analyzing the sponsor client's current liability structure; constructing liability projections; designing alternative portfolios of various asset classes within the context of the projected liability structure, the client's objectives and risk tolerances; analyzing risk/return tradeoff across feasible asset mixes; and ultimately helping the client to strategically allocate its assets among diversified asset classes so as to achieve stated investment objectives and manage or minimize its associated risks.

Investment Manager Search and Selection: This service includes assisting the sponsor client in the screening, evaluation and selection of investment managers ("Investment Managers") appropriately suited to invest client assets and carry out designated investment strategies in accordance with the client's investment policy.

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Custodian Search and Selection: Same as above as it relates to master trust and/or custody services provided to the sponsor.

Performance Measurement and Reporting: This service includes the calculation, analysis and review of investment rates of return for the client's fund(s) or plan(s) and constituent portfolios. Generally, on a quarterly basis, the client receives a written report, the Investment Performance Review, which measures, compares and evaluates the fund or plan as a whole as it relates to stated investment objectives and other relevant benchmarks, as well as each Investment Manager or constituent portfolio with appropriate asset class and style-related benchmarks. Reports may also generally include relevant economic analysis, portfolio attribution and personal analysis/commentary. All reports are part of fee-based, rather than subscription-based, consulting services and are specifically designed for that client's reporting needs.

Efficiency Review: Assisting the client with periodic review of Investment Manager fees, custodian fees, commission levels and trading costs, and compliance review. It also includes assisting the client with systematic rebalancing of asset allocation, portfolio transition, analysis of revenue-enhancing measures and implementation of cost reduction measures.

General Investment Research and Client Education: This includes producing board and staff level education seminars, conducting specific investment research, and delivering related reports to support client needs and requests.

Alternative Assets (Hedge Fund, Private Equity and Real Assets) Consulting: In addition to providing consulting services to its clients' publicly traded securities portfolio, Summit provides consulting services to certain clients in relation to those clients' direct investments in hedge funds, private equity or private equity-like partnerships and/or similar entities. Summit's consulting services in this area may include some or all of the following: conducting due diligence on direct managers or partnerships; recommending a portfolio strategy or structure with the objective of achieving the client's particular portfolio objective; recommending managers or partnerships for inclusion in the portfolio; and ongoing monitoring of the portfolio. Summit generally provides these for a fee under an agreement separate and apart from its fee and agreement for traditional consulting services. Searches for fund-of-fund investments in these areas of alternative assets classes are, however, generally included in Summit's fee for traditional consulting services.

### **INSTITUTIONAL RESEARCH SERVICES**

Summit provides capital market, economic and Investment Manager research under contract to another registered investment adviser which provides investment consulting services to small institutional plan sponsors and high net worth individuals. Summit is not affiliated with this registered investment adviser, nor is Summit a related person to this registered investment adviser.

### **SUMMIT SOLUTIONS**

Summit has developed an additional approach to providing investment consulting services to smaller institutional consulting clients. The Summit Solutions approach allows institutional plan sponsors with assets of less than \$100 million generally, to take advantage of "large plan"

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opportunities, such as customized asset allocation analysis, capital markets research, quality managers and institutional pricing. Under the Summit Solutions approach, Summit, in conjunction with the client, determines asset allocation and Summit selects certain mutual funds, exchange-traded funds or other investments managed in separate accounts or commingled funds, each advised by independent portfolio managers, to be utilized. Summit is not affiliated with any mutual funds or investment managers in any way and receives no compensation from them. Under this approach, Summit will meet the definition of providing continuous and regular supervisory or management services to securities portfolios. In addition, under the Summit Solutions approach, Summit may be deemed to provide portfolio management services or have discretionary authority as the definition of security includes mutual funds, even though it is the mutual fund manager who actually determines which securities are bought and sold and in what amounts.

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### Item 5 - Fees and Compensation

#### ADVISORY FEES AND TIMING OF PAYMENTS

Fees for Summit's investment advisory services or other specialized consulting projects are based on factors including estimates of time, the nature and complexity of the services to be provided, necessity and frequency of travel and personal meetings, and the amount of assets and the number of portfolios, partnerships or managers to be evaluated. Fees for either a full retainer or project relationship are quoted prior to engagement. All fees are payable in hard dollars only; Summit does not accept commissions. All fees may be negotiable and/or waived. Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar fees. Depending on the specific client and the circumstances of the advisory service to be provided, Summit offers several fee options, as outlined below:

Fixed Fees: Fees for Summit's investment consulting services are typically based on an annual fixed dollar amount established by Summit and the client at the inception of the advisory relationship. Fixed fees will vary depending on the complexity of the client's circumstances, the services to be provided and other factors as set forth above, and are fully negotiable as stated above. Clients will generally be invoiced quarterly in arrears at the end of each calendar quarter or as otherwise set forth in the client's investment consulting agreement.

Percentage of Assets Under Advisement: Summit and the client may also agree to an annual fee which may generally range from .02% to .35% of the total value of client assets under Summit's advisement. Summit will quote an exact percentage to each client based on the amount of assets under Summit's advisement, the nature and complexity of the client's circumstances, the services to be provided and other factors as set forth above. The client will generally be invoiced in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. Summit and the client may agree to alternative billing arrangements as set forth the client's investment consulting agreement.

Alternative Fee Arrangements: Summit and the client may agree upon alternative fee arrangements in addition to those set forth above. Alternative asset (hedge fund, private equity and real assets) consulting fees may be based upon a percentage of the total value of invested assets, partnership commitments, asset allocation targets or other criteria as agreed to by Summit and the client and set forth in the investment consulting agreement.

As described earlier, Summit also provides research to an unaffiliated investment adviser pursuant to a contract for a flat annual fee plus a percentage of annual gross revenue. This client is invoiced quarterly in arrears.

#### SUMMIT SOLUTIONS

Summit Solutions – Percentage of Assets Under Management: The annual fee for the Summit Solutions service will be charged as a percentage of the total value of assets under Summit's management, typically ranging from .15% to .30%. Summit will quote an exact percentage to each client based on the amount of assets under Summit's management, the nature and complexity of the client's circumstances, the services to be provided and other factors as set forth



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above. The client will generally be invoiced in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the quarter. Fee calculations will be verified and paid directly by the client's custodian. Summit and the client may agree on alternative billing arrangements as set forth in the investment consulting agreement.

### **TERMINATION OF ADVISORY RELATIONSHIP**

Generally, a client agreement may be cancelled at any time, by either party and for any reason, upon receipt of 30 days written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. Refunds are not applicable since all fees are paid in arrears.

### **OTHER EXPENSES**

**Mutual Fund Fees:** All fees paid to Summit for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds 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 the services of Summit. Summit is paid only by the client and does not receive any compensation from the mutual fund. Accordingly, the client should review both the fees charged by the funds and the fees charged by Summit to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Third Party Money Manager and Private Investment Fund Expenses:** Fees paid to Summit for investment advisory services are separate and distinct from the fees and expenses charged by independent Investment Managers for that entity's advisory/management services. Hedge funds, private equity funds and similar private investment funds may have expenses, management costs, performance-based fees and/or carried interest that will be borne by the investors of such funds. Accordingly, the client should review both the fees charged by third party Investment Managers and limited partnerships and the fees charged by Summit to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Brokerage and Custodian Expenses:** In addition to Summit's advisory fees, clients are also responsible for the fees, expenses and/or transaction costs 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). Item 12 of this Brochure (entitled "*Brokerage Practices*") describes the factors Summit considers in recommending broker-dealers.

**Travel Expenses:** From time to time, Summit may be reimbursed for reasonable travel costs associated with investment advisory services (including attending annual meetings of Investment Managers in client portfolios).

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### Item 6 - Performance-Based Fees and Side-By-Side Management

In addition to the fee arrangements described in Item 5 above, Summit may charge a performance-based fee for its full service consulting services. Under such a fee arrangement, Summit is paid a base annual fee (either a fixed fee or percentage of assets under advisement as described above) *plus* an additional amount if certain specific performance objectives are achieved. Such performance objectives and fee calculations are specific to the client and are mutually agreed upon in advance by Summit and the client. Performance-based fees are separate and distinct from the advisory fees charged by Summit for advisory services. Performance-based fees are negotiable and are generally payable annually in arrears or as otherwise set forth in the client's investment consulting agreement.

Performance-based fees may create an incentive for Summit to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Summit may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account. The client must understand the proposed method of compensation and its risks prior to entering into the contract. Performance-based fees will only be charged in accordance with the requirements of §205-3 of the Investment Advisers Act of 1940.

Summit may provide concurrent advisory services to clients that are not charged a performance-based fee by Summit and clients that are charged a performance-based fee by Summit. As a result, the potential for Summit to receive greater fees from performance-based accounts may create a conflict of interest with respect to the allocation of investment opportunities, as Summit may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a performance-based fee.

In connection with providing investment consulting services to its client's alternative assets portfolios, Summit provides education to its clients regarding the differences in how its clients may invest in hedge fund, private equity or real assets Investment Managers either on a direct basis or through a fund-of-funds investment vehicle. This education includes the advantages and disadvantages of each approach and includes: cost of the Investment Managers; cost of the investment vehicle, partnership or fund; degree of customization available to be tailored to the client's needs or investment policy; and investment limitations. It is the client's decision alone as to invest in the areas of alternative assets, and if so, whether to invest directly with the alternative Investment Managers or to do so through a fund-of-funds vehicle. If the client chooses to invest directly with an Investment Manager, the client may choose Summit or another investment consultant to conduct the due diligence on the Investment Managers or partnerships, advise the client on portfolio strategy to achieve the client's objectives, and monitor the investments of the alternative Investment Managers. If the client selects Summit, Summit will enter into a separate investment consulting agreement to provide these services, under a fee separate and apart from its agreement to provide traditional consulting services. As a result, a contract to provide consulting services regarding direct investment in alternative Investment Managers may create a conflict of interest with respect to allocation of assets in alternative investments, as Summit may have an incentive to recommend investments in favor of these direct investments. To mitigate potential conflicts of interest, the allocation of investments to alternatives are made as described in Item 6 above and approved by the client prior to investing. The client must understand the proposed method of compensation and risks prior to entering into a separate contract for investment

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consulting services for direct alternative Investment Manager investments. To mitigate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each client are made by Summit with respect to all clients in accordance with Summit's investment allocation policy, which takes into account multiple criteria, including: specific objectives of each client, the size and capital available for investment by each client, diversification needs, the size of the investment opportunity, current and anticipated market conditions, specific investment restrictions or guidelines applicable to each client, and relevant tax, ERISA or regulatory considerations. In the event an investment opportunity is suitable for more than one client, Summit will allocate the investment opportunity in a manner that is fair and equitable to each client relative to the other clients, taking into account all relevant facts and circumstances.

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### **Item 7 - Types of Clients**

Summit generally provides investment consulting services to plan sponsor clients such as: corporate, governmental and Taft-Hartley employee benefit and retirement plans; endowments; foundations and nonprofit corporations; and hospitals and insurance reserves.

Summit generally does not require a minimum account size prior to opening an account. In certain circumstances, such as where a client wishes to invest in alternative assets, Summit may require that the client be an “accredited investor” and/or “qualified purchaser” under the federal securities laws.

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### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

#### **INVESTMENT STRATEGIES AND ANALYSIS**

Summit provides advice on asset classes of marketable securities and private investments insofar as it provides advice on the structuring of a client's portfolio, asset allocation and manager selection. Summit assists the client with the development of an investment policy as described below. Development of asset allocation targets entails the review of client objectives and restrictions, analysis of the client's liability or spending needs, and related asset-liability or asset allocation modeling. Summit uses this modeling to determine a recommended range of asset mixes designed to achieve the client's investment objectives. Summit assists the client with the implementation of the target asset mix adopted by the client by conducting investment manager searches to help the client select Investment Managers to invest client assets within specified goals and objectives set by the client as contained in its investment policy statement. In certain specific situations, Summit may recommend specific strategies, asset allocations, Investment Managers, partnerships and/or portfolio structures to be used by clients.

Summit's investment processes include consideration of, if not the outright development of, investment policy statements for clients. These statements include considerations applicable to client objectives, restrictions, risk and regulatory requirements. They also include permissible asset classes and strategies, target asset allocation, performance monitoring standards, benchmarks, and investment guidelines and restrictions.

Investments, and potential investments, are analyzed by Summit based upon the investment strategy and focus of the Investment Managers under consideration, the performance of such Investment Managers, and any other methods deemed appropriate by Summit. Summit also uses fundamental analysis in its asset class and capital markets research, and in determining asset class expectations. Investment Manager analysis includes review of qualitative factors including: employee ownership, management consistency, integration of the product within the firm, product cost, experience and depth of investment staff, stability of staff, client service support, growth of assets under management, purchase and sale discipline, research capabilities, trading skills and portfolio characteristics. Quantitative factors reviewed include investment performance over time, performance within various parts of the market cycle, various measures of risk and risk adjusted return.

Summit appraises the capabilities of Investment Managers based principally upon its own analysis and information furnished by the trade press and through various publicly available databases such as: PARis, Morningstar, Zephyr, eVestment Alliance, VentureXpert, Bear Measurisk and PackHedge manager databases.

#### **INVESTMENT RISKS**

The task of identifying appropriate investment opportunities and monitoring such investments is difficult. There can be no assurance that Summit will be able to choose investments for clients that generate sufficient returns for such clients. All investments in securities involve a risk of loss that clients should be prepared to bear. Clients should carefully consider, among other factors, the following material risks involved with Summit's investment strategies.

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### Risks Inherent in Investments

A successful program of investing is subject to risks related to (i) the quality of the Investment Managers that Summit recommends; (ii) the ability of the Investment Managers to select successful investment opportunities; (iii) general economic conditions; and (iv) the ability of the Investment Managers to liquidate their investments at appropriate times. There can be no assurance that the investments made by the Investment Managers will result in rates of return to Summit's clients that are equal to or better than the average rate of return on investments with other Investment Managers, or that the performance of any Investment Manager will equal or exceed the performance of past recommendations made by Summit. In addition, certain asset classes may exhibit considerable volatility of returns. Clients may not be successful in meeting their respective performance objectives. Clients should not make any investments unless they can bear the risk of a complete loss of their investment.

### Reliance on Investment Managers

Summit will recommend Investment Managers unrelated to Summit and, therefore, investments by such Investment Managers will be selected by such Investment Managers. Summit will not have an active role in the day-to-day management activities of the Investment Managers. Moreover, Summit will generally not have an opportunity to evaluate the specific investments made by the Investment Managers. As a result, the returns to clients will depend in large part on the performance of these unrelated Investment Managers and could be substantially adversely affected by the unfavorable performance of a small number of Investment Managers. Each client will also potentially be subject to advisory fees, expenses and/or performance-based fees or carried interest charged by the Investment Managers with which it invests. Clients bear all risks of investment strategies employed by Investment Managers, including the risk that such Investment Managers will not meet their investment objectives.

### Multiple Levels of Expense

Summit and the Investment Managers recommended by Summit impose advisory fees, and, in some circumstances, performance-based fees, carried interest and/or other expenses as described in Item 4. Such fees and expenses will result in greater expense than if clients invested directly with the Investment Managers or in the underlying investments of such Investment Managers. Fees and expenses of Summit and the Investment Managers will generally be paid regardless of whether Summit or the Investment Managers produce positive investment returns.

### Market Volatility

Financial markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, and/or economic developments. Different segments of the market can react differently to these developments. Foreign financial markets can at times be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, and/or economic developments and may perform differently from the U.S. market. Investments with Investment Managers are not bank deposits and are generally not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

### Certain Risks Related to Alternative Assets

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Alternative asset investments (including investments in private investment funds) involve a significant degree of risk and are suitable only for clients of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. Identifying attractive private market investment opportunities and the right investment sponsors is difficult and involves a high degree of uncertainty. Clients will be competing for investment opportunities with other potential investors, some of which may have greater access to investment opportunities, ability to complete investments, resources and/or different return criteria, any of which may afford them a competitive advantage. There can be no assurance that Summit will be able to identify, or that Summit or clients will be able to complete, investments that will satisfy rate of return objectives or that will be able to fully invest a client's targeted capital commitment. There is no assurance that such investments will be profitable and there is a substantial risk that associated losses and expenses will exceed income and gains.

Private market investments require a commitment by clients for an extended period of time to contribute substantial amounts of capital, if and when called and often on short notice. Clients who are unwilling or unable to comply with their capital contribution obligations risk forfeiture of a portion, and possibly all, of their investments. Furthermore, clients will generally not be permitted to transfer their interests in such investments without the consent of the sponsors, which generally may be granted or withheld in the sponsor's sole discretion, and upon satisfaction of certain other conditions, including compliance with applicable federal, state and non-U.S. securities laws.

There generally will be little or no publicly available information regarding private market investments, their sponsors or their prospects. Many investment recommendations and/or investment decisions made by Summit will be based on information from non-public sources, and Summit often will be required to make investment recommendations and/or investment decisions without complete information or in reliance upon information provided by investment sponsors and other third parties that is impossible or impracticable to verify.

### **PERFORMANCE-BASED FEES**

As noted in Item 6 above, performance-based fees may create an incentive for Summit to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Summit may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account. The client must understand the proposed method of compensation and its risks prior to entering into the contract. Performance-based fees will only be charged in accordance with the provisions of §205-3 of the Investment Advisers Act of 1940.

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**Item 9 - Disciplinary Information**

Summit and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this Item 9.



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### **Item 10 - Other Financial Industry Activities and Affiliations**

Certain employees of Summit have formed a limited liability company for the exclusive purpose of investing for the benefit of such employees (the “Employee Investment Vehicle”). The Employee Investment Vehicle may buy or sell securities, invest with Investment Managers or invest in limited partnerships, mutual funds and/or other commingled funds for its account that are identical to or different than those recommended to clients. It is the expressed policy of Summit that no person employed by Summit shall prefer his or her own interest to that of a client or make personal investment decisions based on the investment decisions of clients.

Summit has procedures in place that require pre-approval from Summit’s Chief Compliance Officer before acquiring any interest in any initial public offering, private placement, limited offering or limited partnership offering. In addition, these procedures include: determining the appropriateness of any such investment for Summit clients; fully informing Summit clients for whom such investment is appropriate, given its nature and circumstances of the investment opportunity; giving Summit clients the opportunity to invest before Summit employees may invest in the same investment; and subsequent disclosure of any employee investment.

Summit selects other Investment Managers for its clients. Certain of Summit’s principals and/or related persons may be invited to serve on the advisory boards of the underlying Investment Managers or investment funds recommended by Summit, typically to provide advice on certain conflicts of interest and other matters pertaining to such Investment Managers or investment funds. There may be instances where such persons are asked to vote on issues taking the needs of all investors in such investment funds into account. Additionally, such persons may not receive compensation for such services.

## **Summit Strategies Group**

8182 Maryland Ave., 6<sup>th</sup> Floor • St. Louis, MO 63105 • [www.summitstrategies.com](http://www.summitstrategies.com)

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

Summit has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Summit's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Summit's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with Summit may buy or sell securities, invest with investment managers or invest in limited partnerships, mutual funds or other commingled funds for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Summit that no person employed by Summit shall prefer his or her own interest to that of a client or make personal investment decisions based on the investment decisions of clients.

As noted in Item 10 above, certain employees of Summit have formed the Employee Investment Vehicle for the exclusive purpose of investing for the benefit of such employees. The Employee Investment Vehicle may buy or sell securities, invest with Investment Managers or invest in limited partnerships, mutual funds and/or other commingled funds for its account that are identical to or different than those recommended to clients. It is the expressed policy of Summit that no person employed by Summit shall prefer his or her own interest to that of a client or make personal investment decisions based on the investment decisions of clients.

To supervise compliance with its Code of Ethics, Summit requires that anyone associated with its advisory practice who has access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Summit requires such "access persons" to receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).

Summit requires all individuals to act in accordance with all applicable Federal and state regulations governing registered investment advisory practices. Summit's Code of Ethics also includes the firm's policy of prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

Summit will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at Summit's principal address.

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### **Item 12 - Brokerage Practices**

Summit does not engage in any “soft dollar” practices or otherwise receive any research or other services from brokers. Summit does not receive client referrals from a broker or other third party service providers.

For clients in need of brokerage or custodial services, Summit may recommend the use of one of several broker dealers. Clients must evaluate these brokers before opening an account. The factors considered by Summit when making these recommendations include the broker's ability, timing, quality and costs of providing professional services, Summit's experience with the broker, and the broker's reputation. Clients are not under any obligation to effect trades through any recommended broker.

As Summit does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid on behalf of clients, clients must direct Summit as to the broker dealer to be used. Directing brokerage may cost clients more money. In directing the use of a particular broker dealer, it should be understood that Summit will not have the authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist among different clients of Summit.

Clients should review the disclosure documents of recommended third party Investment Managers recommended by Summit for information regarding the brokerage policies, practices and recommendations of such Investment Managers. Summit does not arrange for securities transactions in accounts managed by independent Investment Managers.

Summit does not place trade orders and therefore does not aggregate trades.

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### **Item 13 - Review of Accounts**

Summit will periodically review client accounts. Generally, Summit will provide a written report to the client on a quarterly basis. This written report measures investment performance for the client's investment portfolio as a whole, for the portfolio's asset class composites, and the individual Investment Managers. The report will make comparisons to relevant investment benchmarks, investment portfolio peer groups and investment manager peer groups. In addition, the report will review the portfolio's change in market value and asset allocation as compared to targets and objectives stated in the client's investment policy. These reports are prepared by Summit's performance measurement staff, reviewed by Summit's investment consultants and presented to the client generally, by the client's assigned Summit investment consultant. Summit's investment consultants generally have the titles of: Investment Consultant, Senior Investment Consultant, Vice President or Senior Vice President.

Summit may also review client accounts on other than quarterly basis generally when: requested by the client, a need for a change in asset allocation occurs, a recommendation for a change in an Investment Manager is made, or a recommendation to introduce a new investment or asset class is made.

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### **Item 14 - Client Referrals and Other Compensation**

Summit does not receive any economic benefits from a third party in connection with advisory services (including material gifts, research or other products). Also, Summit does not compensate third parties for client referrals or receive client referrals from recommended brokers, custodians, etc.

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### **Item 15 - Custody**

Summit does not have custody of any client assets. Summit urges all clients to compare any account statements or reports received from Summit with account statements they receive from their qualified custodians or investment managers.

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### **Item 16 - Investment Discretion**

Except as described below for Summit Solutions clients, Summit generally does not have discretionary authority over client accounts and will not arrange for the execution of securities transactions as part of its investment consulting services. The client is responsible for the implementation of all recommended securities transactions.

Pursuant to its Summit Solutions service, Summit requests that it be provided with written discretionary authority (via a limited power of attorney or by investment advisory agreement) to determine which securities, primarily in the form of mutual funds, and the amounts of securities to be bought or sold. When identifying and selecting such Investment Managers and/or investments, Summit observes the investment guidelines, policies and any limitations and restrictions imposed by its clients as set forth in the investment advisory agreements. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

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### **Item 17 - Voting Client Securities**

As a matter of firm policy and practice, Summit does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients generally will receive their proxies and/or other solicitations directly from their custodian or transfer agent. Clients may delegate proxy voting authority to their Investment Managers or other proxy voting services and in such cases the Investment Manager or other proxy voting services will receive the proxies and/or other solicitations directly from the Client's custodian or transfer agent. Clients may contact the Chief Compliance Officer at Summit's principal address with questions about any proxy voting or solicitation and Summit's policy with respect thereto.