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Brochure last updated: April 17, 2013

Form ADV Part 2A Brochure

This Form ADV Part 2A brochure provides information about the qualifications and business practices of Summit Asset Strategies Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 425-646-7101 or chris.yoo@summitassetstrategies.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Summit Asset Strategies Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Summit Asset Strategies Wealth Management, LLC is a registered investment advisor. Registration as an investment advisor does not require any certain level of skill or training.

Material Changes (Item 2)

This section of the brochure helps you quickly identify material changes from the last annual update.

This version of Summit Asset Strategies Wealth Management, LLC Form ADV Part 2 is in a new narrative format. Please review all parts of it, including any supplements. This new brochure describes important details about us, the services we provide, and includes information that was not in our previous brochure.



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Advisory Business (Item 4)

This section of the brochure tells you about our business, including ownership, and a description of the services we offer.

Summit Asset Strategies Wealth Management, LLC is referred to in this document as “Summit Asset Strategies Wealth Management”, “the Company”, “us”, “we”, or “our”. In this document we refer to current and prospective clients of Summit Asset Strategies Wealth Management as “you”, “client”, or “your”. Summit Asset Strategies Wealth Management was created in 2006 and is owned and controlled by Summit Asset Strategies Group, LLC. Summit Asset Strategies Group, LLC is wholly-owned by Chris Young Yoo.

Types of Advisory Services

Investment Supervisory Services

All clients enter into a written Investment Advisory Agreement, where Summit Asset Strategies Wealth Management and our investment adviser representatives provide asset management services on a continuous and ongoing basis guided by the individual needs of the client. Using the information provided by you, the investment advice provided to you is tailored to your individual situation. We regularly inquire about, and you are responsible for providing, information about your investment goals, time horizon, and risk tolerance. These investment supervisory services are generally not provided to your holdings or net worth but rather only to assets specifically designated by you and agreed to by us as managed assets.

Financial Planning

Some Clients may be provided a written plan that may include a personal balance sheet and certain projections. Any reports, financial statement projections, and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Summit Asset Strategies Wealth Management will not audit, review, or compile financial statements, and accordingly, we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be material differences between projected and actual results because events vary and circumstances frequently do not occur as expected.

Our analyses will be highly dependent on certain economic assumptions about the future. Therefore, you should establish familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to



the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based. The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities. The reports are not intended to nor do they provide any guarantee about future events including your investment returns. The implementation of the plan is solely your responsibility.

The financial plans provided for some of our clients do not address all potential aspects of financial planning. Typically our services strive to address wealth preservation, minimizing taxes, estate and gift transfer, account protection, charitable giving, and retirement planning. Risk management issues such as life, health, disability, and long-term care insurance are not typically addressed and you are encouraged to seek professional counsel in these areas.

Retirement Plan Advisory ("RPA")

Summit Asset Strategies Wealth Management also provides services to retirement plan sponsors. These services include:

- financial planning analysis
- customized investment portfolio construction and management
- employee education
- reporting and accessibility
- risk monitoring and portfolio reviews

The specific services provided to an individual pension plan sponsor may vary and are defined in a written agreement with the plan sponsor. Not all services are provided to all pension plan sponsors.

Types of Investments Used

We consider many different types of securities when formulating the investment advice we give to you. If you come to us with existing investments, we evaluate them with respect to your financial goals, risk tolerance, and investment time horizon. Depending upon your situation, your account(s) managed by us may contain individual stocks, corporate and/or government debt, mutual funds, or exchange traded funds ("ETFs").

Tailored Services and Investment Restrictions

We attempt to tailor your investment portfolio to your situation as you have described it to us. This is why it is so important that you let us know about changes to your financial situation, goals, or investment time horizon. You may impose restrictions on investing in



certain securities or types of securities. You must clearly identify these restrictions in writing to us.

Assets Under Management

As of March 21, 2013, Summit Asset Strategies Wealth Management manages a total of approximately \$69.9 million of client assets. We manage approximately \$66.23 million of client assets on a discretionary basis and approximately \$3.66 million of client assets on a non-discretionary basis. Included in the non-discretionary asset total, is the value of illiquid pooled investment vehicles. As described in the following section on valuation, some of the investments held by pooled investment vehicles are valued at their original cost, a prior transaction, or a historic estimate of their value that does not reflect its current fair market value.

Fees and Compensation (Item 5)

This section of the brochure describes how we are compensated for the services we offer.

Compensation Methodology and Rates

Assets Under Management

Some clients are charged for our asset management services based on a percentage of the assets being managed. The following fee schedule is a sample of our fee schedule for investment supervisory services. Your specific annual fee arrangement will be described in the written Investment Advisory Agreement entered into between Summit Asset Strategies Wealth Management and you. Investment advisory fees charged by us are negotiable at our sole discretion. All clients do not pay the same fee.

Assets Under Management	Annual Rate	Minimum Quarterly Rate	Maximum Quarterly Rate
\$0 to \$1,000,000	1.25%	\$350	\$2,750
\$1,000,001 to \$2,500,000	1.10%	\$2,275	\$6,250
\$2,500,001 to \$5,000,000	1.00%	\$6,250	\$11,250
\$5,000,001 to \$10,000,000	0.90%	\$11,250	\$18,750
\$10,000,001 to \$25,000,000	0.75%	\$18,750	\$31,250
\$25,000,001 and above	0.50%	\$31,250	N/A
RPAP Service Rate	0.50%	\$1,000	N/A
Bond Only Portfolio	0.50%	\$350	\$2750



Assets Under Management	Annual Rate	Minimum Quarterly Rate	Maximum Quarterly Rate
Institutional Rate	0.75%	\$1,000	N/A
Charitable Rate	0.75%	\$1,000	N/A

The annual fee for our services is billed quarterly, in arrears, based on the value of the account at the end of the quarter. If the management agreement does not span the entire quarterly billing period, the fee will be pro-rated based on the number of days the account is open during the billing period. Your account custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. It is the shared responsibility of Summit Asset Strategies Wealth Management and you to verify the accuracy of the fee calculation as the account custodian will not determine whether the fee has been properly calculated. See Item 12 – Brokerage Practices in this brochure for more information about your account custodian(s).

Because of the minimum quarterly fee charged, some accounts will pay an effective rate (percentage) that is greater than the fee schedule above. For example, an account smaller than \$112,000 that pays a minimum quarterly fee of \$350, will pay an effective annual fee of greater than 1.25%.

You may terminate the Investment Advisory Agreement without fee or penalty by providing written notice to Summit Asset Strategies Wealth Management within five (5) business days from the execution of the agreement. Thereafter, either party may terminate the Investment Advisory Agreement by providing written notice

Hourly Fees

We may perform services for you where the price of the service is based upon the amount of time to complete the service times an hourly rate. The rate per hour depends upon the level of complexity of the service and experience and expertise of the personnel used to do the work. This negotiable rate would normally not exceed \$300 per hour. The tasks and services to be performed are described in an engagement letter that is signed by you and Summit Asset Strategies Wealth Management that also includes the hourly rate, an estimate of time to complete the project, and the procedure for refund or partial billing if the engagement is terminated before completion.

Valuation of Publicly Traded Securities

Publicly traded securities in your account(s) managed by us are held at the custodian that we recommend but is ultimately chosen by you. We use the securities valuation provided by the independent qualified custodian for reporting and billing purposes. Publicly traded



securities are usually valued as of the end of business on the last trading day of the calendar quarter.

Valuation of Private Equities

Some of our clients hold privately issued securities in their managed account portfolios. Your independent qualified custodian may hold the privately issued securities, you may hold the physical certificates, or you may have ownership that is only reflected on the books of the issuer. These privately issued securities are not publicly traded and therefore do not have a daily indication of their fair market value. It is our policy to use the last known transaction price to value these non-publicly traded securities for reporting and billing purposes. Because the last known transaction price for these securities may be from a date far in the past, it may be higher or lower than the actual fair value of the securities at the portfolio valuation date. Therefore the management fee related to the asset will be higher or lower than it would have been had an actual fair market value been available and used.

Valuation of Lending Investments

Some of our clients hold ownership interests in limited liability companies ("LLC Interests") as investments in their managed account portfolios. The LLC Interests are investment vehicles designed to allow clients access to securitized lending opportunities. These LLC Interests are privately issued securities and not publicly traded. As the LLC Interests are not publicly traded, they are illiquid and not valued by the issuer or the client's independent qualified custodian. It is our policy to use the client's initial investment as the value for reporting and billing. The actual value of the LLC Interests may be higher or lower than the value used in reports and for billing purposes. Therefore the management fee related to the asset will be higher or lower than it would have been had an actual fair market value been available and used. The amounts shown on bills or statements should not be interpreted as our estimate of the investment's fair market value.

How Clients Pay Advisory Fees

Fees are generally deducted directly from your account. You may provide your qualified account custodian with written authorization to have fees deducted from the account and paid to Summit Asset Strategies Wealth Management. Some Retirement Advisor Program (pension plan) clients have made arrangements to pay advisory fees by check.

Other Types of Fees and Expenses

In addition to the investment advisory fees you pay to us, you may pay transaction fees (commissions) to your custodian or broker-dealer for executing securities transactions and charges for special services elected by you or Summit Asset Strategies Wealth Management. These fees may include:



- periodic distribution fees
- electronic fund and wire transfer fees
- certificate delivery fees
- reorganization fees
- account transfer fees (outbound)
- returned check fees
- international security transfer fees
- overnight mail and check fees
- Rule 144 transfer fees
- transfer agent fees

This list is not meant to be all inclusive. Any fee on a special service incurred by the client will be fully disclosed. Please refer to Item 12 of this document for an explanation of our brokerage practices.

Investment Company Fees

Investment company funds (e.g., mutual funds or ETFs) that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, distribution fees, and/or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders such as you.

Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of Summit Asset Strategies Wealth Management to sell client's securities in a period that would generate a redemption fee we might do so if we believe the sale is in your best interests, or if fund shares must be redeemed to pay fees from the account.



A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail.

You have the option to purchase investment products that Summit Asset Strategies Wealth Management may recommend through other brokers or agents not affiliated with us.

Commission Based Compensation

Our investment advisor representatives do not receive any commission-based compensation while providing investment advisory services to you.

Performance-Based Fees and Side-By-Side Management (Item 6)

This section of the brochure explains any performance-based fees we may charge you and how they may be different from other clients' charges.

Performance-Based Fees

The owner of Summit Asset Strategies Wealth Management is also the owner of two limited liability companies that were formed to create investment opportunities for qualified and accredited investors (see definition below) and are managed by Summit Asset Strategies Investment Management, LLC. These funds have performance fees that are described in this section. For a description of Summit Asset Strategies Wealth Management's other business activities see Other Financial Industry Activities and Affiliations (Item 10) in this Brochure.

In some limited circumstances Summit Asset Strategies Wealth Management enters into investment advisory relationships with Accredited Investors and Qualified Investors ("Accredited/Qualified Investors") where a portion of our compensation is based upon the performance of the Accredited/Qualified Investors' account. The Accredited/Qualified Investors may be owners of an interest in a special purpose entity created to invest in projects or securities not normally available to single investors or in smaller investment amounts.

Our affiliate, Summit Asset Strategies Investment Management, LLC the Manager of the funds is also paid a performance fee in addition to a management fee. The exact method used to calculate the performance is described in the Private Placement Memorandums of the Funds. Generally, the performance fees are a portion of the Fund's net annual rate of return, or in the case of a fund that issues notes, fund, the difference between the interest



earned on funds that are loaned to borrowers and the interest that is paid to investors who purchase notes issued by the fund. The performance fee portion of the Manager's compensation may give the Manager the incentive to make investments in that carry a higher level of risk than other potential investments. The Manager may choose to make investments within the fund with the expectation that they will yield a higher return, hopefully above what the Note coupon requires to be paid to note holders. The difference between what is earned on investments within the fund and the interest paid to note holders (less expenses of the fund) is the profit or compensation of the Manager.

Therefore, this relationship and performance based compensation create the incentive for the Manager to choose investments within the fund that the Manager expects produce enough income or profits to sustain the fund operations. With all other things equal, investments with a higher return carry a higher degree of risk.

We only enter performance fee relationships with Qualified Investors. These clients are defined as those clients meeting one of the following qualifications:

- at least \$1,000,000 under management with Summit Asset Strategies Wealth Management immediately after entering into the contract; or
- a net worth of more than \$2,000,000 not including their residence for performance fee clients

Because of the performance fee portion of our compensation, we have a financial incentive to make investments we expect to produce greater returns and profits than we might otherwise.

Side-By-Side Management

Not all clients of Summit Asset Strategies Wealth Management have elected to compensate us using a performance fee billing methodology. Because not all clients are billed in the same way, we have a greater financial incentive to have performance based fee accounts perform better. In the rare situation where the same investment is appropriate for two or more clients and there is a limited investment opportunity, we will allocate the available securities between clients on a *pro rata* basis.

Types of Clients (Item 7)

This section of the brochure describes who we generally provide our services to.



Individuals

Summit Asset Strategies Wealth Management provides advisory services to a variety of types of clients including individuals, trusts, individual's pension plan accounts, and retirement plan trustees.

Pooled Investment Vehicles

Summit Asset Strategies Wealth Management provides advisory services to pooled investment vehicles. We provide advice to the pool based upon investment mandates provided by the pool and not necessarily in consideration of the individual circumstances of each investor in the pool.

Pension Plans

Summit Asset Strategies Wealth Management provides advisory services to pension plans. These services include recommendations to the plan which are then approved by the pension plan sponsor. You are encouraged to ask your plan sponsor what services we are providing the plan.

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

This section of the brochure explains how we formulate our investment advice and manage client assets.

Methods of Analysis

Summit Asset Strategies Wealth Management employs a wide range of methods to evaluate and analyze investments; including fundamental analysis, technical analysis, and the study of price trends. Analysis is done on economic, market, industry, firm, and product cycles and trends to determine and manage possible investment choices for client accounts.

Investment Strategies

Summit Asset Strategies Wealth Management works with each client to develop a customized investment strategy after learning about the client's financial situation, goals, objectives, tolerance for risk, and time horizon. A proposed asset allocation model (using industry-accepted methods following Modern Portfolio Theory) and investment policy decisions are then made, in our best judgment, to help the client achieve their overall financial objectives while minimizing risk. Summit believes that the appropriate allocation of assets across diverse investment categories (fixed income, US equity, cash, non-US



equity, and alternative classes) is the primary determinant of portfolio returns. Summit advocates a long-term approach in managing client portfolios which may hold mutual funds, ETF's, individual issues, bank products, REIT's, and private funds for client holdings. Client positions can be sold when actual information contradicts the assumptions used to justify the investment purchase, or when client portfolios need to be rebalanced to reflect a target asset allocation.

Clients should be aware that investing in securities involves risk of loss and clients should be prepared to bear this risk when investing.

Sources of Information

Summit Asset Strategies Wealth Management uses many sources of information in its research while providing advisory service. Primary sources would include the research information available through the custodian channels for Charles Schwab, T.D. Ameritrade, and Morningstar Associates. Such research would include Standard & Poor's, Thomsen Reuters, Argus Research, Credit Suisse, Ned Davis Research, Vickers, The Street, and Jaywalk Consensus. Additionally, we may use information from any number of national economic and financial publications, and websites.

Risks

General Risks to Investing

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. We use several strategies to try to reduce risk, including (i) diversifying a portfolio across multiple asset classes; (ii) buying securities we believe are undervalued; and (iii) monitoring the portfolio for changes in fundamentals.

Despite these strategies, historical evidence clearly shows that every asset class has experienced severe declines in value—sometimes sustained over many years— throughout several periods of time this century. In addition, each of our strategies to minimize risk may not achieve that goal as (i) the benefits of diversification decline if asset classes become more correlated; (ii) determining valuation depends on accurately forecasting outcomes that may ultimately differ with our projections; and (iii) security prices can change materially when exchanges are closed due to company-specific news or changes in macroeconomic or geopolitical conditions.

As with any investment, you could lose all or part of your investments managed by Summit Asset Strategies Wealth Management, and your account's performance could trail that of other investments.



Asset Class Risk

Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

Concentration Risk

To the extent that Summit Asset Strategies Wealth Management recommends portfolio allocations that are concentrated in a particular market, industry or asset class, your portfolio may be susceptible to loss due to adverse occurrences affecting that market, industry, or asset class.

Equity Securities Risk

Equity securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.

Growth Securities Risk

Growth companies are companies whose earnings growth potential appears to be greater than the market, in general, and whose revenue growth is expected to continue over an extended period. Stocks of growth companies or "growth securities" have market values that may be more volatile than those of other types of investments. Growth securities typically do not pay a dividend.

Issuer Risk

Your account's performance depends on the performance of individual securities in which your account invests. Any issuer may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

Management Risk

The performance of your account is subject to the risk that our investment management strategy may not produce the intended results.

Market Risk

Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.



Market Trading Risks

Your investment account faces numerous market trading risks, including the potential lack of an active market for investments held in your account and losses from trading in secondary markets.

Passive Investment Risk

Summit Asset Strategies Wealth Management may use a passive investment strategy that is not actively managed where we do not attempt to take defensive positions in declining markets.

Larger Company Securities Risk

Securities of companies with larger market capitalizations may underperform securities of companies with smaller and mid-sized market capitalizations in certain economic environments. Larger, more established companies might be unable to react as quickly to new competitive challenges, such as changes in technology and consumer tastes. Some larger companies may be unable to grow at rates higher than the fastest growing smaller companies, especially during extended periods of economic expansion.

Leverage Risk

Certain transactions may give rise to a form of leveraging, including borrowing. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery, or forward-commitment transactions. The use of derivatives may also create leverage. The use of leverage may cause a portfolio to liquidate portfolio positions when it may not be advantageous to do so. Leveraging may make a portfolio more volatile than if the portfolio had not been leveraged. This is because leverage tends to increase a portfolio's exposure to market risk, interest rate risk, or other risks by increasing assets available for investment.

Liquidity Risk

A security may not be able to be sold at the time desired without adversely affecting the price.

Regulatory Risk

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Smaller Company Securities Risk

Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these



companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries, or new technologies, which pose additional risks.

Value Style Investment Risk

Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature, and to sell them at superior profits when their prices rise when the issues which caused the valuation of the stock to be depressed are resolved. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is a risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and that there will not be any rise in value. Finally, there is the increased risk that such companies may not have sufficient resources to continue as ongoing businesses, which may result in the stock of such companies becoming worthless.

Derivatives Risk

The use of derivatives such as futures, options, and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

Small Firm Risk

We are reliant on research from Wall Street's leading firms—including hedge funds—to help us in our investment decisions. In addition, we do not have the financial resources that other, larger firms have to invest in market data systems or industry consultants to provide insight on specific companies or industries in which we may invest.

Disciplinary Information (Item 9)

This section of the brochure lists legal and disciplinary information for Summit Asset Strategies Wealth Management, its owners, and management team.

Neither Summit Asset Strategies Wealth Management nor any of our owners or management team members has been involved in any civil or criminal investment-related events that must be disclosed by SEC Registered Advisors in this document.

However, state regulators require that all formal investigations and disciplinary actions taken by regulators, customer disputes, certain criminal charges and/or convictions, as well as any IAR's financial disclosures, such as bankruptcies and unpaid judgments or liens, be filed with FINRA. If this type of information would be material to your decision to do



business with Summit Asset Strategies Wealth Management please refer to the SEC's website at www.adviserinfo.sec.gov for more information about our company and the IAR's you are evaluating.

Other Financial Industry Activities and Affiliations (Item 10)

This section of the brochure describes other financial services industry affiliations we may have that could present a conflict of interest with you.

We want you to know that there are certain entities with which Summit Asset Strategies Wealth Management has relationships that may give rise to conflicts of interest, or the appearance of conflicts of interest. These entities include the following:

- Summit Asset Strategies Group, LLC, our parent company
- Summit Asset Strategies Investment Management, LLC, the owner or Manager of pooled investment vehicles
- Summit Asset Strategies Korea, a Korean company with no US clients or locations

Summit Asset Strategies Group LLC

Summit Asset Strategies Group, LLC is the owner of Summit Asset Strategies Wealth Management, LLC and is also the owner of Summit Asset Strategies Investment Management, LLC.

Summit Asset Strategies Investment Management, LLC

Summit Asset Strategies Investment Management, LLC, is the Manager of a pooled investment vehicle that is a Washington Limited Liability Company. The pooled investment vehicles described below are only available to Accredited/Qualified Investors, as outlined in the Performance Based Fees (Item 6) of this Brochure. Because of this restriction, we have not disclosed the actual names of the funds, as such a disclosure may be viewed as an offer to sell or a solicitation of an offer to purchase an interest in securities.

Summit Asset Strategies Arbitrage Fund

Summit Asset Strategies Investment Management, LLC is the sole owner and manager of a Washington Limited Liability Company that was formed to create investment opportunities for Qualified/Accredited investors. This company is referred to in this document as the "Arbitrage Fund" (not the actual name of the funds). The Arbitrage Fund will from time-to-time issue Notes that are intended to pay interest on a monthly basis. Depending upon the fund, the minimum investment amount in the Notes issued is \$50,000. Only Qualified Investors, as outlined in the Performance Based Fees (Item 6) section of this Brochure, may



participate in the Note offering and collectively may acquire up to \$5,000,000 (Five Million Dollars) of Notes. Investors in the Notes shall not be a Member/owner of the Company. Rather, investors shall be a creditor of the issuing company, the Arbitrage Fund. The Arbitrage Funds are private investment funds seeking to provide fixed return for its investors. The Arbitrage Fund's risk analysis is based on the overall creditworthiness of the target companies in which they invest. The Arbitrage Fund sends financial statements to the holders of Notes on an annual basis.

The Arbitrage Fund invests in domestic and or international securities issued by other companies, municipalities, and governments. These investments may include bonds, corporate structured notes of both public and private company issuers, and preferred equity securities of both domestic and international company issuers, including derivative securities, notes and collateralized corporate bridge financing investments. The ability of the Arbitrage Fund to repay the principal and interest on the Notes will be directly related to the performance of these investments. In the event that a portfolio company suffers losses from bad loans or delayed payment, the Arbitrage Funds may be unable to timely pay principal and interest. The Notes of Arbitrage Fund are secured by Unit Pledge Agreements pursuant to which Summit Asset Strategies Investment Management, LLC, as sole member and Manager of the Arbitrage Fund, has pledged its ownership interest in the Arbitrage Fund as collateral for the respective Notes.

Investment in the Notes is speculative and involves a high degree of risk. Because the Arbitrage Fund is a borrower of funds, in the case of the Notes it issues, and a lender of funds, in the case of companies that it invests in, the difference between the interest earned on investments in portfolio companies and the interest paid on Notes it has issued represents revenue to the Arbitrage Fund.

Summit Investment Fund

Summit Asset Strategies Investment Management, LLC, is the Manager of a Washington Limited Liability Company. ("the Fund"), not the actual name of the fund. The Fund was formed to invest in, or lend to, small to medium-sized businesses. The Fund's assets are managed by Summit Asset Strategies Investment Management, LLC. The Fund may invest in, hold, sell, trade, and otherwise deal in securities and other intangible investment instruments consisting principally, but not solely, of stocks, bonds, notes, convertible notes, warrants, and other securities and instruments issued primarily by private businesses, as determined by the Manager in its discretion.

Investors (or their representatives) in the Fund must be sophisticated in financial and business matters generally and in investing in securities. In addition, each investor must



have a net worth of at least \$2,000,000 or have \$1,000,000 under management by the Manager and must be an “accredited investor” as defined in Rule 501 of Regulation D.

Summit Asset Strategies Investment Management, LLC, the Manager of the Fund, is compensated in two ways. An ongoing management fee of 0.60% per quarter (2.40% annually based upon the value of the fund) is deducted from the assets of the Fund and paid to the Manager at the end of the calendar quarter. The investment advisor Summit Asset Strategies Wealth Management, LLC is compensated for its advisory functions to the Fund by the Fund Manager. The Fund is revalued each quarter. One quarter of the annual fee, is deducted each quarter.

The Manager is also paid a Performance Fee at the end of each calendar quarter only if the Fund performs above the minimum Member return (see below). The Manager shall be paid on a 60/40 (Member/Manager) scale on the marginal return above the minimum preferred Member return. For example if the Fund after the flat fee yields 14%, the Manager’s performance fee equals to 3.20% ($14\% - 6\% \times .40$).

Each Member shall receive a minimum return equal to 6% annualized on each Member’s investment, calculated after deductions for management fees and company expenses (“Minimum Return”). In the event the Fund’s yield is lower than the Minimum Return, the Manager shall add to each Member’s Capital Account a portion of the Minimum Return equal the Yield and the remainder of the Minimum Return shall accrue (Accrued Minimum Return). Whenever the Fund’s yield is higher than that current quarter’s Minimum Return, the Manager shall add an amount of Accrued Minimum Return up to the amount of Yield remaining after deducting for the then current quarter’s Company expense, management fees and Minimum Return until the Accrued Minimum Return reaches 0. A Member’s withdrawal from the Fund shall be deemed a forfeiture of the Member’s right to the Accrued Minimum Return, if any. The allocation of Accrued Minimum Return shall reduce the Net Yield used in calculating the Manager’s Performance Fee.

In an effort to produce greater profits for the investors in the Fund, the Manager may choose riskier companies with the expectation that they will yield a higher return. Therefore, this relationship and performance based compensation create the incentive for the Manager to make investment decisions on behalf of the company that might entail more risk and possibly more return than the Manager would otherwise make.

This document is not an offer to sell or a solicitation of an offer to purchase an interest in securities. The foregoing disclosure is made to describe the potential conflicts of interest Summit Asset Strategies Wealth Management, LLC and its principals might have with current or potential clients.



Summit Asset Strategies Investment Management Korea

Summit Asset Strategies Investment Management Korea ("SAS IMK") is a wholly owned subsidiary of the Summit Asset Strategies Investment Management, LLC, and it was created to provide global research services to Korean institutional investors in Korea. SAS IMK also operates and manages the Arbitrage Fund on behalf of its parent company Summit Asset Strategies Investment Management, LLC, through a feeder fund called Summit Asset Strategies Korea ("SASK"). SASK was created as a wholly owned subsidiary of the Arbitrage Fund, so that manager of the Arbitrage fund can make investments in Korea. Summit Asset Strategies Investment Management Korea does not conduct any business in the United States.

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

This section of the brochure describes our code of ethics, adopted pursuant to SEC rule 204A-1, and how we deal with client and related person trading.

Code of Ethics

We have adopted a code of ethics designed to prevent and detect violations of securities rules by our employees and affiliated persons. Our controls in this area focus upon securities transactions made by our employees that have access to material information about the trading of Summit Asset Strategies Wealth Management. We will provide a copy of our code of ethics to clients or prospective clients upon request.

Material Financial Interest

Summit Asset Strategies Investment Management, LLC is the Manager of Summit Strategic Opportunities Fund I, LLC and the owner and Manager of the Lending Funds ("the Funds"). Summit Asset Strategies Wealth Management, LLC may, but is not obligated to, introduce qualified, accredited individuals to the Funds that may or may not offer to sell them an interest in Promissory Notes. Because of the affiliation through common ownership the investment advisor has a financial interest in these securities. The financial interest in the securities creates a potential conflict of interest between the advisor and the purchaser. We address these conflicts by only allowing sophisticated, accredited investors, who have been apprised of the conflict of interest, to purchase interests in the pooled investment vehicles. Potential purchasers should seek independent legal and tax counsel regarding the risks and implications of investing in the Funds.



Material Financial Interest and Personal Trading

From time-to-time the interests of the principals and employees of Summit Asset Strategies Wealth Management may coincide with yours and other clients. Individual securities may be bought, held, or sold by a principal or employee of Summit Asset Strategies Wealth Management that is also recommended to or held by you or another client. If potential insider information is inadvertently provided or learned by a principal or employee, it is our policy to strictly prohibit its use.

It is our policy to permit the company, our employees and investment advisor representatives ("IARs") to buy, sell, and hold the same securities that the IARs also recommend to clients. We perform investment services for different types of clients with varying investment goals, risk profiles, and time horizons. As such, the investment advice offered to you may differ from other clients and investments made by our IARs. We have no obligation to recommend for purchase or sale a security that we, our principals, affiliates, employees, or IARs may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority will always be given to client orders before those of a related or associated person to Summit Asset Strategies Wealth Management. In some cases the trades of the clients and advisory personnel will be combined in a single block trade, and all trades will receive the average price. We have procedures for dealing with insider trading, employee-related accounts, "front running" and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include reviewing employee security transactions and holdings to eliminate, to the extent possible, the adverse effects of potential conflicts of interest on clients.

Brokerage Practices (Item 12)

This section of the brochure describes how we recommend broker-dealers for client transactions.

Factors Considered When Recommending Broker-Dealers

We may suggest or recommend that clients use a particular qualified custodian or broker-dealer. When we make this recommendation, we consider:

- capitalization
- reasonableness of commissions and other costs of trading
- ability to facilitate trades
- access to client records
- computer trading support
- other operational considerations



These factors are reviewed from time to time to assure the best interests of our clients are upheld.

Research and Other Benefits

We may recommend that clients establish brokerage accounts with specific custodians Charles Schwab & Co., Inc. and TD Ameritrade (together or separately “the Custodian”) both registered broker-dealers, Member SIPC/NYSE, to maintain custody of clients’ assets and to execute trades for your account(s). The Custodian provides us with access to its institutional trading and operations services, which are typically not available to retail investors. These services are offered to independent investment advisors at no charge in exchange for keeping a minimum amount of account assets at the Custodian. The Custodian’s services include research, brokerage, and custody. The Custodian offers access to mutual funds and other investments that are available only to institutional investors or require a significantly higher minimum investment. The Custodian also makes other products and services available that benefit us but may not benefit our clients. Some of these other products and services help us manage and administer client accounts, and include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- provide research, pricing information, and other market data
- facilitate payment of our fees from your account(s)
- help with back-office support, recordkeeping, and client reporting

These services may be used with all or a substantial number of clients’ accounts, including accounts not maintained at the Custodian. We do not attempt to allocate the benefit to accounts proportionately to the accounts that generate the benefit.

Some of the products or services provided by the Custodian do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, including those services that do not aid in investment decision-making or trade execution. These business management and development services, in addition to those listed above, may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may use independent third parties to offer these services to Summit Asset Strategies Wealth Management. The Custodian may discount or waive fees it would otherwise charge for some of these business management and development services or pay all or a part of the



fees of a third-party providing these services to us. Because we receive discounts, research, products, or services we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research, products, or services, rather than on the client's interest in receiving most favorable execution. The Custodian or broker-dealer recommended by Summit Asset Strategies Wealth Management may charge commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for services and benefits.

Brokerage for Client Referrals

Summit Asset Strategies Wealth Management does not have any agreements in place where securities transactions are directed to particular broker-dealers in exchange for client referrals.

Directed Brokerage

If you direct Summit Asset Strategies Wealth Management to execute securities transaction at a broker other than one we use for our other clients you will forgo any benefit from savings on execution costs that we may have obtained through our negotiation of volume discounts or batched orders. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. You may incur higher commissions, other transactions costs, greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case had you used a broker we prefer.

Aggregated Orders

When we decide to purchase or sell a specific security for multiple clients at the same time, we will consider aggregating, or combining the orders. This procedure will result in a single average price for all client transactions in the aggregated order. The account custodian charges for each transaction as if it were placed individually.

Allocation of Thinly Traded Securities

Summit Asset Strategies Wealth Management may allocate securities among accounts when enough of a particular security or securities cannot be purchased or sold on a given day at a desired price. In this event, we will allocate the shares actually purchased or sold on pro rata basis. We may remove small allocations from the process if we believe it would not be in the best interest of our client(s).

Trade Error Policy

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have



received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account the Custodian, will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Summit Asset Strategies Wealth Management will pay for the loss. The Custodian will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Review of Accounts (Item 13)

This section of the brochure describes how often client accounts are reviewed and by whom.

Review of Accounts

Investment management accounts are reviewed by Mr. Chris Yoo and the investment management team on a regular basis to assure that the portfolio adheres to your agreed upon asset allocation guidelines. Reviews may be triggered by changes in your personal, tax, or financial status or your request. Macroeconomic and company-specific events may also trigger reviews. You may request a review of your account on a more frequent basis.

Mutual fund holdings will be reviewed regularly for style, performance, sector and capitalization parameters. Financial plans are reviewed only upon request unless you retain us to update the plan on a continuous basis.

Reports

Investment management clients will receive monthly statements from the account custodian that summarize the activity and holdings of the account. We have arranged for your qualified account custodian to distribute account statements directly to you.

Investors in the Funds issued by our affiliates may not receive regular reports from the advisor. Financial Statements will be provided to investors directly from the Funds.

Client Referrals and Other Compensation (Item 14)

This section of the brochure discloses our arrangements with people who are compensated for referring us business.

Summit Asset Strategies Wealth Management has not entered into any agreements with third parties to give or receive referrals for compensation.



Custody (Item 15)

This section of the brochure encourages you to check the statements sent to you by your account custodian to ensure the accuracy of the fee calculation.

Investment Supervisory Services Clients

You have authorized us to deduct periodic investment advisory fees directly from one or more of your accounts managed by Summit Asset Strategies Wealth Management. These deductions from your account are shown on the periodic statements sent by your qualified custodian directly to you. You are encouraged to review these statements carefully and compare the amounts on the custodian statements with any statements we send and the fee schedule outlined in your Investment Advisory Agreement.

Pooled Investment Vehicle Investors

Summit Asset Strategies Investment Management, LLC, an affiliate of Summit Asset Strategies Wealth Management, serves as the Manager to pooled investment vehicles. As Manager, they have the power and authority to access and distribute client funds and/or securities from the pooled investment vehicles. We have implemented internal control procedures where the pooled investment vehicles will be audited by an independent certified public accounting firm. Copies of the financial statements of the pooled investment vehicles will be distributed to the investment pool investors annually.

Investment Discretion (Item 16)

This section of the brochure discloses the power we have to make trades in your account.

Investment Supervisory Services Clients

You grant Summit Asset Strategies Wealth Management a limited power of attorney to select, purchase, or sell securities without obtaining your specific consent within the account(s) you have under our management. The limited powers of attorney are granted in the written Investment Advisory Agreement entered into between us. There are no restrictions upon the securities that may be purchased, sold, or held in your account unless you provide these restrictions to us in writing.

Pooled Investment Vehicle Investors

The decision to purchase a pooled investment vehicle or privately issued security is always at your sole discretion. We will never purchase interests in a pooled investment vehicle or privately issued security on your behalf. You will always be required to sign written



agreements to purchase these investments. We provide investment advice with regard to securities held by the pooled investment vehicles.

Retirement Advisory Program

We do not have discretion to place securities transactions in the accounts of our Retirement Advisory Program clients without the clients/plan sponsor's consent. Because of the requirement for pre-approval of transactions, trades in these non-discretionary accounts may be placed later than those in discretionary accounts or not at all if, in our opinion, a specific investment opportunity has passed.

Voting Client Securities (Item 17)

This section of the brochure explains our proxy voting policy and your ability to get proxy voting information from us.

Summit Asset Strategies Wealth Management will not vote proxies for securities held in your investment account. Your account custodian or transfer agent will send proxy statements directly to you. If the investment account is for a pension or other employee benefit plan governed by ERISA, you direct us not to vote proxies for securities held in the account, because the right to vote such proxies is expressly reserved for you or your plan fiduciary not Summit Asset Strategies Wealth Management.

Financial Information (Item 18)

This section of the brochure is where investment advisors that collect more than \$1200 in fees per client, six months or more in advance would include a balance sheet.

Summit Asset Strategies Wealth Management is not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you or our other clients.

Prepayment of Fees

Summit Asset Strategies Wealth Management does not require pre-payment of investment advisory fees of greater than \$1200 and more than six months in advance.

Privacy Statement

We, like other professionals who advise on personal financial matters, are required by federal law to inform our clients of their policies regarding the privacy of client information.



In the course of providing our clients with certain advice, we may receive nonpublic personal financial information such as financial statements, account statements, and tax returns from our clients, their accountants and other representatives. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside Summit Asset Strategies Wealth Management, except with your consent, as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic, and procedural safeguards.