

SUMMIT INVESTMENT ADVISORS, INC.

FORM ADV
PART 2A APPENDIX 1

MERCURY WRAP FEE PROGRAM BROCHURE MARCH 30, 2012

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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kdike@ameritas.com

or

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Cincinnati, Ohio 45202
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tgk@summitpartnersllc.com

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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 Firm website at www.summitinvestmentpartners.com or at the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

There have been no material changes from the March 31, 2011 annual update of Form ADV Part 2A Appendix 1, the Wrap Fee Program Brochure for the MERCURY program.

Pursuant to SEC Rules, we will ensure that you 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.

We will further provide you with such amended Brochure, at any time, without charge.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

Services

The Summit Investment Partners MERCURY Wrap Fee Program is a proprietary investment program that is jointly sponsored by Ameritas Investment Corp. (AIC) and Summit Investment Advisors, Inc. (SIA, doing business as Summit Investment Partners, “Summit”) that offers investors the opportunity to obtain professional investment services and brokerage services for one all-inclusive fee based upon the assets under management. Under the Summit Investment Partners MERCURY program, AIC provides all brokerage services and Summit provides, on a discretionary basis, investment advisory services to develop customized portfolios extensively using exchange-traded funds (ETFs), mutual funds and other pooled investments.

Fees

Clients of the Summit Investment Partners MERCURY program pay a fee quarterly at the beginning of each quarter for services to be provided in that quarter, based on the market value of account assets, including accrued investment income, as of the last business day of the previous quarter. The standard fee schedule appears below. The minimum size for a Summit Investment Partners MERCURY account is generally \$100,000.

<u>Account Balance</u>	<u>Maximum Annual Fee</u>
\$100,000 to \$5,000,000	1.50%
Over \$5,000,000	negotiable

Summit is paid 0.45% for investment management. A portion of the fee may be paid to AIC on accounts sold by an AIC Introducing Registered Representative. In certain cases, such as where the client is an employee, officer or director of Summit or its affiliates, that portion of the fee payable to AIC may be decreased and, as a result, a lower fee may be charged than might otherwise be the case. In addition, an existing client in another advisory program sponsored by Summit may be allowed to become a Summit Investment Partners MERCURY client and maintain their current fee schedule. As a result, existing clients could have a lower minimum account size and pay lower fees than a new client. The program fee is charged at inception on a prorated basis to reflect the number of days remaining in the calendar quarter. In the event that a Summit Investment Partners MERCURY account is terminated during a quarter, fees may be prorated and a refund issued to the client; such accounts may be terminated at any time on written notice. There are no sales loads, termination or surrender fees associated with the Summit Investment Partners MERCURY account.

The total costs associated with a Summit Investment Partners MERCURY account may be more or less than purchasing brokerage and advisory services separately. The factors that bear upon the relative costs of any program include the number of and timing of transactions, finder’s fees, portfolio management aspects, custody charges, regulatory compliance, administrative charges, research costs, and promotional material costs. These and other factors may affect the cost of obtaining these services separately.

Other Fees and Expenses

No other fees are assessed in addition to the program fee. However, certain indirect costs may be associated with securities purchased or held in an account. Examples of such indirect costs include expenses associated with investments in ETFs, mutual funds, or other pooled investments. These or similar fees or costs could be associated with any products for which AIC acts as underwriter. While the client may be indirectly charged these fees, the client is not assessed a separate fee for these and simply pays the fee under the contract. As more fully described in Item 9, AIC also may earn additional fees if an account chooses to hold in its portfolio an affiliated variable annuity contract for which AIC acts as the principal underwriter and distributor.

Summit has arranged for Chicago Clearing Corporation (CCC) to provide class action litigation monitoring and securities claim filing administration for client accounts that chose to participate in this service. For this service, CCC charges a contingency fee of 20% of the amount of each claim settlement award, which is deducted from the client’s award at the time of payment. There are no minimum fees or other fees deducted from an account related to this service.

Compensation

As described above, AIC and its registered representatives receive a portion of the fee for referring the account to AIC and Summit and also for advising on the selection of the advisor. Accordingly, the person recommending the program to you receives compensation as a result of your participation in the program. The amount of this compensation may be more than would be received if you participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services. Therefore the person that recommends the program to you may have a financial incentive to recommend this investment program over other programs or services.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Opening a MERCURY Account

The minimum size for a Summit Investment Partners MERCURY account is generally \$100,000. Participation in the program generally is initiated by submitting the following completed documents to an AIC Investment Advisory (Introducing Registered Representative):

- This Program Brochure,
- Investment Advisory Agreement,
- Account Application, indicating account options, internet access, proxy voting, participation in class action administration services, delivery of electronic confirmations and statements, various disclosures, acknowledgements and authorizations; and
- Investment Questionnaire and Asset Allocation Worksheet (Worksheet).

Based on these completed documents, the Introducing Registered Representative makes the initial determination as to the particular client's suitability for the Summit Investment Partners MERCURY program. Summit also makes an independent assessment of whether to establish an account for a particular client. The Worksheet will also assist AIC and Summit in determining an appropriate risk tolerance and asset allocation strategy for the client. **The client agrees to provide updates to the Worksheet to AIC or Summit as to any changes necessary.** In addition, the Introducing Registered Representative meets annually with each client, and Summit conducts an annual survey of accounts for changes.

The custodian for the account will be, at clients' option, either **Pershing LLC** (Pershing), One Pershing Plaza, Jersey City, NJ or **National Financial Services, LLC** (NFS), 82 Devonshire Street, Boston, MA. Pershing or NFS (Custodian) shall execute and clear all purchase and sale orders directed to it by AIC. The Custodian shall maintain custody of the account assets and provide other custodial functions, including crediting of interest and dividends on account assets and crediting of principal on called or matured securities and other customary custodial functions.

The chosen Custodian also shall forward a confirmation of each purchase and sale directly to the client and AIC. Additionally, the Custodian will forward a monthly account statement directly to clients and AIC for each month in which account activity occurs and at least quarterly regardless of account activity. The Custodian will also act as general administrator of program accounts, which shall include charging and collecting account fees and processing, pursuant to AIC's instructions, of deposits to and withdrawals from program accounts

Types of Wrap Fee Account Clients

Summit provides investment advisory services through a MERCURY account to:

- Individuals,
- High net worth individuals,
- Profit sharing plans,
- Trusts,
- Charitable organizations,
- State and local government entities, and
- Small businesses and others.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

Selection and Review of Portfolio Managers

The Summit Investment Partners MERCURY program is a proprietary investment program jointly sponsored by AIC and Summit. All new participants must enter into an investment advisory agreement with Summit. Summit's initial selection and on-going continuation as portfolio manager are based on its ability to manage accounts and deliver total return performance that meet clients' expectations. The benchmarks for account performance are based on each client's responses to the Worksheet which is completed and updated in consultation with your AIC Investment Adviser Representative. Using these responses, the portfolio manager designs an appropriate investment strategy and develops an appropriate diversified portfolio using this strategy. Summit, in its investment advisory role, maintains current client profiles and adjusts portfolios accordingly.

Clients receive customized written performance evaluation reports each quarter. These reports currently are prepared by Summit. Portfolio performance is calculated using a time-weighted methodology that is programmed into the independent portfolio administration system used by Summit (currently the Advent Axys system). Portfolio performance evaluations reports are reviewed for accuracy by a Summit portfolio manager prior to delivery to clients. The reports are intended to inform clients about their investment performance over the current period and over the longer term since the account's inception, 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 your portfolio's objectives) and its components.

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. The MERCURY program extensively utilizes ETFs, mutual funds and other pooled investments to efficiently invest in a broad range of asset classes.

Summit's Investment Securities departments primarily provide management in a MERCURY program account using asset allocation and fund selection of ETFs, mutual funds and other pooled investments.

Summit is committed to maintaining diversified client portfolios. Account managers are inclined to emphasize conservation of principal and, at the same time, seek optimum returns within the framework of each client's investment objectives and specific level of risk tolerance.

Summit professional managers strive to adhere to the following strategies:

- Utilize 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.
- Develop recommendations based on each client's financial situation, including issues of cash flow expectations, capacity for loss, income tax exposure, concentrated holdings, complimentary investment exposure and other factors.
- Select investments in asset allocation that have both attractive expected returns and complimentary characteristics when held within a diversified investment portfolio.
- Extensively utilize ETFs, mutual funds and other pooled investments when allocating exposure to asset classes and for liquidity.
- Utilize Summit's investment professionals to manage other security positions when appropriate for a client's specific situation.

How Advisory Services are Tailored to Individual Client Needs

Summit manages portfolios in a manner that is consistent with each advisory contract and Worksheet. These documents will indicate the asset class or classes to be included in the portfolio, and 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. These parameters often are driven by the nature of the operations of institutional clients (pension plans, charitable organizations, etc.) and by the investment goals and risk profile of individual clients (retirement, college, or general savings, etc.). Once these conditions are known, the portfolio manager can design an appropriate investment strategy to manage the account.

Differences Between Management of Wrap Fee Accounts and Other Accounts

Summit acts as an investment advisor, and AIC provides brokerage and certain advisory services, to other clients. Due to differences in the investment objectives and financial situations of the various clients Summit and AIC serve, 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 and AIC have no obligation to purchase or sell, or to recommend the purchase or sale, of any security that Summit, AIC or any affiliate of either, purchases or sells for itself or themselves or for any other client.

Investment opportunities for Summit Investment Partners MERCURY accounts may differ from those for Summit's institutional accounts (many of which are affiliates of Summit), due to (1) different brokerage arrangements for institutional accounts, (2) time constraints of processing offerings and (3) the extensive use of ETFs, mutual funds and other pooled investments in the construction of portfolios.

Summit normally manages investment accounts on a fully discretionary basis, including a review of each investment prior to executing a transaction. In a limited number of circumstances, clients have directed Summit not to exercise discretion with regard to certain investment positions in their portfolios. When this occurs, Summit does not manage the position(s) and generally does not charge an advisory fee for such investments.

Orders for MERCURY and other program accounts may be aggregated with other wrap fee program accounts and orders for institutional accounts may be aggregated with other institutional accounts. Wrap fee program account orders generally are not aggregated with institutional account orders due to the different brokerage and processing arrangements. For sales of investments, an allocation process includes program accounts and institutional accounts separately, taking into consideration any tax and other matters relative to specific program accounts. Allowing for differences in client profiles and the types of brokerage arrangements, as well as time constraints for certain investments, Summit investment allocation procedures are established in an effort to ensure fair allocation of investment opportunities for all accounts.

Performance-Based Fees and Side-By-Side Management

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).

Methods of Analysis, Investment Strategies and Risk of Loss

Summit employs various methods of investment analysis. Our primary approach is to prepare 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: research materials prepared by brokers or others, rating agency reports, securities filings (such as, annual and quarterly reports, prospectuses, and other filings), press releases and financial newspaper and other periodical articles. In addition to such traditional research sources, Summit may use a variety of electronic databases (e.g. Value Line, Dorsey Wright and Bloomberg, etc.), 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.

For asset allocation and fund selection accounts investing in ETFs, mutual funds and other pooled investment 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 the client's Worksheet, 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 reallocate investment values or update recommendations accordingly.

Investing in securities involves risk of loss that clients should be prepared to bear.

Voting Client Securities

Summit has established written guidelines in accordance with Rule 206(4)-6 pursuant to the Investment Advisers Act of 1940 on proxy voting by investment advisers. Summit's procedures are administered by Broadridge Investor Communications Solutions, Inc. (Broadridge). Broadridge engages Glass Lewis & Co. to formulate the proxy voting guidelines using a process of feedback from a diverse group of market participants, including institutional investors, foundations, pensions, unions and retail investors. Each year, the guidelines are updated using surveys that include topics identified from analysts' research of recent shareholder proposals, meeting agendas, vote results and emerging corporate governance practices. Survey results provide insight into developments that are used to draft policy updates designed to protect your interests and the value of your investments. The draft policy is posted for open review and commentary prior to finalization.

You may obtain a complete copy of the guidelines and information about Summit's voting record on investments held in your account by telephoning or writing to us to request such information or you can download these Guidelines from our website at www.summitinvestmentpartners.com. Summit will vote all proxies in your account according to these guidelines unless you elect, by providing written notice to Summit, to vote proxies yourself.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As your investment manager and account administrator, Summit requires access to very sensitive and personal information about you to effectively manage your investments and comply with Federal and State Securities laws. When requesting any personal information about you, our goal is to collect only the information that is required or that will provide us with valuable insight that can be used to better manage your account.

We maintain physical and electronic safeguards for the protection of your personal information. We restrict access of your information to our employees and agents who need it to perform their jobs. Our employees and agents understand the importance of these safeguards. We have trained them in the proper handling of your personal information.

Summit has adopted the enterprise-wide Privacy Policy of its affiliates, and annually each client is sent a Privacy Notice that summarizes the policy. If you would like a copy of the Privacy Notice, please contact us or download a copy from our website, www.summitinvestmentpartners.com.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Summit does not place any restrictions on clients' ability to contact and consult with their portfolio manager or their investment adviser representative. The following associates are responsible for day-to-day contact with clients in this program and can arrange meetings with appropriate managers and advisors. They can be reached toll free at 877-731-3336 or at 402-467-6980.

Cathy Zehr	Manager Operations – Wealth Management
Christa Ballenger	Senior Operations Specialist

ITEM 9 - ADDITIONAL INFORMATION

Disciplinary Information

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

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), Ameritas Life Insurance Corp. of New York (Ameritas Life of NY), and BNL Financial Corporation (which in turn has 100% direct ownership of Brokers National Life Assurance Company) and majority ownership of Ameritas Investment Corp. (AIC). Summit is adviser to these affiliated insurance companies for general account investments, an unregistered Separate Account's investments (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.), pension plan assets and for construction of fund specific model portfolios used in variable insurance products.

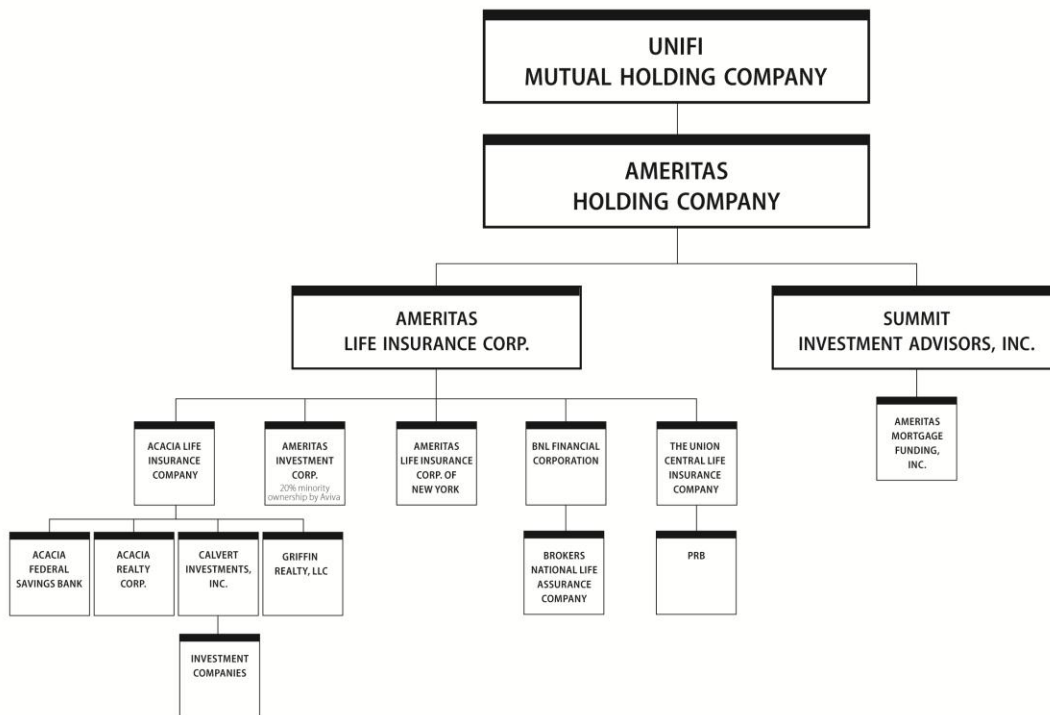
Other affiliates include: Ameritas Mortgage Funding, Inc. (AMFI, a wholly-owned subsidiary of Summit; Calvert Investments, Inc.; Acacia Federal Savings Bank; Acacia Realty Corp; Griffin Realty LLC and PRBA, Inc.

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. 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 is a registered broker-dealer and investment adviser with the Securities and Exchange Commission (SEC) and 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.

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 discretionary investment program accounts. Summit shares with AIC the fees generated by these program accounts sold or cleared through AIC. 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. AIC provides brokerage services to other accounts unrelated to these Wrap Fee Accounts.

Union Central, 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

About Summit

Summit is an investment adviser registered under the Investment Advisers Act of 1940 and was formed as a Nebraska corporation in 1984.

Summit has offices in Lincoln, Nebraska and Cincinnati, Ohio and employs 47 associates as of December 31, 2010. There are 22 associates involved in advisory operations and support in the Investment Securities management departments and 13 in Commercial Mortgage & Real Estate management and servicing departments. Eleven associates are Registered Securities Representatives of AIC and nine are Investment Advisor Representatives.

Summit's primary business activity is providing investment advisory services. As noted above, eleven of Summit's professional staff also are registered representatives, and in some instances are securities principals, associated with AIC. Certain officers and directors of AIC and Summit are also officers and directors of affiliates and/or Aviva. Also, certain officers and directors of affiliates are clients of Summit and AIC.

Summit provides investment supervisory services and manages investment portfolios for affiliated and unaffiliated separate accounts, three wrap fee programs that it jointly sponsors with AIC (including MERCURY), an AIC sponsored wrap fee program, and seven sub-advised Calvert mutual funds. Each client's services are tailored to achieve stated objectives and risk tolerances by managing various asset classes with in-house personnel that have education, training and experience with these investments.

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

- 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,
- passively managed equity and fixed income securities,
- actively managed equity 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.

Summit's 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).

Code of Ethics

Summit's Code of Ethics 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 Clients. 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 Code of Ethics. All supervised persons at Summit must acknowledge the terms of the Code of Ethics annually, or as amended. Summit will provide a copy of the Code of Ethics to any client or prospective client upon request, or you can download a copy at our website, 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 interest. Summit's employees and persons associated with Summit are required to follow Summit's Code of Ethics. Subject to satisfying this policy 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 Code of Ethics 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 materially not 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 Code of Ethics 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 Code of Ethics, and 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

AIC or Summit personnel may act in multiple capacities with respect to clients who establish Summit Investment Partners MERCURY accounts, and these may create conflicts between the interests of our clients and the interests of AIC, Summit, our affiliated companies and associates, including those listed below. We endeavor to always place the interests of our clients ahead of all other interests.

Affiliated Variable Annuity Contracts in Client Accounts

Summit clients may be advised by Summit's affiliates to purchase variable insurance products issued by ALIC 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 presents 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 MERCURY 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, 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 affiliated insurance company 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 and Summit would earn advisory, sub-advisory and administrative fees on assets included in model portfolios. 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 and Summit would earn advisory, sub-advisory and administrative fees on assets included in model portfolios. As such, a conflict of interest exists.

Other Conflicts of Interest

Summit's associates may, from time to time, make recommendations to its 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 (including officers and directors of affiliates) are clients of affiliated Wrap Fee Programs.

Summit's IARs and associates or AIC associates 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.

As a full-service broker-dealer, AIC may handle accounts for, and may render investment advice and other investment management and broker-dealer services (including investment banking services) to other investors and institutions with respect to, and it may for its own account hold, purchase, sell or otherwise trade in and deal with, securities which are the same or similar to those recommended to other clients. Similarly, Summit may handle accounts, render investment advice and other management investment services (including investment banking services) for other investors and institutions with respect to services which are the same or similar to those recommended to other clients. Summit and AIC reserve the ability to offer investment advisory services in other programs on other terms and either may offer other programs whereby clients acquire investment advisory, brokerage, and administrative services for an all-inclusive wrap fee. Therefore AIC and/or Summit may from time to time have a conflict regarding clients of its other services as well as its clients to whom it provides investment advisory services.

AIC may execute transactions as broker or agent for both Summit Investment Partners MERCURY accounts and other clients.

AIC representatives may also recommend to its clients and sell shares of Calvert Funds for a commission.

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.

Review of Accounts

Transactions placed through AIC accounts are reviewed on a daily basis by AIC associates processing such transactions, 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.

Client Referrals and Other Compensation

A portion of the Summit Investment Partners MERCURY account wrap fee is paid to AIC's Introducing Registered Representative for referring the client to a MERCURY account. Summit currently does not pay any other referral fees or compensation. However in the future it may enter into other arrangements whereby it makes other payments for client referrals.

Financial Information

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.