



Peak Asset Management, LLC

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Part 2A Brochure

This brochure provides information about the qualifications and business practices of Peak Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 303-926-0100. 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. Peak Asset Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

There have been no material changes since our last brochure was filed on March 30, 2016.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer Joe Glasman at 303-926-0100 or joeglasman@peakam.com.

We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Peak Asset Management, LLC (“Peak”) about the investment advisory services we provide. It discloses information about the services that we provide and the manner in which those services are made available to you, the client.

We are a SEC-registered investment adviser with its principal place of business located in Louisville, Colorado. We began conducting business in 1994. Listed below are the firm's managers and owners:

- Terrance William Hefty (Manager and beneficial owner through Bart Partners, LP, CRD No. 2766094)
- Noel Fletcher Bennett (Manager and direct owner, CRD No. 4359632)
- John Neal McCorvie Jr., CFA (Manager and direct owner, CRD No. 1509677)
- John Joseph Glasman, CFA, CPA, CFP® (Manager and beneficial owner through Gilpin Partners, Inc., CRD No. 2323660)
- Tara Jill Hume, CFA, FRM (Manager and beneficial owner through Tara J. Hume Financial Consulting, LLC, CRD No. 5469036)
- Terry L. Robinette (Manager, CRD No. 4355257)
- Robert R. Cutler, CFP® (Financial Planner and Manager, CRD No. 2599850)
- Brent C. Yanagida, CFP®, EA (Financial Planner & Manager, CRD No. 2393687)
- Julie F. Pribble, CFA (Manager, CRD No. 2319095)

We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you execute an engagement letter or client agreement.

Investment and Wealth Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements, financial commentaries, and ongoing monitoring of your portfolios.

We primarily provide portfolio management to accounts belonging to individuals based on their specific needs. During our data-gathering process, we determine your individual investment objectives, goals, time horizons, risk tolerances, constraints, restrictions, and liquidity needs as well as any legal or regulatory constraints. As appropriate, we may also review and discuss your prior investment history, as well as family composition and background. From this information, we develop a custom investment policy statement (IPS) with you that we use to create and manage your portfolio.

Since we are an independent registered investment advisor, our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Although we do not limit management to specific types of securities, we will only use types of investment we feel are consistent with your objectives,

tolerance for risk, liquidity, etc. In addition, you may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors in their IPS. We will review with you your IPS as needed or periodically.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them on a discretionary basis based on our investment process and on your objectives. We tailor our advisory services to meet your needs and objectives.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate authorization from you.

Where appropriate, we may also provide advice about any type of legacy position or other investment held in your portfolios. You may engage us to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

Financial Planning

We conduct an analysis of your current situation and identify and implement appropriate financial planning and investment management techniques to help you meet your specific financial objectives. In preparing your analysis, we may address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on your specific needs. These include: financial position, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.

- Development of a goal-oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generation of a benefits plan, risk management plan and succession plan for your business, if applicable.

Periodic reviews are communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Company Sponsored Retirement Plan Advisory Services

We make available management services to assist businesses with administration of their participant directed defined contribution retirement plans. The scope of a retirement plan engagement, which may include selecting of investment options, monitoring of these options, and any performance reporting to the plan, is negotiated on a case by case basis in advance and agreed upon contractually.

Newsletters

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

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

Wrap Fee Programs

We do not place Client assets into a wrap fee program.

Assets

As of December 31, 2016, we have \$453,569,248 under discretionary management and \$29,430,953 as non-discretionary assets under management. Our total assets under management are \$483,000,201.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

We charge a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The specific advisory fees are set forth in your Investment Advisory Agreement. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts may be charged a reduced fee for our services.

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

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

25% of the annual fee is invoiced quarterly at the end of the quarter in arrears based on the account value as of the last day of the quarter. All fees are charged on a pro rata basis, based on the actual number of days under management during the quarter.

At our discretion, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee based on the asset levels available in our fee schedule.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written

authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, you may pay the advisory fees by check. You are encouraged to review your account statements for accuracy.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination, all fees are charged on a pro rata basis, based on the actual number of days under management during the quarter. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Company Sponsored Retirement Plan Advisory Services

For Company Retirement Plan Advisory Services, we charge an annual fee as negotiated with the client and disclosed in the Retirement Plans Advisory Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Annual fees range from 0.25% to 1.25%. Advisory fees may be paid directly by the plan sponsor or paid from the plan assets. The amount payable each quarter is calculated as 25% of the annual fee, is charged in accordance with the parameters established by the respective plan administrator. The above fee range applies to company sponsored retirement plans. In instances where we manage an individual 401k the standard fee schedule for Portfolio Management Services may apply.

Plan advisory services begin with the effective date of the Agreement, which is the date you sign the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee for Retirement Plan Services is billed in advance or in arrears on the last business day of the calendar quarter. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Investment Advisory Agreement.

Either party may terminate the Agreement at any time in accordance with the parameters established by the respective plan Advisory Agreement.

Additional Fees and Expenses:

In addition to the advisory fees paid to us, you may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees

and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees).

ITEM 7 - TYPES OF CLIENTS

We provide advisory services to the following types of clients:

- Individuals;
- Pension, profit sharing plans, and 401k plans;
- Trusts and Foundations; and
- Corporations or other businesses or entities not listed above.

We have a minimum target client relationship size of \$1 million. We will negotiate and allow a lower minimum as we feel appropriate. We may group certain related client accounts for the purposes of achieving the minimum relationship size and determining the annual fee.

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

Methods of Analysis

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

Fundamental Analysis. We attempt to measure the intrinsic value of an investment by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the investment itself) to determine if the investment is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of an investment can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the investment.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of an investment. This presents a risk in that a poorly-managed or financially unsound investment may underperform regardless of market movement.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

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

For investments such as Mutual Funds, Exchange Traded Funds (ETFs), and Exchange Traded Notes (ETNs), we look at the experience and the track record of the manager in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We also monitor the investments in an attempt to determine if they are continuing to follow their stated investment strategy. As in all investments, past performance does not guarantee future results.

Investment Strategies

We are generally a long-term oriented investment manager. We primarily provide two different types of portfolio management strategies, one based on individual security selection and the other based on allocating and diversifying assets across mutual funds and ETFs.

Accounts managed according to our individual security selection strategy are diversified and generally consist of allocations to stocks, bonds, and cash or cash equivalents, which can include money market funds and/or Treasury bills. In selecting stocks, we follow a contrarian or "out-of-favor" approach that seeks to take advantage of short-term fluctuations in the stock market. Individual security portfolios generally include approximately twenty-one stocks that meet our value criteria with a three-to-five year investment time horizon. However, we may purchase securities with the idea of selling them within a short period of time, typically one year or less, if we believe that we can take advantage of conditions that will soon result in a price movement. Fixed income investments held in such accounts are generally selected based on financial quality, current yield, and total return characteristics, with maturities selected based on specific time objectives. Finally, cash and cash equivalents are selected based on their relative safety, liquidity, and current yield.

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

Accounts managed according to our mutual fund and ETF strategies are generally diversified across various asset classes which may include U.S. large-capitalization stocks, U.S. mid-capitalization stocks, U.S. small-capitalization stocks, International large-capitalization stocks, commodities, fixed income, and cash equivalents based on the asset allocation recommended in your IPS. We monitor the allocation levels and rebalance portfolios periodically and/or when market conditions dictate.

For our clients that have an interest, we offer the opportunity to incorporate specific Socially Responsible Investing (SRI) oriented mutual funds, ETFs, and individually screened stocks into portfolio management strategies. SRI integrates a number of factors including environmental, social, and governance issues that affect investment analysis and decisions. It is important to note that the restrictive nature of SRI investing does represent, at some level, a trade-off between social philosophy and investment returns. For each of our clients that decide to incorporate an SRI component, we seek to find an appropriate balance to meet individual overall goals and objectives.

We may offer clients a strategy that combines the individual security selection and mutual fund/ETF strategies, or other strategies customized to the client's investment needs and objectives. Under the appropriate circumstances, we may also recommend the use of margin, short sales, option transactions, and short-term trading in the management of client accounts. All investments in securities involve risk of loss.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

- *Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

- *Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations,

foreign taxes and regulations, and the potential for illiquid markets and political instability.

*Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

*Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

*Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

*Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

*Short term trading - There are additional trading costs and tax consequences associated with short term trading.

*Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

*Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

ITEM 9 - DISCIPLINARY INFORMATION

We do not have any legal, financial or other "disciplinary" items to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

On October 1st 2015, ACE Investment Services, Inc. (Ace) (CRD No. 113874) merged its clients into Peak Asset Management, LLC (Peak). We provide compensation to Ace as a part of our merger agreement. Part of the compensation is a fixed purchase agreement and part is based on a percentage of management fees collected over a fixed period of time. We did not increase the management fees charged to the merged clients above our normal fee schedule in order to compensate Ace.

In 2012, Peak accepted clients from another investment adviser, HCM Investors, Inc. (CRD No. 106730), which is primarily owned by Katherine Spines (CRD No. 4355254). We compensate HCM for all ongoing client relationships that resulted from clients transferring from HCM Investors, Inc. to Peak. This compensation is based on a percentage of management fees collected over a fixed period of time. We did not increase the management fees charged to the transferred clients above our normal fee schedule in order to compensate HCM.

We previously participated in TD Ameritrade's Advisor Direct program and continues to compensate TD Ameritrade for all ongoing client relationships that resulted from referrals from TD Ameritrade under the Advisors Direct program. This compensation is based on a percentage of management fees collected and will continue for the duration of the respective client relationship. We did not increase the management fees charged to the referred clients above our normal fee schedule in order to compensate TD Ameritrade.

ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our owners and employees.

Provisions include:

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

Our firm and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of

Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the approval of any acquisition of securities by Peak personnel in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions. Our Code of Ethics prohibits the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical or related to those recommended to our clients at or close in time to transactions placed on behalf of clients. In addition, Peak and/or its related person(s) may have an interest or position in a certain security(ies), which may also be recommended to a client. This may create potential conflicts of interest because (1) Peak or its related persons may have an incentive not to recommend the sale of those securities to clients in order to protect the value of their personal investment, and (2) Peak or its related persons may have an incentive to place their orders before those of clients in order to obtain a better price.

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

ITEM 12 - BROKERAGE PRACTICES

We generally recommend that clients utilize the custody, brokerage and clearing services of TD Ameritrade ("TD") or Charles Schwab & Co., Inc. Advisor Services ("Schwab"), (the "Custodians") for investment management accounts. Our Custodians are independent and unaffiliated FINRA-registered broker-dealers. We may recommend that you establish accounts with these custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our custodians via their respective investment advisor platforms benefit us and may not

benefit you or your account. Our recommendation/requirement that you place assets with one of these custodians may be based in part on benefits they provide us via their platforms, and not solely on the nature, cost or quality of custody and execution services provided by the custodian.

There is no direct link between our participation in either the Schwab platform or the TD platform and the investment advice we give to our clients. We do receive economic benefits through our participation in the platforms that may not be available to other advisors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. The Custodians may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by the Custodians through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at the Custodians. Other services made available by the Custodians are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to the Custodians. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of the Custodians for custody and brokerage services.

You may choose to work with either custodian. In the case where we are asked to give a recommendation, our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker-dealers other than your custodian to execute trades for your account, but this practice may result in additional costs to you so that we are more likely to place trades through your custodian rather than other broker-dealers. Your custodian's execution quality may be different than other broker-dealers.

Block Trades

Transactions for Peak and its employees and principals are not aggregated with client transaction but are traded separately from and after client transactions. As a matter of policy, Peak's allocation procedures must be fair and equitable to all clients with no group of client(s) being favored or disfavored over any other clients. It is important to note that non-discretionary accounts may be treated differently than discretionary accounts when executing a block trade due to the communication requirements of non-discretionary accounts.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis other than what is described above.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities held within Investment Management and Supervision Services accounts are continually monitored. These accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Client activity in Investment Management and Supervision Services accounts are reviewed by the operations department (Debbie Harper or Angela Dwinal) or a portfolio manager (Noel Bennett, John McCorvie, Joe Glasman, Tara Hume, Terry Robinette, Bob Cutler, Brent Yanagida or Julie Pribble). Investment management strategy is reviewed on an ongoing basis by a portfolio manager and/or our investment committee (Terry Hefty, Noel Bennett, John McCorvie, Joe Glasman, Tara Hume, Terry Robinette, Bob Cutler, Brent Yanagida and Julie Pribble). You are urged to notify us of any changes in your personal circumstances.

Company Sponsored Retirement Plan Service reviews depend on the scope of the relationship and occur as agreed upon contractually.

Statements and Reports

In addition to the monthly or quarterly statements and confirmations of transactions that the custodian/broker provides to you, we provide a quarterly statement that includes account performance. You are urged to compare the reports provided by our firm against the account statements you receive directly from your account custodian.

Company Sponsored Retirement Plan Service reports depend on the scope of the relationship and are provided as agreed upon.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

We previously disclosed in the “Brokerage Practices” section (Item 12) of this Brochure that our firm participates in institutional investment adviser platforms offered by Charles Schwab and TD Ameritrade and may, as a result, receive economic benefits from them that relate to our provision of investment advice or advisory services to clients.

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

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- how the fee is calculated (i.e., based on a percentage of respective management fees received or a fixed amount); and
- the fact that we do not increase the management fee charged to the referred client above our normal fee schedule to compensate the Solicitor.

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

We previously disclosed in the “Other Financial Industry Activities and Affiliations” section (Item 10) of this Brochure that our firm provides ongoing compensation to:

- 1) Ace Investing Services, Inc. (Ace) for all ongoing client relationships that resulted from clients merging from Ace to Peak. Part of the compensation is a fixed purchase agreement and part is based on a percentage of management fees collected over a fixed period. Peak did not increase the management fees charged to the merged clients above our normal fee schedule to compensate Ace.

- 2) HCM Investors, Inc. (HCM) for all ongoing client relationships that resulted from clients transferring from HCM to Peak. This compensation is based on a percentage of management fees collected and will continue for a fixed period. Peak did not increase the management fees charged to the transferred clients above our normal fee schedule to compensate HCM.
- 3) TD Ameritrade for all ongoing client relationships that resulted from referrals from TD Ameritrade's Advisor Direct program. This compensation is based on a percentage of management fees collected and will continue for the duration of the respective client relationships. Peak did not increase the management fees charged to the referred clients above our normal fee schedule to compensate TD Ameritrade.

We do not receive compensation for referrals.

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding your funds and securities. If an investment advisor has the ability to access or control your funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

We are deemed to have custody of your funds and securities whenever we are given the authority to have fees deducted directly from your accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which we have the authority to have fees deducted directly from your accounts, we have established procedures to ensure all funds and securities are held at a qualified custodian in a separate account for each client under that client's name or designated entity. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact our firm or the qualified custodian preparing the statement.

You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. When fees are deducted from an account, we are responsible for calculating the fee and delivering instructions to the custodian.

ITEM 16 - INVESTMENT DISCRETION

For discretionary accounts, you will enter a written Agreement with us granting us the authority to supervise and direct, on an on-going basis, investments in accordance with your investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable us, in our sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority shall be communicated by you to us in writing and will be incorporated into the Investment Policy Statement (IPS).

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

Company Sponsored Retirement Plan Services: For company sponsored retirement plans, the scope of our discretionary or non-discretionary authority is outlined in the Investment Advisory Agreement with Plan Sponsor.

ITEM 17 - VOTING YOUR SECURITIES

We will vote proxies related to client securities owned by those clients who provide specific designation of authority to Peak through proper documentation to their respective custodian. To facilitate our proxy responsibilities (assuming the client has designated that to us), we have contracted with Institutional Shareholder Services, Inc. (ISS) to assist with voting proxies. Prior to any proxy vote, such recommendations are reviewed by one of our Portfolio Managers, with the reasons for any votes that are contrary to ISS recommendations being documented. As a matter of policy and as a fiduciary to our clients, we seek to vote all proxies consistent with the best economic interests of our clients. We will provide our proxy voting policy to any existing or prospective client upon request and will provide clients with voting records related to his or her specific account(s) upon request during regular business hours in writing or over the telephone at (303)926-0100/(800) 298-9081.

Clients may revoke Peak's authority to vote proxies on their behalf at any time with appropriate documentation.

ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.