

## **Firm Brochure**

(Part 2A of Form ADV)



---

**43409 Schoenherr Road  
Sterling Heights, MI 48313**

**Toll Free: 844-SUMMIT5 (786-6485)**

**Local: 586-226-2100**

**FAX: 586-226-3584**

**EMAIL: [info@summitfc.net](mailto:info@summitfc.net)**

**WEBSITE(s): [www.summitfc.net](http://www.summitfc.net)**

This brochure provides information about the qualifications and business practices of Summit Financial Consulting LLC DBA Summit Financial Working With People You Trust. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 586-226-2100 or by email at [info@summitfc.net](mailto:info@summitfc.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Summit Financial Consulting LLC DBA Summit Financial Working With People You Trust (IARD#126570) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

February 7, 2024

## **Item 2: Material Changes**

---

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

---

### **Material Changes since the Last Update**

This update is in accordance with the required annual update for Investment Advisors. Since the last update of this brochure on September 11, 2023, the following material changes have been made:

- Item 4 has been updated to reflect the most recent assets under management calculation.
- 

### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

## Item 3: Table of Contents

### Form ADV – Part 2A – Firm Brochure

#### Item 1: Cover Page

<b>Item 2: Material Changes</b> .....	<b>1</b>
Annual Update.....	1
Material Changes since the Last Update .....	1
Full Brochure Available .....	1
<b>Item 3: Table of Contents</b> .....	<b>2</b>
<b>Item 4: Advisory Business</b> .....	<b>5</b>
Firm Description .....	5
Types of Advisory Services .....	6
Client Tailored Services and Client Imposed Restrictions.....	10
Wrap Fee Programs .....	10
Client Assets under Management.....	10
<b>Item 5: Fees and Compensation</b> .....	<b>10</b>
Method of Compensation and Fee Schedule.....	10
Client Payment of Fees.....	16
Additional Client Fees Charged .....	16
Prepayment of Client Fees.....	17
External Compensation for the Sale of Securities to Clients.....	17
<b>Item 6: Performance-Based Fees</b> .....	<b>17</b>
Sharing of Capital Gains.....	17
<b>Item 7: Types of Clients</b> .....	<b>17</b>
Description .....	17
Account Minimums .....	17
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	<b>18</b>
Methods of Analysis .....	18
Investment Strategy.....	19
Security Specific Material Risks .....	19
<b>Item 9: Disciplinary Information</b> .....	<b>21</b>
Criminal or Civil Actions .....	21
Administrative Enforcement Proceedings.....	22
Self-Regulatory Organization Enforcement Proceedings.....	22

<b>Item 10: Other Financial Industry Activities and Affiliations .....</b>	<b>22</b>
Broker-Dealer or Representative Registration .....	22
Futures or Commodity Registration.....	22
Material Relationships Maintained by this Advisory Business and Potential Conflicts of Interest.....	22
Recommendations or Selections of Other Investment Advisors and Conflicts of Interest .....	23
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>24</b>
Code of Ethics Description .....	24
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest.....	25
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest.....	25
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.....	25
<b>Item 12: Brokerage Practices .....</b>	<b>25</b>
Factors Used to Select Broker-Dealers for Client Transactions.....	25
Aggregating Securities Transactions for Client Accounts .....	26
<b>Item 13: Review of Accounts .....</b>	<b>26</b>
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved.....	26
<b>Item 14: Client Referrals and Other Compensation.....</b>	<b>27</b>
Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest.....	27
Advisory Firm Payments for Client Referrals .....	27
<b>Item 15: Custody.....</b>	<b>28</b>
Account Statements .....	28
<b>Item 16: Investment Discretion .....</b>	<b>28</b>
Discretionary Authority for Trading .....	28
<b>Item 17: Voting Client Securities .....</b>	<b>29</b>
Proxy Votes .....	29
<b>Item 18: Financial Information .....</b>	<b>29</b>
Balance Sheet.....	29
Financial Conditions Reasonably Likely to Impair Advisory Firm’s Ability to Meet Commitments to Clients.....	29

Bankruptcy Petitions during the Past Ten Years.....29

## **Item 4: Advisory Business**

---

### **Firm Description**

Summit Financial Consulting LLC DBA Summit Financial Working With People You Trust, ("Summit Financial") is a Registered Investment Advisor with the Securities Exchange Commission. Summit Financial is a portfolio management, advisory, and financial services firm. Summit Financial also provides formal written financial plans that can provide retirement income planning, investment planning, college planning, investment tax planning, college planning, insurance planning, family planning, and business planning.

Summit Financial offered services to the public starting in 2003. The owner of Summit Financial is Robert L. Wink, Jr.

Summit Financial primarily utilizes no-load mutual funds and exchange traded funds (ETF) within its investment strategies for clients. These funds form the basis of model portfolios designed by Summit Financial, specifically for the investment strategies and risk tolerances of a particular client. The model portfolios run the gamut from conservative to aggressive and include a mix of cash, bond and stock investments to serve a spectrum of clientele and their investment needs and goals. For example, the Conservative portfolio is more conservative in nature and normally holds 75% of its portfolio positions in bonds and inverse bonds (depending upon interest rate fluctuations), and 25% in stocks. Such a portfolio might be appropriate for a conservative client who is concerned about preservation of their principal, or earning the interest income that a bond position traditionally affords. At the other end of the investment spectrum, the Stock Rotation portfolio is the most aggressive model, with a position traditionally holding 100% stocks and 0% in bonds and currencies. Such a portfolio might be appropriate for an investor who is not adverse to risk, and who might seek a greater return on their investment over a period of time. Note: Asset allocation and diversification do not guarantee a profit, but are instead a tool to help manage risk. Past performance cannot predict future performance.

Summit Financial concentrates its practice on preservation of principal for its clients, in that a large percentage of Summit Financial clients are retirees or pre-retirees. The model portfolios and their respective positions and makeup are derived from comprehensive research, from sources such as Morningstar, Hedgeye Risk Management, Riskalyze, Ycharts, Sherman Portfolios, All Star Charts, and Kimble Charting Solutions.

Summit Financial also offers insurance based product services including life insurance, long term care insurance, disability insurance and annuities.

Summit Financial will tailor our advisory services to the individual needs of the client. Through a thorough fact finding process, and taking advantage of our large portfolio of services offered, Summit Financial aims to tailor our advisory services to the clients unique wants and needs.

Summit Financial accomplishes this by asking the clients about past experiences with brokers and the markets, as well as their risk tolerance. Summit Financial realizes each client has unique wants and needs.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. For

example, tax preparation and to the extent your estate plan needs to be updated, the tax preparer and/or attorney will bill the client separately. Conflicts of interest will be disclosed to the client in the event they should occur.

---

### **Types of Advisory Services**

Summit Financial provides investment supervisory services, also known as asset management services, furnishes financial planning and investment advice through consultations and referrals.

#### **ASSET MANAGEMENT**

Summit Financial offers discretionary direct asset management services to advisory clients. Summit Financial will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize Summit Financial discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

When deemed appropriate for the client, Summit Financial may hire sub-advisors to manage all or a portion of the assets in the client account. Summit Financial has full discretion to hire and fire sub-advisors as they deem suitable. Sub-advisors will maintain the models or investment strategies agreed upon between Sub-advisor and Summit Financial. Sub-advisors execute all trades on behalf of Summit Financial in client accounts. Summit Financial will be responsible for the overall direct relationship with the client. Summit Financial retains the authority to terminate the Sub-advisor relationship at Summit Financial's discretion.

Summit Financial has also entered into a Co-Advisor relationship with Gradient Investments, LLC (GI). Summit Financial will provide information to each client regarding the services offered by GI as the portfolio manager. Summit Financial will assist the Client to determine the appropriate model selection based on the Client's investment objectives and risk tolerance. Summit Financial will have full discretion on an ongoing basis to select suitable models to maintain client's risk tolerance. Summit Financial will share in the management fees charged by GI as described in Item 5 of this brochure.

#### **Orion Portfolio Solutions (Orion)**

Summit Financial may recommend that certain clients authorize the active nondiscretionary management of a portion of their assets by and/or among certain independent investment manager(s) either directly or through a program sponsored by Orion. The terms and conditions under which the client shall engage Orion shall be set forth in separate written agreements between (1) the client and the Registrant and (2) the client and Orion. Summit Financial shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which the Summit Financial shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by Orion. Factors that the Registrant shall consider in recommending Orion include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by Orion are exclusive of, and in addition to, the Registrant's investment

advisory fee set forth above. In addition to the Summit Financial's written disclosure statement, the client shall also receive the written disclosure statement of Orion. Clients should review Orion's ADV Part 2 or Terms of Use for additional details regarding services.

#### Investnet Fund Strategist Network

Summit Financial also has an agreement with Investnet allowing Summit Financial to use their Third Party Strategist network. Through this network, Summit Financial will have access to numerous Third Party Money Managers and their portfolios. Using suitability forms and questionnaires, Summit Financial will be able to determine which Third Party Manager and Portfolio's should be used for a specific client. The client's funds will be sent to Charles Schwab & Co., Inc.. Investnet will execute the orders to invest in the selected portfolios. The Third Party Money Manager will manage the underlying investments within the selected portfolio. Summit Financial has discretion to change managers and portfolios if we feel they aren't performing or no longer fit our client's needs. Fees are billed quarterly in advance. Investnet's billing services calculates the fees for Investnet, Summit Financial, the custody fee, and the manager fee. Monthly prorates are run to capture additional deposits or withdrawals and intra quarter account opening and closings.

#### C2P Capital Advisory Group d/b/a Valor Capital Management

Summit Financial also has an agreement with C2P Capital Advisory Group d/b/a Valor Capital Management to provide sub-advisor services. Summit Financial will be responsible for (1) assisting the sub-advised client in determining the initial and ongoing suitability for Valor Capital Management investment portfolios and/or strategies; and (2) for receiving/ascertaining the Client's directions, notices and instructions and forwarding them to Valor Capital Management. Valor Capital Management is authorized to exercise full discretion and act for the assets invested in the Program in the same manner with the same force and effect as Summit Financial might or could do with respect to such purchases, sales or other transactions.

#### ASSETS HELD AWAY

Summit Financial offers asset advisory services to individuals on their 401Ks, 403bs, tax sheltered annuities, and thrift savings plan investment assets. Summit Financial will work with individuals on determining their individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, and asset allocation are based on the above factors. The accounts will be monitored on a quarterly basis. This service includes the option to meet face to face in our office, or set up a screen sharing session over the internet to assist in making the necessary investment changes, quarterly.

#### ERISA PLAN SERVICES

Summit Financial provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. Summit Financial may act as either a 3(21) or 3(38) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** Summit Financial may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor Summit Financial has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the



decisions made in their plan, though using Summit Financial can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. Summit Financial acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands Summit Financial's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Summit Financial is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Advisor may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. Summit Financial has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to Summit Financial on the ERISA Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

#### FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, the client will compensate Summit Financial on an hourly fee or fixed fee basis described in detail under the “Fees and Compensation” section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Wills, Estate Plan/Trusts, Investments, Taxes, and Insurance. If a conflict of interest exists between the interests of the investment advisor and the interests of the client; the client is under no obligation to act upon the investment advisor’s recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through Summit Financial. Financial plans will be completed and delivered inside of six (6) months. Clients may terminate advisory services with seven (7) days written notice.

#### REFERRAL ARRANGEMENTS

For legacy clients, Summit Financial acted as a referrer for third-party money managers to manage client accounts. This is no longer offered to clients. In such circumstances, Summit Financial receives referral fees from the third-party money manager. Summit Financial acts as the liaison between the client and the third-party money manager in return for an ongoing portion of the advisory fees charged by the third-party money manager. Summit Financial helps the client complete the necessary paperwork of the third-party money manager, provides ongoing services to the client, will provide the third-party money manager with any changes in client status as provided to Summit Financial by the client and review the quarterly statements provided by the third-party money manager. Summit Financial will deliver the Form ADV Part 2, Privacy Notice and Referral Disclosure Statement of the third-party money manager. Clients placed with third-party money managers will be billed in accordance with the third-party money manager’s fee schedule which will be disclosed to the client prior to signing an agreement. This is detailed in Item 5 of this brochure.

#### EDUCATIONAL WORKSHOPS AND SEMINARS

Summit Financial holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given. Summit Financial does not charge a fee for attendance for these seminars.

---

**Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

---

**Wrap Fee Programs**

Summit Financial does not sponsor any wrap fee programs.

---

**Client Assets under Management**

Summit Financial has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$98,328,110	\$6,241,312	December 31, 2023

---

**Item 5: Fees and Compensation**

---

**Method of Compensation and Fee Schedule**

Summit Financial bases its fees on a percentage of assets under management, hourly charges, fixed fees and referral fees from third-party money managers.

**ASSET MANAGEMENT**

Summit Financial offers discretionary direct asset management services to advisory clients. Client(s) agree that Summit Financial shall be compensated for its services based upon the following breakpoint schedule, which will be based upon assets under management on January 1st of each year:

Assets Under Management	Annual Fee	Monthly Fee
Up to \$500,000	1.50%	.125%
\$500,001 to \$1,000,000	1.25%	.1042%
Over \$1,000,000	1.00%	.0833%

This fee may be negotiable. Summit Financial considers cash to be an asset class, and as such is included in fee calculations. Also, to be noted, at times fees will exceed the money market yield. The fee will be computed and paid in advance, monthly, based on an average daily balance of the account(s) through Charles Schwab & Co., Inc. or another custodian. Existing accounts are billed in advance for the next calendar month based upon the number of days in the month and the previous thirty (30) day average balance. They are typically billed on the 1<sup>st</sup> of the month and paid within ten (10) business days. For new accounts that assets are received after the 1<sup>st</sup> of the month, new accounts are billed on the 1<sup>st</sup> of the following month using both previous and next month values. The fees are calculated based upon the number of days in the previous month and the number of days in the upcoming month. The calculation utilized to determine fees is the average daily balance for the client account for the month, times the fee rate, times the amount of days in the month, divided by the amount of days in the year. Please also be advised that Summit Financial reserves the right to switch from Charles Schwab & Co., Inc. to a different custodian or third-party custodian when beneficial to the parties. Additionally, Summit Financial will provide to the client a 30-day

written notice of any subsequent change of a custodian or third-party custodian. Summit Financial has the ability to adjust fees on a client by client basis at its own discretion, higher or lower, if agreed upon in writing. For new accounts, the initial balance of the account will be used rather than the previous months average values for the fee calculation.

Because of the wide variety of investment options available to clients of Summit Financial, please review the fees and risks which are described in the investments' prospectus, marketing materials, and/or disclosure documents. By using our code of ethics as our guide, we strive to only recommend strategies, products, and services that benefit our clients to the best of our ability.

In computing the market value of any investment of the Account, each security listed on any national securities exchange or otherwise subject to current last-sale reporting shall be valued at the last sale price on the valuation date. Such securities which are not traded nor subject to last-sale reporting shall be valued at the latest available bid price reflected by quotations furnished to Summit Financial by such sources as it may deem appropriate.

Summit Financial may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. Summit Financial will enter into Sub-Advisor agreements with other registered investment advisor firms. When using Sub-Advisors, the Client will not pay additional fees. The Sub-Advisors fees are inclusive of the total fee disclosed by Summit Financial.

#### Orion Portfolio Solutions

When utilizing Orion, the total annual fees for the Orion may not exceed 2% of assets under management. The fees are charged monthly in arrears and are based on the average daily account balance for the period for the prior month. Fees for Orion services include Administration Fees (reporting and accounting services – ranging from 0.15% - 0.45%), Account Maintenance Fees (\$25 or \$50 per account annually), and Strategist Fees (range from 0.0% to 0.10%). Fees are automatically deducted from the client's account by Orion; Orion will pay Summit Financial their portion of the fees. Summit Financial does not have the ability to directly deduct their advisory fee from the client account.

Summit Financial will charge an advisory fee for the services they provide. Orion does not receive any portion of the advisory fee as it relates to the client account. Client advisory fee will be authorized by the client during the account opening process and may only be increased by written approval.

#### Investnet Fund Strategist Network Fees

Under this program, the Investnet Platform Fee and the Third Party Manager Fee will be bundled together. The total bundled fee will range between 0.25% and 0.70%, with the exact amount depending on which Third Party Manager is being used and the amount of assets being invested. The exact fees will be disclosed and agreed upon in the Investment Advisory Agreement each client will be given. This total bundled fee is in addition to the Custodian Fees and Summit Financial Advisory Fees.

The annual Fee may be negotiable. Accounts within the same household will be combined for a reduced fee. Fees are billed quarterly in advance. Investnet's billing services calculates the fees for Investnet, Summit Financial, the custody fee, and the manager fee. Monthly

prorates are run to capture additional deposits or withdrawals and intra quarter account opening and closings.

As soon as possible after the end of each calendar quarter, Envestnet will either mail quarterly performance statements or obtain the necessary consent from each Client wherein such Client agrees to electronic delivery. The performance statement includes a description of all activity in each Client’s account(s) during the previous quarter, including all of the following: (i) an asset summary and performance section, (ii) comparative indices, (iii) all transactions made on behalf of the account(s), (iv) all contributions and withdrawals made by the Client, and (v) information indicating the market value of the account(s) at the beginning and end of the period, as well as the cost and market value of each of the Program Assets. Fees collected by Envestnet from the client account will be distributed to the appropriate parties for payment. Lower fees for comparable services may be available from other sources.

Clients may terminate their account within five business days of signing the Investment Advisory Agreement with no obligation. Clients may terminate advisory services with thirty (30) days written notice. Client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees.

*Fee Billing Calculation*

For Envestnet Advisor relationships, the Program Fees charged are calculated as an annual percentage of assets based on the market value of the account at the end of quarter. Program Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account. The level of the Program Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended. Clients may receive comparable services from other sources for fees that are lower or higher than those charged by Envestnet.

When making adjustments for a new account in advance, the portion of the fee attributed to the portfolio will be subtracted while it was not under management as shown below:

Number of days not in management divided by number of days in billing period multiplied by the total fee:

$$\frac{\text{\# of days not in management}}{\text{\# of days in billing period}} \times \text{fee}$$

*C2P Capital Advisory Group d/b/a Valor Capital Management*

For accounts held at Valor Capital Management fees paid to Summit Financial shall be paid out of Client assets invested in the Program. Program fees shall be deducted by Valor Capital Management from the Client’s Program account. Valor Capital Management shall forward the fees due to Summit Financial and fees will be based on the schedule below:

<b>Assets Under Management</b>	<b>Total Annual Fee</b>	<b>C2P Annual Fee</b>	<b>Summit Financial Annual Fee</b>
\$0 - \$500,000	1.50%	0.50%	1.00%

\$500,000 - \$1,000,000	1.40%	0.40%	1.00%
\$1,000,000 - \$2,000,000	1.30%	0.30%	1.00%
\$2,000,000 +	1.25%	0.25%	1.00%

Advisory fees will be deducted from the Account specified on the Client Application. Fees are due quarterly in advance based on the value of the assets in the account on the last day of the preceding quarter. If an account is terminated during a calendar quarter, a pro rata portion of the Advisory Fees will be refunded within a reasonable period of time.

### THIRD PARTY MANAGERS

SUMMIT FINANCIAL has entered into a Referral Agreement with Gradient Investments, LLC (“GI”). GI is a Registered Investment Advisor registered with the Securities and Exchange Commission that provides investment portfolio advice and supervisory services.

GI offers an actively managed program of mutual fund and stock portfolios. The fee will be disclosed to the Client in the Investment Advisory Agreement and are negotiable. The Clients fee for these services will be based on a percentage of assets under management as follows:

<b>STRATEGIC PORTFOLIOS</b>			
	<b>Annual Fee</b>	<b>GI</b>	<b>SUMMIT FINANCIAL</b>
All Assets	2.00%	1.00%	1.00%

<b>TACTICAL PORTFOLIOS</b>			
	<b>Annual Fee</b>	<b>GI</b>	<b>SUMMIT FINANCIAL</b>
All Assets	1.80%	0.80%	1.00%

Traditionally, GI’s Tactical Portfolio was billed at the same fee as the Strategical Portfolios with a max annual fee of 2.00%. Since GI is the sub-advisor to the Tactical Portfolio and will receive an annual fee of 0.20% from the ETF, GI has reduced its annual fee of the Tactical Portfolio by 0.20% so as not to double dip. The end net fee paid by the Client and the fee received by GI will remain the same.

For example, a Client investing \$100,000 in the GI Tactical portfolio prior to November 2022 would pay an annual fee to GI of \$2,000 or  $\$100,000 \times 2.00\% = \$2,000$ . After November 2022 the same client would pay GI an annual fee of \$1,800 or  $\$100,000 \times 1.80\% = \$1,800$  and pay the internal fees of \$200 or  $\$100,000 \times 0.20\% = \$200$ . For a total of  $\$1,800 + \$200 = \$2,000$ . The Client pays the same \$2,000 annual fee.

<b>ALLOCATION &amp; DEFINED OUTCOME PORTFOLIOS</b>			
	<b>Annual Fee</b>	<b>GI</b>	<b>SUMMIT FINANCIAL</b>
All Assets	1.70%	0.70%	1.00%

### **PRESERVATION PORTFOLIOS**

	<b>Annual Fee</b>	<b>GI</b>	<b>SUMMIT FINANCIAL</b>
All Assets	1.00%	0.40%	0.60%

<b>CLIENT DIRECTED ACCOUNTS</b>			
	<b>Annual Fee</b>	<b>GI</b>	<b>SUMMIT FINANCIAL</b>
All Assets	\$300	\$300	\$0

For Client Directed Accounts (CDA), GI will assist in the opening, closing and transferring of accounts. GI will not have discretion at any time on these accounts. Client is solely responsible for the assets held within the accounts and their values which could increase or decrease (potential loss of principal). GI will not execute trades in CDA accounts. GI exceptions will be made for withdrawals to client or assets transferred into a GI managed portfolio. GI will also provide performance reporting on these accounts and can furnish 3<sup>rd</sup> party analysis reports per the client's request. Similar services may be available through other sources for a lower fee.

These are flat fee schedules; the entire portfolio is charged the same asset management fee.

Example:

<b>Portfolio</b>	<b>Calculation</b>	<b>Quarterly Fee</b>
Strategic Portfolio:	$(\$750,000 * 2\%) * (91/365)$	\$3,739.73
Tactical Portfolio:	$(\$750,000 * 1.80\%) * (91/365)$	\$3,365.75
Allocation & Defined Outcome Portfolio:	$(\$750,000 * 1.70\%) * (91/365)$	\$3,178.77
Preservation Portfolio:	$(\$750,000 * 1.0\%) * (91/365)$	\$1,869.86

Fee Calculation: (Quarter End Value x Annual Fee %) x (Days in Quarter/Days in Year) + **\$15 Quarterly Service Fee\***

\* The \$15 Quarterly Service Fee is the technology fee charged per account or investment strategy for performance and other reporting. This fee is disclosed in our ADV Part 2A (Item 5: Fees and Compensation) and in our Investment Proposal and Contract (Schedule D: Schedule of Fees).

The above fees are negotiable. Fees are assessed quarterly in arrears based on the amount of the assets managed as of the end of the previous quarter. All management fees are withdrawn from the Client's account unless otherwise noted. GI will receive written authorization from the Client to deduct advisory fees from their account held by a qualified custodian. GI will pay SUMMIT FINANCIAL their share of the fees. SUMMIT FINANCIAL does not have access to deduct Client fees. Clients may terminate their account within five (5) business days of signing the investment advisory agreement without penalty or obligation. For terminations after the initial five business days, GI will be entitled to a pro-rata fee for the days service was provided in the final quarter. GI will pay SUMMIT FINANCIAL their portion of the final fee.

ASSETS HELD AWAY

Fees for these services will be \$25 per month (billed quarterly).

Fees will be billed quarterly in advance. These fees may be negotiable. Client will be provided an invoice at the commencement of services payable within ten (10) days of receipt. Clients may choose to pay Summit Financial directly or have the amount deducted from another account managed by Summit Financial. Clients may terminate their account within seven (7) business days for a full refund and no obligation and without penalty. For termination after seven (7) business days, client will be entitled to a pro-rata refund based on the number of days account was not managed during the last month.

Clients will select a payment method on the Assets Held Away Agreement. They may choose to pay via the following methods:

- ◇ ACH or Credit/Debit Card – to be paid by client to Advisor at the beginning of each quarter.

If ACH is selected, the following safeguards are used:

- Clients enter their own account and routing number and elect into this payment system. The account number is encrypted, and Advisor cannot see it
- Clients are able to match payments to their bank statements in order to verify proper payment
- Advisor will not require client to use this system

- ◇ Check – to be remitted by client to Advisor on the first of each month

Deducted at the beginning of each quarter, from a non-qualified Account managed by Summit Financial.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will be based on a percentage of Assets Under Management as follows:

<b>Assets Under Management</b>	<b>Total Annual Fee</b>	<b>Monthly Fee</b>
Up to \$500,000	.50%	0.0417%
\$500,001 and over	.25%	0.0208%

These fees are negotiable. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter or month. If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the fee period, Summit Financial shall be entitled to a prorated fee based on the number of days during the fee period services were provided or client will be due a prorated refund of fees for days services were not provided in the billing cycle.



The fee schedule, which includes compensation of Summit Financial for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. Summit Financial does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Summit Financial will disclose this compensation, the services rendered, and the payer of compensation. Summit Financial will offset the compensation against the fees agreed upon under this Agreement.

#### FINANCIAL PLANNING and CONSULTING

Summit Financial has the right to charge by the hour (up to \$200 per hour) or per financial plan (up to \$5,000), which must be stipulated in writing and pending the clients approval of the finished documents. All fees are negotiable and will be billed. Payment in full is due upon delivery of the completed plan. Financial plans are completed and delivered inside of six (6) months.

#### REFERRAL FEES

For legacy clients, Summit Financial offers the services of third-party money managers and receive a referral fee for referring clients. This is no longer offered to clients. Summit Financial will be paid a portion of the advisory fee paid to the third-party money manager. The client will not pay additional advisory fees to the third-party money manager for these services. Summit Financial currently has a referral relationship with ITS Asset Management, L.P. ("ITS"). The maximum annual advisory fee charged to clients by ITS is 2% of assets under management. There is no additional charge from ITS for referral fee payment to the client. The fees paid to Summit Financial are included in the fees charged to the client by ITS. The maximum annual fee paid to Summit Financial by ITS is 1.50% of the assets under management. Summit Financial may, at their discretion, elect to reduce the referral fee they receive.

For specific information on fee calculation and billing frequency, client should consult their agreement with ITS.

---

#### **Client Payment of Fees**

Investment management fees are billed monthly, in advance, meaning that we bill you before the month has started. Fees are deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Assets held away fees are billed quarterly in advance.

Fees for ERISA 3(21) services may be billed in advance.

Fees for financial plans are due upon delivery of the completed plan.

---

#### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transaction fees, postage and handling and miscellaneous. These transaction charges are usually small and incidental to the purchase or sale of a security.

Summit Financial, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

---

### **Prepayment of Client Fees**

Investment management fees are billed monthly in advance.

Assets held away fees are billed quarterly in advance.

If the client cancels after seven (7) business days, any unearned fees will be refunded to the client.

---

### **External Compensation for the Sale of Securities to Clients**

Summit Financial does not receive any external compensation for the sale of securities to clients. However, in a separate transaction, investment advisor representatives of Summit Financial may receive commissions for the sale of securities as registered representatives of an unaffiliated broker dealer.

## **Item 6: Performance-Based Fees**

---

### **Sharing of Capital Gains**

Summit Financial does not charge performance based fees.

## **Item 7: Types of Clients**

---

### **Description**

Summit Financial has a large portfolio of services that are offered to a variety of clients. Summit Financial provides consulting and advice to individuals, retirement plans, trusts, estates, and business entities.

Summit Financial has a large variety of individual clients, but they are typically one of the following:

- Upper Middle Class Retiree(s)
  - High Net Worth Individual(s)
  - Trusts
  - Corporations and businesses
- 

### **Account Minimums**

The average Summit Financial client has a liquid net worth in excess of \$500,000. However, at our discretion, Summit Financial will take on clients with less liquid net worth on a case by case basis. Summit Financial typically provides comprehensive financial planning, including a written financial plan, regardless of the clients net worth.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Summit Financial prides itself on research. Summit Financial typically purchases research materials or newsletters (including stock, bond, money market, commodity, and precious metals recommendations) from three to ten research firms at a time to keep itself up to date on economic and investment trends. Some examples of research Summit Financial reviews are Morningstar, Hedgeye Risk Management, Riskalyze, Ycharts, the Sherman Sheets, Casey Research, All Star Charts, Kimble Charting Solutions, etc. When making recommendations to its clients and prospects Summit Financial takes into consideration fundamental, technical, and cyclical analysis. This includes financial newspapers and magazines, inspections of corporate activities, corporate rating services, timing services, annual reports, prospectuses, company press releases, and filings with the Securities and Exchange Commission. Summit Financial recommends all types of securities depending upon a client's risk tolerance, excluding Futures contracts. However, mutual funds and ETFs that are purchased using discretion may invest in futures contracts, options, or any other security.

Summit Financial currently recommends long and short purchases of securities. When an investor purchases a security "long", they purchase an investment at a specific price with the belief that their value will appreciate over time. Although the vast majority of Summit Financial's investment recommendations are "long", Summit Financial also occasionally recommends shorter term inverse ("short") strategies. In other words, Summit Financial occasionally recommends that a client invest with the hope (and earnings potential) that a particular asset will go down in value, which will provide a profit. However, if the underlying asset goes up in value, the client will suffer a loss. Summit Financial does its best to educate clients about the investment process. If Summit Financial will be recommending a portfolio that has the potential to use inverse strategies, it will be discussed with the client to ensure it is appropriate for their risk tolerance. There is a chance any investment we recommend could lose value, or even become worthless, and the client should be prepared to bear that loss. We make every effort to avoid this by using the highest quality and highest rated investments and strategies that are appropriate for a person's risk tolerance, but there is almost always a risk of loss when it comes to investing.

Past performance does not predict, and certainly does not guarantee future results. Summit Financial will simply do its best to give recommendations based upon the research and economic indicators that are reviewed. When using fundamental, technical, and cyclical analysis there is a great deal of risk that the conclusion Summit Financial expects will not occur, and this could cause a client to lose value in their investments, or miss out on potential gains.

In general, it is not the policy of Summit Financial to recommend any particular securities. It is however, the policy of Summit Financial to recommend strategies consistent with the investment objectives and risk tolerances of individual clients obtained in the fact-finding process.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. When analyzing a stock or currency using fundamental analysis there are two basic approaches one can use bottom up analysis and top down analysis. The top-down analyst starts analysis with global

economics, including both international and national economic indicators, such as growth rates, inflation, interest rates, exchange rates, productivity, and energy prices. The analyst then narrows their search down to regional/industry analysis of total sales, price levels, the effects of competing products, foreign competition, and entry or exit from the industry. Only then does a fundamental top-down analyst narrow the search to the best business in that area.

The bottom-up Fundamental Analyst starts with specific businesses, regardless of their industry/region. The bottom-up approach assumes that individual companies can do well even in an industry that is not performing very well. This includes becoming familiar with the company's products and services, its financial stability and its research reports. This is the opposite of "top-down investing."

Technical analysis is a security analysis discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Technicians employ many techniques, one of which is the use of charts. Using charts, technical analysts seek to identify price patterns and market trends in financial markets and attempt to exploit those patterns. Technical analysts also widely use market indicators, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation.

Cyclical analysis is the study of risk within business cycles or other economic cycles and how they affect the returns of an investment, an asset class, or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles - periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past. Cyclical risk can also be tied to inflationary risks, as some investors consider inflation to be cyclical in nature.

---

### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to Summit Financial. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

---

### **Security Specific Material Risks**

The risks associated with utilizing Sub-Advisors include:

- Manager Risk
  - Sub-Advisor fails to execute the stated investment strategy
- Business Risk
  - Sub-Advisor has financial or regulatory problems

- The specific risks associated with the portfolios of the Sub-Advisor's which is disclosed in the Sub-Advisor's Form ADV Part 2.

All investment programs have certain risks that are borne by the investor. There are additional risks with "long" and "short" positions in securities. Please note that the following list is not exhaustive, but it is merely cited to illustrate to the potential client common forms of risk associated with investing.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit

Market Risk - The day-to-day potential for an investor to experience losses from fluctuations in securities prices. This risk cannot be diversified away. In other words, a client's investment may increase or decrease in value because of market risk factors, regardless of how good a client's portfolio or individual stock may be.

Inflationary Risk - The uncertainty over the future real value (after inflation) of your investment, or currency. This is the risk that inflation will undermine the performance of your investment. An example of inflation risk is the cost of a postage stamp back in 1980 for a 1 ounce letter was 15 cents. The cost as of January 1st, 2011 for a 1 ounce letter is 44 cents, or nearly triples the cost.

Derivatives Risk- Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Investments by a fund in such underlying funds may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that an underlying fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.

Options Trading- The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. Clients should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the account will no longer hold the security. When purchasing options there is the risk that the entire premium paid for the option can be lost if the option is not exercised or

otherwise sold prior to the option's expiration date. When selling ("writing") options, the risk of loss can be much greater if the options are written uncovered ("naked"). The risk of loss can far exceed the amount of the premium received for an uncovered option and in the case of an uncovered call option the potential loss is unlimited.

**Legislative Risk** - The risk that legislation by the government could significantly alter the business prospects of one or more companies or financial products, adversely affecting investment holding in that company. This may occur as a direct result of government action or by altering the demand patterns of the company's customers. An example of an industry with legislative risk is health care. Drug manufacturers and health care providers must contend with many ongoing legislative issues related to Medicare, insurance coverage, and other customer payment issues.

**Interest Rate Risk** - The risk that an investment's value will change due to a change in the level of interest rates. An example is when an investor owns a bond that pays 5% interest. If the interest rate that is being paid on new bonds rises to 10%, the value of the bond would decrease because a 5% interest rate paying bond is not as valuable as a similar bond paying a 10% rate of return.

**Short Risk** - This is the risk that an investment's underlying price a client is shorting goes up, causing the client's investment to lose value. There is also the potential for unlimited loss because there is no limit to the price the underlying investment can increase to. Also, markets, over long periods of time have tended to trend upward. An example would be an investor that sold short Ford stock in February of 2009 at \$1.58. This theoretical investor would have seen significant losses because the share price went up dramatically. In February of 2010 the price was more than \$10 a share, causing an over 500% loss to the short sale investor.

**Long-term purchases:** Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.

**Derivatives Risk:** Funds in a Client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Investments by a fund in such underlying funds may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that an underlying fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.

## **Item 9: Disciplinary Information**

---

### **Criminal or Civil Actions**

The firm and its management have not been involved in any criminal or civil action.

---

**Administrative Enforcement Proceedings**

The firm and its management have not been involved in administrative enforcement proceedings.

---

**Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in any self-regulatory organization enforcement proceedings.

---

**Item 10: Other Financial Industry Activities and Affiliations**

---

**Broker-Dealer or Representative Registration**

All Investment Advisor Representatives of Summit Financial are Registered Representatives of Gradient Securities. The outside business activity for each investment advisor representative is disclosed in their Form ADV Part 2B supplement to this brochure.

---

**Futures or Commodity Registration**

Neither Summit Financial nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

---

**Material Relationships Maintained by this Advisory Business and Potential Conflicts of Interest**

Robert L. Wink and Kenneth R. Wink are registered representatives with Gradient Securities, LLC, a broker dealer.

The relationship between Summit Financial's members with Gradient Securities, LLC is a potential conflict of interest. For instance, when making recommendations, an investment advisor representative may recommend that a client purchase a mutual fund. Because the investment advisor representative is also a registered representative of Gradient Securities, LLC, this recommendation could lead to a commission or fee for the benefit of the registered representative. By using our code of ethics as our guide, we strive to only recommend strategies, products, and services that benefit our clients to the best of our ability.

Robert L. Wink and Kenneth R. Wink are also associates of Summit Tax Services LLC which provides tax planning, tax return preparation and bookkeeping services. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation by the fact that Investment Advisor Representatives of Summit Financial have a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to receive tax services from another tax professional of their choosing. All investment advisor representatives of Summit Financial are also licensed to sell life insurance, health insurance, disability insurance, long term care insurance, and annuities. This is a potential conflict of interest, because sales of these products may result in commissions. However, Summit Financial works with clients on an individual and case by case basis. Insurance of varying kinds is discussed as part of the comprehensive fact-finding process. Summit Financial believes that insurance is also necessary in some cases with respect to wealth preservation and good planning. Summit Financial and its employees utilize its code of ethics to help ensure that any recommendation of insurance is appropriate

for the client's overall objectives and is necessary for the protection of the client and their family.

Summit Financial may recommend that clients use the services of several professionals in the legal, tax, insurance, and mortgage industries. Summit Financial receives no compensation, or benefits of any kind for these referrals, other than the satisfaction of knowing that these firms and individuals will offer their best customer service to Summit Financial's clients.

---

### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Summit Financial utilizes the wrap program through Envestnet, and management platforms through Orion and C2P Capital Advisory Group. These are described in items 4 and 5 of this brochure. Since Summit Financial has no incentive to select one manager portfolio over another, there is no conflict of interest.

Summit Financial may utilize the services of Third-Party Money Managers to manage client accounts. This is no longer offered to clients. In such circumstances, Summit Financial will share in the Third Party asset management fee. This situation creates a conflict of interest. However, when referring clients to a third-party money manager, the client's best interest will be the main determining factor of Summit Financial. These fees do not include brokerage fees that may be assessed by the custodial broker dealer. Fees for these services will be based on a percentage of assets under management not to exceed any limit imposed by any regulatory agency. The final fee schedule will be attached to Exhibit D in Summit Financial's Investment Advisory Agreement.

Prior to referring any clients to third-party advisors, Summit Financial will make sure that they are properly registered, or notice filed.

This relationship will be disclosed to the client in each contract between Summit Financial and Third-Party Money Manager. Summit Financial does not charge additional management fees for Third Party managed account services. Client's signature is required to confirm consent for services within Third Party Investment Agreement. Client will initial Summit Financial's Investment Advisory Agreement to acknowledge receipt of Third-Party fee Schedule and required documents including Form ADV Part 2 disclosures.

Summit Financial may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and Summit Financial. Sub-Advisors execute all trades on behalf of Summit Financial in Client accounts. Summit Financial will be responsible for the overall direct relationship with the Client. Summit Financial retains the authority to terminate the Sub-Advisor relationship at Summit Financial's discretion.

In addition to the authority granted to Summit Financial, Clients will grant Summit Financial full discretionary authority and authorizes Summit Financial to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to Summit Financial in the Agreement. In addition, at



Summit Financial's discretion, Summit Financial may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors. Summit Financial ensures that before selecting other advisors for Client that the other advisors are properly licensed or registered as an investment advisor.

This practice represents a conflict of interest as Summit Financial may select Sub-Advisors who charge a lower fee for their services than other Sub-Advisors. This conflict is mitigated by disclosures, procedures, and by the fact that Summit Financial has a fiduciary duty to place the best interest of the Client first and will adhere to their code of ethics.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

---

### **Code of Ethics Description**

The employees of Summit Financial have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Summit Financial employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Summit Financial. The Code reflects Summit Financial and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Summit Financial's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Summit Financial may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Summit Financial's Code is based on the guiding principle that the interests of the client are our top priority. Summit Financial's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

---

**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Summit Financial and its employees do not recommend to clients securities in which we have a material financial interest.

---

**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Summit Financial and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Summit Financial with copies of their brokerage statements.

The Chief Compliance Officer of Summit Financial is Kenneth R. Wink. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

---

**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Summit Financial does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Summit Financial with copies of their brokerage statements.

The Chief Compliance Officer of Summit Financial is Kenneth R. Wink. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

---

**Item 12: Brokerage Practices**

---

**Factors Used to Select Broker-Dealers for Client Transactions**

Summit Financial will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. Summit Financial will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Summit Financial relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the

advisory fee charged by Summit Financial. Summit Financial does not receive any portion of the trading fees.

Summit Financial will recommend the use of Charles Schwab & Co., Inc.

- *Directed Brokerage*  
In circumstances where a client directs Summit Financial to use a certain broker-dealer, Summit Financial still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: Summit Financial's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.
- *Best Execution*  
Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.
- *Soft Dollar Arrangements*  
Summit Financial does not receive soft dollars and does not anticipate receiving any soft dollars in the future

---

### **Aggregating Securities Transactions for Client Accounts**

Summit Financial is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Summit Financial. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

## **Item 13: Review of Accounts**

---

### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

It is Summit Financial's goal to review client portfolios with the client face to face or over the phone annually. This goal may or may not be achieved, but clients are encouraged to call or e-mail Summit Financial if they would like to schedule a review meeting.

Summit Financial has a customer service preferences document that is given to many clients. After Summit Financial receives the preferences document, Summit Financial will attempt to pro-actively follow the clients' requests regarding customer service, including reviews and portfolio updates as often as the client prefers through phone, e-mail, or face to face. The servicing investment advisor representative will review the accounts if appropriate. All Investment Advisor Representatives conduct review appointments. Summit Financial's goal

is to send commentary on the markets via e-mail to its clients (if the client wishes to receive them) and our website every other month. Summit Financial's goal is also to contact clients when market forces have created a dramatic potential threat or opportunity to the clients' accounts. However, Summit Financial may or may not achieve that goal. The definition of "dramatic potential threat or opportunity" is determined by the clients' registered representative or investment advisor representative, with the goal of taking into consideration the clients risk tolerance.

During review meetings, and throughout the relationship, Summit Financial will not provide regular written reports in regards to client reviews, but should instead review their statements received from their custodian(s).

## **Item 14: Client Referrals and Other Compensation**

---

### **Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest**

For legacy clients, Summit Financial receives a portion of the annual management fees collected by the Third Party Money Managers to whom Summit Financial refers clients. This situation creates a conflict of interest because Summit Financial and/or its Investment Advisor Representative have an incentive to decide what Third Party Money Managers to use because of the higher referral fees to be received by Summit Financial. However, when referring clients to a third-party money manager, the client's best interest will be the main determining factor of Summit Financial. All incoming client referrals are generated because of our excellent customer service, financial planning recommendations, and performance.

Any referrals that Summit Financial provides to other financial advisors, attorneys, or accountants are free of conflicts of interest.

On occasion, an annuity company or money manager may sponsor client appreciation events for Summit Financial. In addition, Investment Advisor Representatives may receive reimbursement for travel and expenses to attend fund sponsored education conferences. Summit Financial also receives seminar and marketing support as well as research expense support from several insurance/annuity companies and money managers.

This practice presents a conflict of interest because Investment Advisor Representatives have an incentive to select or recommend sponsor products over products offered by other companies not providing sponsorship or expense reimbursements, rather than selecting or recommending products based on your individual needs. However, you are under no obligation to enter into an advisory agreement with our firm or to purchase products recommended to you. It is our goal to never let any expense reimbursement or sponsorship change influence Summit Financial's recommendations. Research and an investment's competitive advantages, in Summit Financial's opinion, are the primary factors that determine Summit Financial's recommendations.

---

### **Advisory Firm Payments for Client Referrals**

Summit Financial does not compensate clients or anyone else for referrals.

## **Item 15: Custody**

---

### **Account Statements**

Summit Financial does not have custody of any client assets. However, the custodian does deduct monthly advisory fees from client accounts on behalf of Summit Financial deeming Summit Financial to have constructive custody. This is discussed specifically in Summit Financial/client agreement and is agreed upon at the time an individual becomes a client of Summit Financial. Additionally, clients with questions concerning the deduction of fees can check their monthly or on-line statements, and can contact Summit Financial directly with any inquiries they may have.

Clients will receive statements directly from the qualified custodian, such as a bank or broker-dealer that maintains those assets. Most client accounts can be viewed daily through the appropriate custodian via the "client access" section of our website: [www.summitfc.net](http://www.summitfc.net).

## **Item 16: Investment Discretion**

---

### **Discretionary Authority for Trading**

Summit Financial does accept discretionary authority to manage accounts on behalf of the client. The Summit Financial Investment Advisory Agreement allows for limited discretion of active mutual fund management services. Client(s) agree that Summit Financial shall have a limited power of attorney and limited discretionary authority to place transactions in mutual funds or exchange traded funds(ETFs) selected by Summit Financial; to move funds between mutual funds or mutual fund accounts that are administered or managed by any other advisor as set forth in a separate agreement.

Client(s), authorize Summit Financial to invest and reinvest in mutual funds or ETFs on a discretionary basis without contacting Client(s) for prior approval.

Summit Financial shall not have the power to remove money from Client(s) accounts nor shall Summit Financial take or maintain custody of any of Client(s) assets, investments or funds at any time. Summit Financial shall not cause funds to be withdrawn from any client(s) account unless, upon written or verbal Client(s) authority, and only so long as the Client(s) do not cause said funds to be placed into Summit Financial's care, custody and control.

Client(s) promise to fully, accurately and truthfully complete the provided Confidential Client(s) Investment Objective, and Suitability Questionnaire that contains requests for both factual and personal financial information, and thoughtful selection of investment objectives and risk tolerances. Client(s) are made to understand that Summit Financial will rely upon this information in its work for and on behalf of client(s).

Client(s) authorize Summit Financial to take all necessary actions to open and/or maintain the Client(s) account(s) at a broker/dealer or other advisor from time to time, including closing those account(s) and moving to another custodian, mutual fund administrator and provider of record keeping services.

Client(s) agree that Summit Financial has, in its sole discretion, the right to terminate this entire agreement should Client(s) provide instructions to Summit Financial it believes in its view are inappropriate for the Client(s). Summit Financial will notify Client(s) that it believes

the instructions to be inappropriate and unless modified to Summit Financial's satisfaction then Summit Financial shall terminate this agreement by written notice.

Client(s) authorize Summit Financial to change account administrators if Summit Financial, in its sole discretion, deems it necessary and appropriate. Client(s) shall be provided written notice of the new fund administrator/advisor.

## **Item 17: Voting Client Securities**

---

### **Proxy Votes**

Summit Financial does not accept authority to vote regarding client securities. Clients may receive proxies directly from the custodian, or transfer agent. Contact the proxy sending company directly with questions regarding proxies.

## **Item 18: Financial Information**

---

### **Balance Sheet**

A balance sheet is not required to be provided because Summit Financial does not serve as a custodian for client funds or securities and Summit Financial does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Summit Financial has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **Bankruptcy Petitions during the Past Ten Years**

Neither Summit Financial nor its management has had any bankruptcy petitions in the last ten years.