



Peak Asset Management, LLC

1371 E. Hecla Drive, Suite A
Louisville, Colorado 80027
Telephone: 303-926-0100

Email: peakam@peakam.com
Web Address: www.peakam.com

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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.

Since our last Annual Amendment filing made on March 15, 2019, the following material updates have been made:

- ☐ Item 4 Advisory Services has been updated to reflect use of a Third Party Manager.
- ☐ Item 8 Investment Strategies, Philosophy and Risk of Loss has been updated to reflect additional Risk Language.

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 John McCorvie at 303-926-0100 or johnmccorvie@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 Hefty, CFA, FRM (Manager and beneficial owner through Tara J. Hume Financial Consulting, LLC, CRD No. 5469036)
- Terry L. Robinette (Manager, CRD No. 4355257)
- Brent C. Yanagida, CFP®, EA (Financial Planner and 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 Investment Advisory Agreement (“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 client portfolios.

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

Since we are an independent registered investment adviser, 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 a client’s objectives, tolerance for risk, liquidity, etc. In addition, clients may impose reasonable

restrictions on investing in certain securities, types of securities, or industry sectors in their IPS. We will review with clients their 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 market views and on your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those 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 client portfolios. Clients 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

For clients participating in our financial planning services, we conduct an analysis of your current situation and identify and implement appropriate financial planning and investment management techniques to help you to meet your specific financial objectives. Such services may include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

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 adviser, 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.

An evaluation of each client's initial situation or Financial Plan is provided to the client and generally included in the investment management fee. Periodic reviews may also be provided to review specific courses of action recommended in the financial planning process. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

Sub-Advisory Services

Our firm may determine that engaging the expertise of an independent sub-adviser is best suited for your account. Our firm will utilize an independent third party investment adviser to aid in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third party investment adviser ("Manager") for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, we will hire a Manager for the management of those assets. These advisers shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

Managers selected for your investments need to meet several quantitative and qualitative criteria established by us. Among the criteria that may be considered are the Manager's experience, assets under management, performance record, client retention, the level of

client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- A Manager's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any Manager's objectives and strategies, and could cause a loss in a Client's account(s); and
- Client risk parameters or comparative index selections provided to our firm are guidelines only and there is no guarantee that they will be met or not be exceeded.

Managers will take discretionary authority to determine the securities to be purchased and sold for the client. Our firm will work with the sub-adviser to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the Client. In all cases, trading restrictions will depend on the sub-adviser and their ability to accommodate such restrictions.

Our Firm has entered into an agreement with an independent Third Party Manager. Any Third Party Managers to whom we will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure.

We review the performance of our Managers on at least a quarterly basis. More frequent reviews may be triggered by changes in Manager's management, performance or geopolitical and macroeconomic specific events.

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, 2019, we have \$595,876,445 under discretionary management and manage \$24,327,159 in non-discretionary assets. Our total assets under management are \$620,203,604.

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. The custodian for your investment account(s) 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 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 for new clients 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 Retirement Plan Advisory Services compensation, 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, 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 account the standard fee schedule for Portfolio Management Services may apply. For Plans where the advisory 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 Advisory Agreement.

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

Sub-Adviser Fees

As discussed in Item 4 above, there will be occasions where an independent Registered Investment Advisory firm is engaged to manage a portion of your assets. In those circumstances, the other investment adviser manages the assets based upon the parameters provided by our Firm. Under this arrangement, the Independent Registered Investment

Advisory Firm collects a portion of the client advisory fee. You will enter into the Agreement separately with the independent Registered Investment Advisory Firm.

Administrative Services Provided by Tamarac

We have contracted with Tamarac to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Tamarac will have access to client information, but Tamarac will not serve as an investment adviser to our clients. Our Firm and Tamarac are non-affiliated companies. Tamarac charges our Firm an annual fee for each account administered by Tamarac. Please note that the fee charged to the client will not increase due to the annual fee our Firm pays to Tamarac, the annual fee is paid from the portion of the management fee retained by our Firm.

There may be a possibility for price or account value discrepancies due to quarter-end transactions in an account. Dividends or trade date settlements may occur and our third party billing software may report a slight difference in account valuation at quarter end compared to what is reported on your Statement from the Custodian. Our firm has the ability to produce billing summaries, which can be provided upon request.

Additional Fees and Expenses:

In addition to the advisory fees paid to us, clients 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 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;
- High net worth 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 client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company 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 a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

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 a company. This presents a risk in that a poorly-managed or financially unsound company 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 a client. 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, emerging markets stocks, commodities, fixed income, and cash equivalents based on the asset allocation recommended in the client’s IPS. We monitor the allocation levels and rebalance portfolios when material shifts in the allocation levels occur.

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 that clients should be prepared to bear.

When purchasing mutual funds, our policy is to select institutional share classes whenever appropriate. The institutional share class generally has the lowest expense ratio relative to other classes. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available, or is not the optimal solution given trading frequency, time horizon or other unique circumstances, the adviser will purchase the least expensive share class available. As share classes with lower expense ratios become available, we may convert the existing mutual fund position to the lower cost share class.

Additionally, as assets are transitioned from a client's prior advisors to us, clients may hold legacy securities. Legacy securities are those that a client owned prior to or separate from the portfolio managed by our firm.

Non-Transaction Fee (NTF) Mutual Funds

When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, transaction frequency, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

Third Party Manager Analysis

Our Firm seeks to recommend an investment strategy that will give a client a diversified portfolio consistent with the client's investment objective. We will analyze various

securities, investment strategies, and third party investment management firms if our firm feels the expertise of a particular manager is best suited for our client.

We examine the experience, expertise, investment philosophies and past performance of independent third party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We will monitor the managers' underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of the due-diligence process that is conducted on annually, our firm will survey the managers' compliance, business enterprise risks, speak directly with the manager, if accessible, or the firm's research team to determine the manager is still a recommendation of our firm's list of third party managers.

A risk of investing with a third party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as our Firm does not control the underlying investments in a managers' portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for clients of our firm. Moreover, as we do not control the managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective 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 a 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."

Option Risk - Options on securities are subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.

Performance of Underlying Managers — We select the mutual funds and ETFs to help meet specific asset allocations. However, we depend on the manager of such

funds to select individual investments in accordance with their stated investment strategy.

Cybersecurity Risk - These risks include both intentional and unintentional events at our Firm or one of its third party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because unknown threats may emerge in the future.

Leveraged and Inverse ETFs and Mutual Funds - Leveraged ETF's and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of an underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs and mutual funds.

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 1, 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.

Tax Preparation Services

One of our Investment Adviser Representatives also provides tax preparation services to individuals and corporations through a separate but commonly owned entity. The IARs will receive additional compensation for the tax services performed. Any compensation received from the tax preparation services do not offset advisory fees the client may pay for investment advisory services under Peak Asset Management.

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

The Code of Ethics is designed to protect our clients, detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Peak, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether personnel are complying with the firm's ethical principles.

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

Our Firm may aggregate trades when our associated persons trade in the same security on the same day as clients as a means to avoid personally benefiting from client trades. If an aggregated trade that includes an associated person's trades is not completed, all client trades must be filled first before any associated person's trades are allocated. If there are not enough shares traded to complete all client trades, the trade will be allocated on a pro-rata basis between the client accounts. When our firm places a block trade in the same security on the same day at different custodians, the manager shall enter trades as equitably as possible to attempt to achieve the best price for all clients in the trade at all custodians.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate any conflicts of interest. Our Code of Ethics further includes the firm's policy prohibiting 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.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- 1) No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- 2) No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- 3) No principal or employee may purchase shares in an IPO.
- 4) Any private security investments by principals or employees must be disclosed in writing to our Chief Compliance Officer. (Note: Peak does not invest in private security investments for our clients.)
- 5) We maintain documentation of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- 6) We have established procedures for the maintenance of all required books and records.
- 7) Clients can decline to implement any advice rendered.
- 8) All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 9) We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.

Any individual who violates any of the above restrictions may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

We generally recommend that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co., Inc. Adviser Services ("Schwab") or TD Ameritrade ("TD"), (the "Custodians") for investment management accounts. The 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 adviser 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 Adviser 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.

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. We will never benefit or profit from trade errors.

Directed Brokerage

We do not routinely recommend, request or require that you direct us to execute transactions through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities held within Individual Portfolio Management 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 Individual Portfolio Management Services accounts are reviewed by the operations department or a portfolio manager of the account(s). Investment management strategy is reviewed on an ongoing basis by a portfolio manager and/or our investment committee. You are urged to notify us of any changes in your personal circumstances.

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 the client, 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.

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 programs 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:

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.

AdvisorDirect *We are no longer active in this Program but do retain legacy clients from our participation in the Program.* TD Ameritrade is a discount broker-dealer independent of and unaffiliated with our Firm and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management

services or financial planning services to independent investment advisors. TD Ameritrade does not supervise our Firm and has no responsibility for our Firm's management of client portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. For referrals that occurred through AdvisorDirect before April 10, 2017, this fee is a percentage (not to exceed 25%) of our Firm's advisory fee that the client pays to our Firm ("Solicitation Fee"). Our Firm will also pay TD Ameritrade the Solicitation Fee on any assets received by us from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired us on the recommendation of such referred client. Our Firm will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass on Solicitation Fees paid to TD Ameritrade to our clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Our Firm has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Our participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

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 client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Deduction of Advisory Fees

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. For accounts in which we have the authority to have fees deducted directly from client accounts, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. 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.

Standing Letters of Authorization (“SLOA”)

Our firm is also deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third party (“SLOA”) and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the client accounts we are deemed to have Custody and SLOAs are on file. This is documented by our firm. In addition, 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 us, your Adviser or the qualified custodian preparing the statement.

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 stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by our firm for you are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

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 accept authority to vote proxies with respect to securities owned by clients. Our firm has adopted proxy voting policies and procedures with respect to securities owned by our clients for which we have been specifically delegated voting authority and discretion, in accordance with its fiduciary duties and Securities and Exchange Commission Rule 206(4)-6 under the Investment Advisers Act of 1940, which are reasonably designed to ensure that proxies are voted in the best interest of clients.

To facilitate our proxy responsibilities and assuming the client has designated the authority to Peak Asset Management in the Agreement, we have contracted with Institutional Shareholder Services, Inc. (ISS) to vote all proxies on our behalf.

The guiding principle by which we review voting on all matters submitted to security holders is the maximization of the ultimate economic value of your holdings. We do not permit voting decisions to be influenced in any matter that is contrary to, or dilutive of, this guiding principle. It is the policy to avoid situations where there is any material conflict of interest or perceived conflict of interest affecting the voting decisions. Any perceived conflict of interest is reviewed by the Chief Compliance Officer and the investment committee.

It is the general policy that we vote on all matters presented to security holders in any Proxy, and these policies and procedures have been designed with that in mind. However, we reserve the right to abstain on any particular vote or otherwise withhold its vote on any matter if in the judgment of Peak Asset Management, the costs associated with voting such Proxy outweigh the benefits to you, or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of you, in our judgment.

Clients delegate to Peak Asset Management the discretionary power to vote the securities held in their account pursuant to written Agreement. We do not generally accept any subsequent directions on matters presented to shareholders for a vote, regardless of whether such subsequent directions are from the client itself or a third party. We view the delegation of discretionary voting authority as an “all-or-nothing” choice for our clients.

Upon request, we will provide separately to each client (i) a copy of our proxy voting policies and procedures and (ii) details as to how the Firm has voted securities in your account.

ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to this brochure. We do not receive 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.