

# SUMMIT INVESTMENT ADVISORS, INC.

## PART 2A OF FORM ADV FIRM BROCHURE MARCH 30, 2012

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This brochure provides information about the qualifications and business practices of Summit Investment Advisors, Inc. If you have any questions about the content of this brochure, please contact us at:

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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.

Summit Investment Partners is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information by which you may determine to hire or retain an Adviser.

Additional information about Summit Investment Partners also is available on our website at [www.summitinvestmentpartners.com](http://www.summitinvestmentpartners.com) or the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2 - MATERIAL CHANGES**

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There are no material changes from the last annual update of Form ADV Part 2A.

Pursuant to SEC Rules, Summit will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Summit will further provide clients with such amended Brochure, at any time, without charge.

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## ITEM 4 - ADVISORY BUSINESS

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### About Summit

Summit Investment Advisors, Inc. (SIA), doing business as Summit Investment Partners (Summit) is an investment adviser registered under the Investment Advisers Act of 1940. SIA was formed as a Nebraska corporation in 1984 and is a wholly-owned subsidiary of Ameritas Holding Company (AHC), which is owned by UNIFI Mutual Holding Company (UNIFI Companies or UNIFI). See Item 10 of this document for an additional discussion concerning Summit's affiliates.

Summit has offices in Lincoln, Nebraska and Cincinnati, Ohio and employs 47 associates as of December 31, 2011. There are 22 associates involved in advisory operations and support in Investment Securities management departments and 13 in Commercial Mortgage & Real Estate management and servicing departments. Eleven associates are Registered Securities Representatives of Ameritas Investment Corp. (our affiliated broker dealer – see Item 10) and nine are Investment Advisor Representatives.

### Types of Advisory Services Offered

Summit provides investment supervisory services and manages investment portfolios tailored to achieve its clients' objectives and risk tolerance by managing various asset classes with in-house personnel that have education, training and experience with these assets.

Summit's Investment Securities departments primarily provide management in the following areas:

- \* actively managed equity securities,
- \* passively managed equity and fixed income securities,
- \* actively managed fixed income securities, including United States Government and Agency securities, municipal securities, investment grade and high yield public and privately-placed corporate securities,
- \* mortgage and asset-backed securities,
- \* asset allocation and fund selection portfolios, and
- \* derivative securities (options, futures contracts, swaps, etc.) used to hedge securities portfolios, insurance reserves and other risks.

The Commercial Mortgage and Real Estate Management and Servicing departments originate and manage portfolios of commercial mortgage loans and real estate for Summit's affiliated companies and have originated and currently service loans included in structured commercial mortgage-backed securities (CMBS).

### How Advisory Services are Tailored to Individual Client Needs

Summit manages portfolios in a manner that is consistent with each advisory contract and each client's investment policies. The contract will indicate the asset class or classes to be included in the portfolio, and the policies typically include restrictions or limitations on certain securities or types of securities. These restrictions often are based on the client's investment objectives, goals and risk profile and are driven by the nature of the operations of institutional clients (investment companies, pension plans, charitable organizations, insurance companies, etc.) and by the investment goals and risk profile of individual clients (retirement, college, general savings, etc.). Once these conditions are known, the portfolio manager can design an appropriate investment strategy to manage the account. Summit generally manages investments on a discretionary basis.

## ***Investment Companies***

Summit is the investment sub-adviser to the following seven portfolios of the Calvert Variable Products, Inc. registered open-end investment company (part of Calvert Funds, an affiliate see Item 10). Additional information about these funds can be found in their prospectus and statement of additional information.

<b>Fund Name</b>	<b>Investment Objective</b>
S&P 500 Index Portfolio	Seek investment results that correspond with the S&P 500 Index.
S&P MidCap 400 Index Portfolio	Seek investment results that correspond with the S&P MidCap 400 Index.
Nasdaq-100 Index Portfolio	Seek investment results that correspond with the NASDAQ-100 Index.
Russell 2000 Small Cap Index Portfolio	Seek investment results that correspond with the Russell 2000 Index.
Barclays Capital Aggregate Bond Index Portfolio	Seek investment results that correspond with the Barclays Capital U.S. Aggregate Bond Index.
Inflation Protected Plus Portfolio	Seeks to maximize real levels of current income by investing primarily in inflation adjusted fixed income securities.
Natural Resources Portfolio	Seeks primarily to provide capital growth by investing primarily in exchange-traded funds and notes representing different natural resources exposure.

## **Wrap Fee Accounts**

Summit, with its affiliated broker dealer Ameritas Investment Corp. (AIC), offers investors opportunities to obtain professional investment and brokerage services in four separate investment programs for one all-inclusive fee based on assets under management (“Wrap Fee” or “Program” Accounts). Participation in these programs may be arranged through affiliated Investment Adviser Representatives (IARs). Summit and AIC each receive a portion of the fee for the services that they provide, and the balance of the fee is retained by the IAR.

AIC provides the brokerage services acting as soliciting adviser and broker. As necessary, depending on the account investments, AIC also introduces the Program Accounts to its clearing broker-dealers on a fully disclosed basis, including but not limited to: Pershing LLC (Pershing), One Pershing Plaza, Jersey City, New Jersey and National Financial Services LLC (NFS), 82 Devonshire Street, Boston, MA.

Summit provides programs of investment advisory services for PRIVATE CLIENTS, GEMINI and MERCURY Accounts that are tailored to each client's investment objectives. These objectives are based on a completed Investment Questionnaire and Asset Allocation Worksheet that assists in the determination of an appropriate diversified long-term portfolio using strategies described later in this document. Summit, in its investment advisory role, maintains current client profiles and adjusts portfolios accordingly. For CONSTELLATION Accounts, Summit is responsible for portfolio management and directs all trades electronically through AIC to AIC's correspondent broker-dealer. Summit chairs CONSTELLATION's investment committee that comprises associates from both Summit and AIC. CONSTELLATION Program objectives also are based on a completed Investment Questionnaire and Asset Allocation Worksheet that assists in the determination of an appropriate diversified long-term portfolio using strategies described below. The team maintains current client profiles and adjusts portfolios accordingly.

Investment opportunities for Wrap Fee Accounts differ from those for Institutional Accounts, due to (1) different brokerage arrangements for Institutional Accounts and (2) time constraints of processing offerings. Institutional Account investments in underwriting participations (corporate bond offerings) may not be available for Program Accounts because of difficulties in identifying an account or accounts that meet minimum purchase order size requirements for an opportunity that also fits with the account's investment strategy. Additionally, Summit may consider other types of investments to be unsuitable for Program Accounts that are suitable for Institutional Accounts (i.e., real estate).

Further information about the programs listed below is included in each of the Wrap Fee Program Brochures for PRIVATE CLIENTS, GEMINI and MERCURY that Summit prepares and for CONSTELLATION that AIC prepares. These brochures are available on request and are provided before an account is established.

Investment Program	Model Portfolios	Investment Types	Minimum Account Size
PRIVATE CLIENTS	Customized portfolios	Individual securities and ETFs.	\$100,000
GEMINI	Customized portfolios	Individual securities and ETFs.	\$500,000
MERCURY	Customized portfolios	ETFs and mutual funds	\$100,000
CONSTELLATION	Five dynamic strategies from conservative to aggressive.	No-load and load-waived mutual funds and ETFs	\$50,000

### ***Institutional Accounts***

#### **Affiliated**

Summit provides investment management services to separate accounts of affiliates, including insurance companies, charitable institutions, a pension plan, an unregistered Insurance Company Separate Account (A Separate Account is a fund held by a life insurance company that is maintained separately from their general assets and generally used for variable products investment options. In the event of insolvency of the insurer, separate accounts may be protected from claims by creditors and other insureds.), etc. for a negotiated fee generally based on the size and complexity of the account and its investment objectives. Each account invests in a wide variety of investments in customized portfolios whose strategies are based on objectives, restrictions and limitations included in detailed investment policies and derivative use plans approved by appropriate management and Boards (or other governing committees). These investment advisory contracts can be terminated at any time by advance written notice (not to exceed 90 days) by either party.

Because mutual funds and/or exchange-traded funds (including affiliated funds sub-advised by Summit) may be recommended as part of advisory services provided to affiliated clients, and the value of these funds may be included for the purposes of calculating certain account fees, clients are advised that funds included in their account pay advisory fees to the fund manager, which are in addition to account-level advisory fees paid to Summit.

Summit has engaged Calvert Investment Management, Inc. (“CIM,” an affiliate of Summit and manager of the Calvert Funds for which Summit is a sub-adviser of seven Funds – see Item 10) as sub-adviser for the large cap value portion of affiliated equity portfolios.

#### **Unaffiliated**

Summit also provides investment advisory services to unaffiliated Institutional separate accounts. These advisory services include development and execution of investment strategies that adhere to client investment policies and any restrictions or limitations. The investment objectives and policies recommended by Summit remain the responsibility of the clients' Board of Directors or Investment Committee.

### ***Total Assets Under Management***

As of December 31, 2011, Summit managed \$9,774,129,000 for 523 discretionary accounts and \$1,461,776,000 for 6 non-discretionary accounts.

## ITEM 5 - FEES AND COMPENSATION

### Wrap Fee Accounts

Clients are charged an account fee based on a percentage of the assets managed in their accounts. The standard fee schedules for Private Clients, MERCURY, GEMINI and CONSTELLATION accounts appear below. Such fees are all inclusive, and no other fees for custody, brokerage commissions, transaction costs or other fees or expenses are charged. A portion of account fees will be payable to the IAR responsible for each account. In certain cases, such as when a client is an employee of Summit or an affiliate, that portion of the account fee payable to the IAR may be waived and, as a result, a lower fee may be available than might otherwise be the case.

Account fees are payable quarterly in advance, as of the last business day of the previous quarter. If an Agreement is terminated within five (5) business days from the date of inception, all fees paid in advance will be immediately refunded. If an account is terminated during a quarter, fees will be prorated and a refund issued to the client. Such accounts may be terminated at any time on written notice. Fees generally are deducted from client assets; exceptions to this practice require approval from Summit and AIC.

Because mutual funds and/or exchange traded funds ("collectively, Acquired Funds") are recommended for certain of these accounts and their value is included for purposes of calculating the account fee, clients should understand that these Acquired Funds also pay advisory fees to their investment advisers (including, if recommended, affiliated investment advisers) and incur operating expenses that reduce the total return of Acquired Funds. These indirect fees and expenses are in addition to the clients' account fee.

The minimum size for a PRIVATE CLIENTS account generally is \$100,000, and the annualized maximum fee based on a standard account value are as follows:

PRIVATE CLIENTS Account Balance	Annual Fee
First \$200,000	2.00%
\$200,001 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.75%
Over \$2,000,000	0.50%

The fees listed above will be reduced by 50% for accounts consisting entirely of fixed income securities.

The minimum size for a GEMINI account generally is \$500,000, and the annualized maximum fees based on a standard account value are as follows:

GEMINI Account Balance	Annual Fee
\$500,001 to \$5,000,000	2.00%
Over \$5,000,000	Negotiable

The maximum fee for an account consisting of all fixed income securities is 1.5%.

The minimum size for a MERCURY account generally is \$100,000, and the annualized maximum fees based on a standard account value are as follows:

MERCURY Account Balance	Annual Fee
\$100,00 to \$5,000,000	1.50%
Over \$5,000,000	Negotiable

The minimum size for a CONSTELLATION account generally is \$50,000. The annualized maximum fees are based on either a standard or qualified account values are as follows:

CONSTELLATION Account Balance	Standard Account Fee	Qualified Account Fee*
First \$250,000	2.00%	1.75%
Next \$250,00	1.75%	1.50%
Next \$250,00	1.50%	1.25%
Next \$250,00	1.25%	1.00%
Next \$4,000,000	1.00%	0.75%
Over \$5,000,000	Negotiable	Negotiable

\* A Qualified Account is one subject to ERISA or deferred taxation under the Internal Revenue Code. A CONSTELLATION client may choose a flat fee that falls within the above schedule.

## Investment Companies

Compensation is determined by negotiations with the Funds and CIM. Fees are payable not more frequently than monthly and are based on 50% of net advisory fees calculated using the average daily net assets of the Funds, payable in arrears by Calvert. Brokerage commissions, custody fees, accounting, administration and other operating fees are paid by the Funds. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Summit's fee, and Summit does not receive any portion of these commissions, fees, and costs. Contracts are terminable in accordance with the Investment Company Act of 1940 that provides that such termination cannot be with more than 60 days notice and must be without penalties.

## Institutional Accounts

### Affiliated

Compensation is determined through negotiations with the companies' management, payable on a quarterly basis and generally is based on the net assets under management; although affiliated pension plans are charged a flat fee. Asset-based fees range from 1.5 basis points to 50 basis points. Contracts are typically terminable upon 30 days' notice without penalty. However, for some clients, a longer notice period is required for termination. Affiliated fees generally are paid in advance based on balances at the end of the prior quarter. No fees are deducted from client assets. Summit's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, ETFs and other pooled investments also charge internal management fees, which are disclosed in a fund's prospectus or other disclosure documents. Such charges, fees and commissions are exclusive of and in addition to Summit's fee, and Summit **does** not receive any portion of these commissions, fees, and costs.

Summit charges its clients' Commercial Mortgage borrowers a loan placement fee that generally ranges from \$7,500 to \$10,000 to compensate for legal fees, property inspection and other costs associated with underwriting the loan.

### Unaffiliated

Compensation is determined through negotiations with the companies' management, payable on a quarterly basis, based on the net assets under management. Fees range from 15 basis points to 50 basis points and are paid in arrears generally based on the average assets under management during the quarter. Contracts are typically terminable upon 30 days' notice without penalty. However, for some clients, a longer notice period is required for termination. No fees are deducted from client assets. Summit's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.



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**ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Summit does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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**ITEM 7 - TYPES OF CLIENTS**

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Summit provides investment advisory services to:

- Affiliated and unaffiliated institutional clients, including:
  - General Accounts of insurance companies,
  - Separate Accounts of insurance companies, and
  - Pension plans and retirement accounts (including Taft-Hartley Plans),
- Registered investment companies of Calvert Variable Products, Inc., and
- Discretionary Investment (Wrap Fee) Program Accounts, including:
  - Individuals,
  - High net worth individuals,
  - Profit sharing plans,
  - Trusts,
  - Charitable organizations,
  - State and local government entities, and
  - Small businesses and others.

See Item 5, Fees and Compensation, for information regarding minimum account sizes.

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**ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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Summit employs various methods of investment analysis. Our primary approach is to conduct fundamental and technical analysis of data, but we also may consider charts and cyclical data or other trend and statistical analysis. The main sources of information include: inspection of corporate activities, securities filings (such as, annual and quarterly reports, prospectuses, and other filings), press releases, financial newspaper and other periodical articles, research materials prepared by brokers or others and rating agency reports. In addition to such traditional research sources, Summit also may use a variety of electronic databases (e.g. Value Line, Dorsey Wright and Bloomberg, etc.), or telephone and personal communications with management of companies of securities under consideration.

Summit seeks to identify investments that will achieve clients' investment objectives within the parameters of established investment policies, restrictions and limitations.

**Investment Strategies for actively managed growth equity portfolios,** Summit seeks a diversified portfolio of securities selected from the benchmark sector that generate targeted sales, earnings, and cash flow growth potential, selling at a discount relative to their potential for growth. This investment strategy is based upon Summit's belief that over the long term, stock price appreciation is generally tied to its company's growth potential. Understanding the growth potential and paying a favorable price, is the beginning mechanism of stock performance. Summit completes the investment process and manages risk levels with a sell discipline also focused on growth potential and valuation. Summit also manages risk through stock selection across sectors and a broad industry base and generally considers securities with issuers that have over \$1 billion in market capitalization to be eligible for consideration as Large Cap investments.

**For actively managed corporate fixed income portfolios** (including U.S. Government and Agency securities, investment grade and high yield corporate securities, private placement securities and short-term securities), Summit's strategy begins by determining the benchmark based on client investment policies. Summit begins its credit process with a periodic evaluation of the economy, the absolute level and direction of interest rates, and the shape of the yield and credit curves and how we believe they will change. This macro view on the economy impacts the allocation of assets relative to the benchmark. Views on individual sectors are based on proprietary fundamental research to overweight those sectors that we believe will outperform the market and underweight those sectors that we believe will underperform the market. The individual security selection process takes into account the client's objective, our sector weightings, our proprietary credit analysis, and our preferred placement on the yield curve while maintaining duration neutrality. Summit's credit analysis is designed to identify bonds that offer "relative value," or those that offer the best risk/reward characteristics in a given sector. The process is dynamic and continuous. For example, credit spreads are monitored on a daily basis, returns are analyzed monthly to better understand performance, and credit reviews are updated periodically for each portfolio holding. Buy decisions are based on identifying securities with attractive credit fundamentals, that offer compelling relative value, and are included in targeted market sectors or themes. Sell criteria include identifying securities whose credit fundamentals have deteriorated, that have become fully-valued as other buyers recognized the relative value, and our evolving outlook of a sector or the overall economy.

**For actively managed mortgage and asset-backed securities portfolios,** Summit applies top-down and bottom-up analysis on every security that is a candidate for investment based on clients' investment policies and restrictions and limitations. Top-down analysis is done on a quarterly and annual basis to establish the sector outlook, originator/servicer profile and relative value. The mortgage and asset-backed securities team uses bottom-up analysis to review the individual characteristics of a given security. These characteristics include the type of collateral supporting the security, the prepayment and default characteristics of the underlying collateral, and the deal structure. Summit reviews various interest rate scenarios to estimate how a given security will react and the risk that the security's average life will extend or shorten. For non-agency mortgage and asset-backed securities, the team examines: distributions to identify any outliers in distribution; collateral characteristics to identify any underwriting "drift;" and collateral characteristics to peer deals to determine if risk is adequately priced in the market. The goal is to determine: what level of loss results in reduced yield and lost principal; historical experience of the sector and originator, whether the level of credit enhancement appears consistent with collateral risk and consistent with peers, and what combination of characteristics and scenarios impact ratings. Summit also applies quantitative and qualitative methods to ensure performance of the portfolio, including analyzing trends, monitoring commentary, investigating discrepancies in remittance reports, and monitoring collateral characteristics.

***For asset allocation and fund selection accounts*** investing in mutual funds, ETFs and other investment company securities, Summit utilizes a proprietary asset allocation process designed to align client needs, expectations and constraints with investment market opportunities to deliver client-specific custom diversified investment portfolios. Portfolio managers develop recommendations based on each client's investment policies, financial situation, cash flow expectations, risk tolerance, income tax exposure, complimentary investment exposure and other factors. Investments are selected that have both attractive expected returns and complimentary characteristics when held within a diversified investment portfolio. Periodically and when appropriate, asset allocation models are evaluated and updated, and such accounts will automatically reallocate investment values or update recommendations accordingly. Additionally for portfolios that include a portion of actively managed assets, Summit utilizes a combination of multiple account managers for core common stocks and fixed income securities as appropriate with each manager employing their own investment discipline, philosophy, and approach to diversification.

***For a passively managed equity, fixed income or balanced portfolio***, Summit seeks to substantially replicate the total return of securities comprising the targeted index, taking into consideration redemptions, sales and other adjustments. An index is a statistical indicator providing a representation of the value of securities in a sector of the market (e.g., large, middle, or small capitalization domestic common stocks, aggregate U.S. Bonds, large non-financial common stocks, etc.). Summit manages these portfolios by investing in the same securities in the same weightings as the targeted index either in a full replication or a representative sample. Additionally, Summit may invest in ETFs, derivative contracts (futures, options, etc.) or other investments that have economic characteristics similar to the securities represented in the targeted index.

***For derivative hedging accounts***, Summit seeks to manage equity, interest rate and volatility risks identified in clients' investment portfolios and liabilities within specified limits by executing strategies that have a high correlation with the targeted risk. Summit's management strategies will include monitoring changes in cash flows to determine the size of clients' identified risks and executing long and short derivative contracts of appropriate size and term to effectively address the risks within the limits. Derivative types used must be included and within limitations established in the clients' investment policies or derivative use plans, and generally include exchange traded and over-the counter put and call options, futures contracts, swaps, collars, caps, etc.

***For commercial mortgage loan and real estate accounts***, Summit provides advice on direct origination and management of commercial mortgage loans and equity real estate investments for institutional client portfolios. The objective for mortgage loan clients is to provide diversified and well balanced portfolios that provide attractive risk-adjusted returns. The objectives for equity real estate are to identify commercial real estate opportunities that maximize cash flow and capital appreciation for the client. These objectives are achieved in a manner that is consistent with clients' policies, restrictions and limitations. We employ a conservative approach that emphasizes self-amortizing mortgages and aligns the interests of the borrower with those of the client/lender. Summit utilizes a national network of carefully selected mortgage banking intermediaries to identify mortgage opportunities throughout the country on a wide variety of property types that are consistent with our clients' programs. These programs address loan size, amortization term, geographic location, property type, loan to value ratios and debt coverage among other criteria. The intermediaries also provide us with local market expertise to augment that of our own associates and assist in initial and on-going due diligence processing of loans.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Principal risks in securities portfolios include:

- ***Management Risk.*** Individual securities may not perform as expected, and the portfolio management practices may not achieve the desired results.
- ***Market Risk.*** Securities markets may fall in value, causing prices of stocks, bonds and other securities in investment portfolios to fall.
- ***Valuation Risk.*** A security judged to be undervalued by the Adviser may actually be appropriately priced, and it may not appreciate as anticipated.
- ***Index Tracking Risk.*** An index fund has operating expenses; a market index does not. The index portfolio while expected to track its target index as closely as possible, will not be able to match performance of the index exactly.
- ***Sector Risk.*** Some sectors may be more volatile than others. Small to medium capitalization stocks can be more volatile than larger, more established companies. Sectors that focus on narrower sections of the overall market (e.g. technology, natural resources, etc.) can be more volatile than broad based sectors.
- ***Asset Allocation Risk.*** The selection of underlying securities and the allocation of portfolio assets to those securities may cause the portfolio to underperform. The portfolio's possible over-allocation to equity or other higher-risk securities may make it more susceptible to risks associated with such investments than fixed income investments.

- ***Investments in Other Investment Companies.*** The risk of investing in other investment companies (mutual funds, ETFs, UITs, etc.) typically reflect the risks of the types of securities in which those investment companies invest and other attending management risks. When a portfolio invests in another investment company, clients bear their proportionate share of the investment company's fees and expenses as well as their account's fees and expenses.
- ***Derivatives Risk.*** Using derivative securities (such as, options and futures) to hedge portfolio and other risks may increase volatility and may expose a portfolio to a greater level of market risk than the amount of cash utilized. If the changes in a derivative's value do not correspond to changes in the value of hedge target as intended, the account may not fully benefit from or could lose money on the derivative position. Derivatives that are not exchange traded can involve risk of loss if the counterparty to the contract defaults on its obligation. Derivatives may also be less liquid and more difficult to value.
- ***Credit Risk.*** There is a chance that an issuer of a fixed income security may fail to pay interest and/or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. These risks are greater for securities that are rated below investment grade (junk bonds) which may be considered speculative and are more volatile than investment grade securities.
- ***Interest Rate Risk.*** A change in market interest rates may adversely affect the value of fixed income securities. When interest rates increase, the value of fixed income securities generally will fall, and longer-term securities will be affected to a greater degree.

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**ITEM 9 - DISCIPLINARY INFORMATION**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Summit or the integrity of Summit's management. Summit has no material legal or disciplinary events applicable to this Item.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Summit is part of the UNIFI Mutual Holding Company family of companies (UNIFI or UNIFI Companies). Summit is wholly owned by Ameritas Holding Company (AHC), which also has direct 100% ownership of Ameritas Life Insurance Corp. (ALIC or Ameritas Life) which in turn has direct 100% ownership of Acacia Life Insurance Company (Acacia), The Union Central Life Insurance Company (Union Central) and Ameritas Life Insurance Corp. of New York (Ameritas Life of NY), BNL Financial Corporation (which in turn has 100% direct ownership of Brokers National Life Assurance Company) and majority ownership of Ameritas Investment Corp. (AIC), a dual registered broker/dealer and investment adviser. Summit is adviser to these affiliated insurance companies for general account investments, unregistered Separate Accounts, pension plan assets and for construction of fund specific model portfolios.

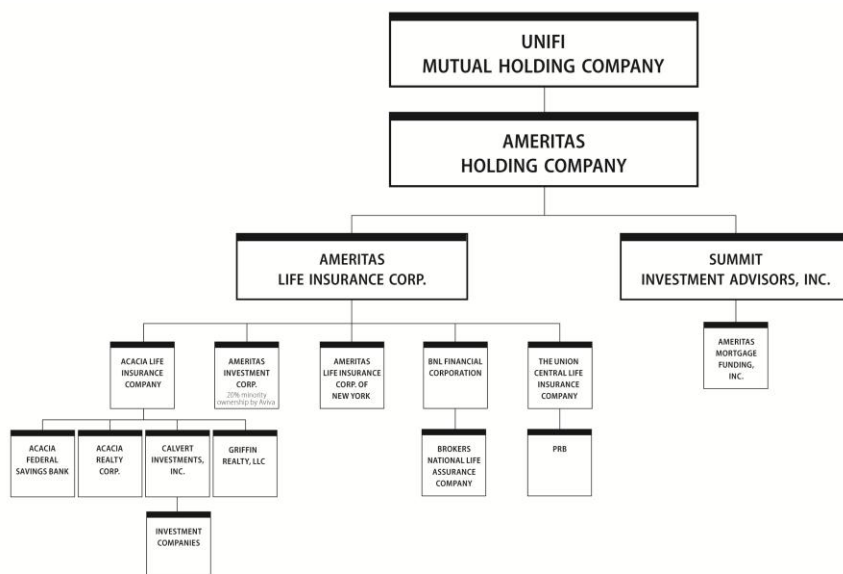
Other affiliated companies include: Ameritas Mortgage Funding, Inc. (AMFI, a wholly-owned subsidiary of Summit; Calvert Investments, Inc.; Acacia Federal Savings Bank; Acacia Realty Corp; Griffin Realty LLC and PRBA, Inc.

Calvert Investments, Inc. is the parent of Calvert Investment Management, Inc. (CIM), an investment advisor registered under the Investment Advisers Act of 1940. Mutual Fund shares in the Calvert Group family of funds (Calvert Funds) are distributed by Calvert Investment Distributors, Inc., (CID) a registered broker/dealer and subsidiary of the Calvert Investments, Inc. and managed by CIM. Summit sub-advises seven Calvert mutual funds that are distributed through affiliated and unaffiliated insurance companies' variable insurance products.

AIC also is a member of FINRA (Financial Industry Regulatory Authority) and SIPC (Securities Investor Protection Corp.). AIC is 80% owned by ALIC and 20% owned by an unaffiliated company, Centralife Annuities Service, Inc. (which is fully owned by Aviva Life and Annuity Company "Aviva"). AIC is the principal underwriter and distributor for ALIC, Ameritas Life of NY and Union Central's registered variable insurance products. Most of AIC's registered representatives are appointed insurance agents for ALIC, Ameritas Life of NY and Union Central, and many are appointed by Aviva. CID is the underwriter and distributor for the Calvert Variable Products, Inc. and Calvert Variable Series, Inc. (certain Portfolios of which are available in the Union Central, Ameritas Life of NY and ALIC variable Insurance products and included in fund specific model portfolios).

AIC provides brokerage services, and securities transactions clearing services are provided through Pershing, LLC or National Financial Services, LLC and Summit provides investment advisory services to clients who establish jointly-sponsored wrap fee program accounts. Summit shares with AIC the fees generated by these program accounts sold or cleared through AIC. AIC provides brokerage services to other accounts unrelated to these Wrap Fee Accounts. AIC maintains an agreement with Summit under which Summit provides certain investment advisory services to the AIC sponsored CONSTELLATION wrap fee program. AIC also sponsors other investment programs for which AIC's IARs are solely responsible for investment management and Summit is responsible for reporting.

Union Central Life Insurance Company, ALIC, Acacia, and other affiliated companies have entered into a general administrative services agreement which permits Summit to have access to and utilize shared administrative services and equipment in the performance of advisory services to clients.



\*Principal operating companies only

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**ITEM 11 - CODE OF ETHICS**

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Summit's Code of Ethics (COE or Code) outlines the standards of business conduct that shall govern Supervised Persons, including placing the interest of Clients first at all times, requiring that all personal securities transactions be conducted consistent with the Code, prohibiting Supervised Persons from taking inappropriate advantage of their positions and requiring compliance with applicable federal securities laws. The Code further defines prohibited Business Conduct for Access Persons (any director, officer or associate of Summit or a Supervised Person that has access to non-public information or is involved in making securities recommendations to clients), including engaging in any business transaction or arrangement for personal profit based on confidential information, communicating non-public information about Clients' securities transactions, accepting a gift, favor or service of significant value from a Client or Vendor, buying or selling securities or any other property from or to a Client. Prohibited purchases and sales, short-term trading restrictions, exempted transactions, pre-clearance requirements and initial, quarterly and annual reporting requirements are also detailed in the COE. All supervised persons at Summit must acknowledge the terms of the Code annually, or as amended. Summit will provide a copy of the Code to any client or prospective client upon request or a copy may be downloaded at Summit's website – [www.summitinvestmentpartners.com](http://www.summitinvestmentpartners.com).

Summit anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Summit has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Summit, its affiliates and/or clients, directly or indirectly, have a position of material financial interest. Summit's employees and persons associated with Summit are required to follow Summit's COE. Subject to satisfying the Code and applicable laws, officers, directors and employees of Summit and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Summit's clients. The COE is designed to assure that the personal securities transactions, activities and interests of the employees of Summit 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. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Summit's clients. In addition, the Code requires pre-clearance of most securities transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the COE in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the COE to reasonably prevent conflicts of interest between Summit and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Summit's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Summit will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

**Participation or Interest in Client Transactions and Other Conflicts of Interest**

**Principal and Agency Cross Transactions**

It is Summit's policy that the firm will not execute any principal or agency cross securities transactions for client accounts unless the client is informed of such transaction in writing before the completion of the transaction, consents to such transaction and the transaction is in accordance with all applicable securities laws and regulations. Principal transactions generally are defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.



In the context of the Wrap Fee Accounts, a Summit client may be advised to purchase securities in an underwriting in which AIC is a participant. Under these or similar circumstances, the Summit client(s) involved will be advised that, because of the underwriting activity of its affiliate, Summit may be deemed to be acting in dual capacities in connection with such recommendation and the consent of the client will be obtained before any such recommendation is implemented on the client's behalf. AIC has adopted procedures that permit it to act as principal in other securities transactions with its advisory clients, provided that the consent of the client is obtained in advance of the transaction.

### **Affiliated Variable Annuity Contracts in Client Accounts**

Summit clients may be advised by Summit's affiliates to purchase variable insurance products issued by ALIC or Ameritas Life of NY and underwritten by AIC. Such purchases would, if approved by the client, be cleared through the broker-dealer, which would be compensated in connection with that transaction. Under these or similar circumstances, Summit clients would be advised that Summit and/or its affiliates are acting in dual capacities in connection with such recommendation.

Summit may allow no load variable annuities in the Wrap Fee Accounts. These annuities may contain a Guaranteed Lifetime Withdrawal Benefit "GLWB" rider. Although AIC/Summit recommends only investments that it believes are in the best interests of its clients, its affiliation with ALIC or Ameritas Life of NY may present a conflict of interest for AIC/Summit when recommending investments in no-load annuities. Under these circumstances, AIC/Summit clients would be advised that AIC/Summit and/or its affiliates are acting in dual capacities in connection with such recommendation and that a conflict exists.

Annuities purchased in a Wrap Fee Account are no-load, though there are separate fees and expenses associated with annuities. Some charges are assessed against the annuity (maintenance and transfer fees and tax charges, if applicable) and some may be assessed on the sub-account investment options (mortality and expense risk charges and administrative charges). Investors should always read the prospectus carefully before sending money. At times it may be more expensive for the client to pay for management fees on the annuity in the Private Client and Related Program Account than if they were to pay a commission and have the annuity in a brokerage account with no management fees. As such, a conflict exists.

Additionally, the subaccounts listed in the no load annuities may be invested in affiliated mutual funds of Summit and AIC. As such, CIM would earn advisory and administrative fees on assets included in Calvert Funds investment options in model portfolios and Summit would earn sub-advisory fees on assets included Calvert Funds sub-advised by Summit. As such, a conflict exists.

### **Asset Allocation and Fund Selection Recommendations**

Summit has been engaged by ALIC, Ameritas Life of NY and Union Central to provide fund specific model portfolio recommendations used in certain variable insurance products. The funds included in these models may include affiliated Calvert Funds, including funds that are managed by CIM or sub-advised by Summit. As such, CIM would earn advisory and administrative fees on assets included in Calvert Funds investment options in model portfolios and Summit would earn sub-advisory fees on assets included Calvert Funds sub-advised by Summit. As such, a conflict of interest exists.

Summit has been engaged by affiliated sponsors of certain pension plans and employee benefit associations to: 1) support and assist in establishing and maintaining investment policies; 2) analyze and recommend mutual fund selections; and 3) monitor and report on performance. Funds recommended for these accounts may include Calvert Funds, including funds that are managed by CIM or sub-advised by Summit. As such, CIM would earn advisory and administrative fees on assets included in Calvert Funds investment options in model portfolios and Summit would earn sub-advisory fees on assets included Calvert Funds sub-advised by Summit. As such, a conflict of interest exists.

Summit also may purchase Calvert Funds in certain PRIVATE CLIENTS wrap fee accounts and other accounts owned by affiliates that support certain deferred compensation plans where a participant has selected a Calvert Fund as an investment option. CIM would earn advisory and administrative fees on these assets and Summit would earn sub-advisory fees on assets included in Calvert Funds sub-advised by Summit. Summit does not charge wrap fees on the deferred compensation accounts in the PRIVATE CLIENTS accounts. Summit has excluded Calvert Funds from unaffiliated Wrap Accounts.

### **Other Conflicts of Interest**

AIC may receive compensation related to 12b-1 distribution fees collected from mutual funds held in clients' portfolios managed by Summit.

Summit Investment Advisory Representatives may purchase or own variable insurance products issued by ALIC, Ameritas Life of NY or Union Central. Securities underwritten by AIC may also be recommended to Summit clients.

Associates of Summit may, from time to time, make recommendations to Summit advisory clients relating to securities in which such associates have an interest. Although such recommendations are not specifically reported, Summit associates are required to obtain pre-transaction approval for personal securities transactions, initial public offerings and private placement securities. Also, certain associates and directors of affiliated companies are clients of Summit under Wrap Fee Programs.

In addition, and as noted above, Summit is part of a family of companies engaged in the financial services and insurance industries. These companies, some of which may be regarded as "related persons" of Summit, may have direct or indirect interests in securities about which Summit and/or Summit advisory representatives may provide investment advice.

Additional information about Summit's brokerage practices, including the placing of securities transaction through AIC, appears later in this document.

Summit will disclose all material conflicts of interest so that existing and prospective clients may evaluate their impact on any relationship.

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**ITEM 12 - BROKERAGE PRACTICES**

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**Wrap Fee Accounts**

Clients in the Wrap Fee Accounts sponsored by Summit and AIC (PRIVATE CLIENTS, GEMINI and MERCURY) authorize AIC to act on a discretionary basis and to place transactions for their account through AIC and its fully-disclosed clearing brokers, Pershing or NFS. Commissions charged by AIC and Pershing or NFS may be higher than those charged by other brokers.

In the CONSTELLATION Program AIC will automatically rebalance a client's portfolio on an annual basis. Also, AIC will automatically reallocate client portfolios when AIC's Investment Committee determines that a model allocation requires adjustment. Reallocation is expected to occur infrequently. In all cases where AIC is acting with discretion, such discretion is limited to buying and selling securities or other investments and does not give AIC the authority to withdraw or transfer any money, securities, or property either in the name of Client or otherwise.

**Institutional Accounts**

Summit manages the portfolios of its registered investment company sub-advisory accounts based on stated investment objectives and limitations in the respective Registration Statement and investment advisory agreements, consistent with regulations and requirements of the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934 and Subchapter M and Section 817(h) of the Internal Revenue Code of 1986.

Summit provides investment advice in the management of affiliated and unaffiliated institutional separate account portfolios in accordance with each investment advisory contract and any investment policies specified, consistent with securities laws and regulations.

Securities transactions for mutual fund and Institutional Accounts are placed through brokers/dealers that specialize in institutional orders and who, in Summit's opinion, will offer the best execution for each transaction. In selecting institutional brokers, Summit will consider many factors, including: the price and dealer's spread and commission to effect the transaction; the broker's trading ability and expertise to execute a specific transaction; research provided; the reliability, integrity and financial condition of the broker; and coverage and service provided to the Firm. In selecting a broker for a particular transaction, Summit may decide to pay a commission that is higher than other brokers may offer for a similar transaction if, after considering all factors noted above, Summit believes that the client will receive best execution on the trade. These practices are in accordance with Section 28(e) of the Securities Exchange Act of 1934 and with formal and informal SEC staff opinions. Summit will also give consideration to the value and quality of any research, statistical, quotation or valuation services provided by the broker or dealer. Brokerage and research services provided by brokers and dealers include advice, either directly or through publications or writings, as to value of securities, the advisability of purchasing or selling securities, the availability of securities or purchasers or sellers of securities, and analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. The receipt of such research and related services described above presents a potential conflict of interest because Summit does not pay the broker for the research and related services out of its own accounts. As such, Summit may have an incentive to select brokers based on its interest in receiving the research.

Summit will aggregate orders at times when it reasonably believes that doing so will allow for lower transaction charges and more efficient execution, consistent with its obligation to seek best execution. In some cases, orders for more than one client will be placed on an aggregated basis. Because institutional and wrap fee account trades use two separate electronic trading systems and networks of brokers, it is not possible to aggregate trades between these two classes of customers. As such, trades in the same security may be executed on the same day in an institutional account and a wrap fee account and receive different prices and execution.

In connection with each aggregated securities transaction, securities obtained as a result of the aggregated order will be allocated among participating accounts such that each participating account will participate at the average share price for all transactions included in the aggregated transaction. Securities transactions for accounts of Summit affiliates may, from time to time, be aggregated with those of other Summit clients as long as the foregoing requirements are met.

Due to differences in the investment objectives and financial situations of the various clients, investment advice and related services provided to various clients may differ. In addition actions taken on behalf of various clients may differ with respect to

the nature of the advice or the timing of transactions. Summit has no obligation to purchase or sell, or to recommend the purchase or sale, of any security that Summit, or any affiliate purchases or sells for itself or themselves, or for any other client.

**Conflict of Interest**

AIC will recommend itself as broker/dealer to clients in Summit's Wrap Fee Account Programs. If a client chooses to implement securities transactions through AIC, a conflict of interest exists due to the fact that AIC and its associates might receive commissions or other compensation. A client is under no obligation to use AIC as the broker/dealer for certain asset management programs. However, if a client chooses another broker/dealer, a client may pay more for implementation.

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**ITEM 13 - REVIEW OF ACCOUNTS**

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**Summit reviews client accounts as described below.**

**Wrap Fee Accounts**

Transactions placed through AIC accounts are reviewed on a daily basis by AIC associates processing such trades, and Summit reviews each account on an ongoing basis to ensure that the account is managed in accordance with stated objectives. Annually for accounts in existence for more than six months, AIC's Introducing Registered Representative will meet with each of their clients and Summit will survey accounts for any changes in the Investment Questionnaire and Asset Allocation Worksheet. Summit reviews these updates to determine whether changes may have an effect on the on-going suitability of investments in clients' portfolios or would cause a revision to investment strategies. Further information about reviews and reports with respect to these Wrap Fee Accounts is included in the related Brochures, which are available upon request.

**Affiliated company accounts**

General account insurance investments (and certain unregistered Separate Accounts) are reviewed on a daily basis by Summit's assigned managers and investment staff, and continuously by the Bloomberg Compliance Manager system (CMGR) that monitors compliance with and alerts managers and officers to possible violations of investment policies, restrictions and limitations. Each month, investment performance and transactions also are reviewed for preparation of Board reports.

For certain registered variable insurance products, affiliates have engaged Summit to recommend asset allocation and fund selection for model portfolios. Assigned Summit managers and investment staff utilize internally developed methodologies and consult with unaffiliated third parties engaged by Ameritas Life (an investment adviser for asset class-level allocation weightings, and an actuarial firm for the impact of such models on insurance reserves) in the development and periodic review (generally annually) and update of such model portfolios recommendations.

For the Ameritas defined benefit pension plan and a voluntary employees' beneficiary association trust (VEBA), Summit's assigned managers and investment staff review holdings and transactions on a monthly basis to determine that they are consistent with the investment guidelines, asset allocation targets and cash flow expectations communicated by the Ameritas Benefits Committee.

**Sub-advised Mutual Funds and Unaffiliated Institutional Accounts**

All portfolios are reviewed on a daily basis by assigned managers and investment staff and continuously by the Bloomberg Compliance Manager system (CMGR) that monitors compliance with and alerts managers and officers to possible violations of investment policies, restrictions and limitations.

**The nature and frequency of regular reports to clients regarding their account is described below.**

**Wrap Fee Accounts**

Summit provides clients with written quarterly performance evaluation reports. They are intended to inform clients about how their investments have performed over various periods, both on an absolute basis and as compared to a customized benchmark (a calculated weighted average of the performance of leading investment indices that correspond with the portfolio's objectives) and its components. AIC's clearing broker sends written monthly custody statements directly to clients for any month during which a transaction was executed. In addition clients also receive directly from the clearing broker, confirmations whenever transactions are executed, and written quarterly and annual statements reflecting all transactions and realized and unrealized gains and losses in their accounts. All securities transactions will be placed through AIC and are cleared through the client's custodian and executing broker.

**Affiliated company accounts**

Each month, Summit provides written reports on performance, holdings and transactions for investment in the general accounts of insurance companies and reviews them with Committees of the Board.

For affiliated insurance companies variable insurance products' Separate Account investment options, Summit provides a written report on recommended model portfolio composition, and reviews the rationale and support for the recommendation with product managers and others on an annual basis and at other times as appropriate or requested.

Summit provides written reports and reviews performance, holdings and asset allocation weighting for investments in the defined benefit pension plan and VEBA accounts on a quarterly basis to the Ameritas Benefits Committee (the Committee retains discretionary authority to modify investment guidelines and execute transactions).

**Sub-advised Mutual Funds and Unaffiliated Institutional Accounts**

Calvert Funds' Board of Directors receives a full written investment report, including asset summaries, transactions and performance at each meeting (generally quarterly).

Other unaffiliated accounts (depending on client preference) receive a written report on a monthly or quarterly basis, and Summit will meet with them as requested. When Summit acts as a sub-adviser, we report as requested by the Adviser.

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**ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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The Wrap Fee Account Programs contemplate that Summit will share with AIC the single account fee. Summit does not currently pay any finder's fee or otherwise compensate any person for client referrals, other than in the context of the Wrap Fee Account Program, as described earlier, and as more fully described in the separate brochures relating to those Programs. These brochures are available upon request and are supplied to all clients before an account is established.

Summit may, however, in the future enter into arrangements whereby it makes cash payments for client referrals to persons other than AIC Advisory Representatives.

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**ITEM 15 - CUSTODY**

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Clients will receive custodians' statements at least quarterly directly from their broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Summit urges each client to carefully review such statements and compare such official custodial records to the account statements that Summit provides to clients. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



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**ITEM 16 - INVESTMENT DISCRETION**

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Summit usually receives written discretionary authority from the client to select the identity and amount of securities to be bought or sold at the outset of an advisory relationship. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Summit observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Summit's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. For accounts that hold certain types of investments (such as commercial mortgage loans, real estate, or limited partnership interests), Summit typically does not receive full discretionary authority and must obtain client pre-approval or ratification to complete purchase or sale transactions. Certain Wrap Fee Accounts may hold securities or other investments over which the client has withheld discretionary authority for a variety of reasons.

Investment guidelines and restrictions must be provided to Summit in writing.

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**ITEM 17 - VOTING CLIENT SECURITIES**

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Summit has engaged Broadridge Investor Communication Solutions, Inc. to vote actively-managed equity accounts' proxies based on our duty to act on behalf of our client's best interests and to comply with SEC rules governing proxy voting, documenting and reporting. Clients may decide to vote proxies themselves and should contact Summit to communicate their intentions to opt out of this service. Clients also may request a report on how their securities were voted by contacting Summit. Passively-managed accounts are voted in accordance with management's recommendations, except for portfolios where Summit is engaged as the sub-adviser for Calvert Funds, where CIM exercises all voting authority with respect to Calvert Funds' securities. Summit has adopted the Glass Lewis & Co. U.S. Proxy Voting Guidelines as its proxy voting policy – clients may obtain a copy of such guidelines upon request or download a copy from our website at [www.summitinvestmentpartners.com](http://www.summitinvestmentpartners.com). Generally, Summit votes proxies for affiliated and unaffiliated institutional accounts and Wrap Fee Account clients applying the aforementioned proxy voting policy. Any material conflicts between the interests of Summit and those of clients will be resolved to protect the clients' interest. Potential material conflicts are to be reported to the CCO or Summit officers as Summit personnel become aware of them. If the Portfolio Manager does not agree with a particular position Glass Lewis & Co. has taken on a proposal, they will over-ride that position and document their reasoning accordingly.

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**ITEM 18 - FINANCIAL INFORMATION**

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Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about Summit's financial condition. Summit has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.