



Summit Financial Group, Inc.
A member of Cetera Financial Group®
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FORM ADV PART 2A APPENDIX 1 WRAP FEE PROGRAM BROCHURE March 29, 2018

This wrap fee program brochure provides information about the qualifications and business practices of Summit Financial Group, Inc. You should review this brochure to understand your relationship with our firm and your investment adviser representative. If you have any questions about the contents of this brochure, please contact us at (800) 226-2660 or compliance@summitbrokerage.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Summit Financial Group is also available on the SEC's website at www.adviserinfo.sec.gov.

Summit Financial Group is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

There have not been any material changes made to this brochure since the date of our last annual update on March 31, 2017.

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Item 4 – Services, Fees and Compensation

Our Services and Fees

Founded in 1995, Summit Financial Group, Inc. provides investment advisory and asset management services through our investment adviser representatives located across the country. Our services are designed to help clients achieve their financial needs and goals and are available to both individual and institutional investors.

Summit Financial Group is a wholly owned subsidiary of Summit Brokerage Services, Inc., which is a wholly owned subsidiary of Aretec Group, Inc.

Summit Financial Group offers portfolio management services through bundled and unbundled programs. Our wrap fee programs are managed similarly to our unbundled programs, but differ in fee structure. A bundled or “wrap fee” program is an advisory fee program under which you pay one bundled fee to compensate Summit Financial Group and your investment adviser representative for portfolio management and trade execution. An unbundled program is an advisory program under which you pay transaction costs in addition to an investment advisory fee. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products. For additional information on our unbundled asset management programs, please refer to our Form ADV Part 2A Brochure, which is available on our website, www.summitbrokerage.com.

Our discretionary and non-discretionary investment management programs provide the ability to develop a customized investment plan with your investment adviser representative based on your individual needs and goals. Your investment adviser representative will provide advice throughout the investment process to help you navigate through market changes, which may include assistance with selecting a third-party portfolio manager for your account. Your investment adviser representative will advise you based on the information you provide during the account opening process and on his or her judgment of what may be in your best interest. Your investment adviser representative may consider research from various sources, including our affiliate, Cetera Investment Management, when providing individual investment recommendations.

In our non-discretionary programs, although your investment adviser representative recommends the purchase or sale of securities, you maintain full authority to direct the individual investments made in your account and may place unsolicited orders at your discretion. An unsolicited order involves purchasing or selling a security without receiving advice or guidance from your investment adviser representative. Effecting unsolicited orders may limit your investment adviser representative’s ability to provide recommendations to help you stay on track with your investment strategy. There may be risks associated with securities you acquire on an unsolicited basis, which are your responsibility solely.

Summit Financial Group also offers access to a number of programs managed by third-party asset managers on a discretionary basis. These programs offer access to a variety of model portfolios with varying levels of risk from which you may choose. Summit Financial Group and the program manager are jointly responsible for the services provided under the program. Your investment adviser representative is responsible for assisting you with completing the investor profile questionnaire or other equivalent document. Your responses on the investor profile questionnaire will assist your investment adviser representative with understanding your investment objectives, financial situation, risk tolerance, time horizon and other financial information. Based on the answers you provide on the investor profile questionnaire, your investment adviser representative will assist you in determining which model portfolio or strategy is most appropriate for you. The program manager is responsible for the ongoing management of your account in accordance with the selected model portfolio and/or investment strategy. Summit Financial Group and your investment adviser representative, in addition to the third-party manager, receive a portion of the wrap fee for our services.

Each third-party manager offers different types of asset management programs and each arrangement with our firm is uniquely structured. It is important that you review a manager's Form ADV Part 2A Brochure prior to or at the time of account opening.

Summit Financial Group is co-adviser in the My Advice Architect™ Program and is responsible for supervising the activities of the investment adviser representatives who use the program for clients. Please refer to the Form ADV Brochure of our affiliate, Cetera Advisory Services, for additional information on the My Advice Architect Program and the role of Summit Financial Group and your investment adviser representative.

Fees for portfolio management services are based on assets under management and are payable quarterly in advance. Summit Financial Group and your investment adviser representative may negotiate advisory fees at our sole discretion. Maximum fees for our advisory programs are outlined below. Graduated fee schedules vary by program.

Programs on the Wells Fargo Platform				
Program	Program Type	Program Manager	Maximum Annual Advisory Fee	Manager Fee (included in annual advisory fee unless otherwise stated)
Allocation Advisors	Separately Managed Account	Wells Fargo Advisors, Laffer and/or Ibbotson	2.25%	Strategic/CAAP Foundations: 0.10% CAAP Plus/Global: 0.25%
Diversified Managed Allocations	Separately Managed Account	Wells Fargo Advisors and/or Third-Party Managers	2.55%	Based on % of equities in portfolio: 0% to 24%: 0.40% 25% to 49%: 0.45% 50% to 74%: 0.50% 75% to 100%: 0.55%
Masters Program	Separately Managed Account	Third-Party Manager	Equity & Balanced Accounts: 2.50% Fixed Income Accounts: 2.30%	Equities: 0.50% Fixed Income: 0.30%
Private Advisor Network	Separately Managed Account	Third-Party Manager	2.05%	0.15% to 1.25% annually; varies by manager *manager fee is in addition to annual advisory fee
Wells Fargo Compass Advisory Program	Separately Managed Account	Wells Fargo Advisors	2.25%	First \$500,000: 0.25% Next \$500,000: 0.225% Next \$1,000,000: 0.20% Next \$3,000,000: 0.175% Next \$5,000,000: 0.150% Over \$10,000,000: Waived
CustomChoice	Mutual Fund Advisory Program	Investment Adviser Representative	\$0 - \$249,999: 1.75% \$250,000 - \$999,999: 1.50% Over \$1,000,000: 1.15%	0.65% to 1.4%
FundSource®	Mutual Fund Advisory Program	Wells Fargo Advisors	2%	Up to 0.18%
Asset Advisor	Adviser-Directed Program	Investment Adviser Representative	\$0 - \$249,999: 3% \$250,000 - \$999,999: 2.50% Over \$1,000,000: 1.75%	0.55% to 2.55%
Private Investment Management	Adviser-Directed Program	Investment Adviser Representative	\$0 - \$249,999: 3% \$250,000 - \$999,999: 2.50% Over \$1,000,000: 1.75%	0.55% to 2.55%
Summit Investment Program	Asset Allocation Program	Columbus Macro	2%	Up to 0.30%

Accounts opened on the Wells Fargo platform prior to June 9, 2017 may be subject to a different fee rate. You should refer to your advisory agreement for your specific fee rate(s).

Programs on the Pershing Platform				
Program	Program Type	Program Manager	Maximum Annual Advisory Fee	Manager Fee (included in annual advisory fee)
Advisor Investment Management	Adviser-Directed Program	Investment Adviser Representative	First \$1,000,000: 3.00% Over \$1,000,000: 2.50%	First \$500,000: 0.70% to 2.70% Next \$500,000: 0.725% to 2.725% Over \$1,000,000: 0.75% to 2.75%
Investnet Separate Accounts	Separately Managed Account	Third-Party Manager	First \$1,000,000: 3.00% Over \$1,000,000: 2.50%	Up to 1.25%
Investnet Multi-Manager Account	Strategist Program	Third-Party Strategist	First \$2,000,000: 3.00% Over \$2,000,000: 2.50%	Up to 1.25%
Investnet Advisor as Portfolio Manager	Adviser-Directed Program	Investment Adviser Representative	First \$1,000,000: 3.00% Over \$1,000,000: 2.50%	Up to 2.54%
Investnet Unified Managed Account	Unified Managed Account	Third-Party Manager/Strategist	First \$2,000,000: 3.00% Over \$2,000,000: 2.50%	Up to 1.25%
Investnet Mutual Fund/ETF Portfolios	Strategist Program	Third-Party Strategist	First \$1,000,000: 3.00% Over \$1,000,000: 2.50%	Up to 0.85%
Lockwood Separately Managed Accounts	Separately Managed Account	Third-Party Manager	First \$1,000,000: 3.00% Over \$1,000,000: 2.50%	Fixed Income: 0.15% to 0.35% Equity & Balanced: 0.30% to 0.65%
Lockwood AdvisorFlex Portfolios	Mutual Fund/ETF Advisory Program	Third-Party Manager	First \$1,000,000: 2.00% Over \$1,000,000: 1.50%	First \$500,000: 0.40% Next \$500,000: 0.35% Over \$1,000,000: 0.25%
Lockwood Investment Strategies	Unified Managed Account	Third-Party Manager	First \$1,000,000: 3.00% Next \$4,000,000: 2.50% Over \$5,000,000: 2.00%	First \$500,000: 0.75% Next \$500,000: 0.55% Next \$4,000,000: 0.40% Next \$5,000,000: 0.35% Over \$10,000,000: 0.30%
Lockwood Asset Allocation Portfolios	Mutual Fund/ETF Advisory Program	Third-Party Manager	First \$1,000,000: 3.00% Next \$4,000,000: 2.50% Over \$5,000,000: 2.00%	First \$500,000: 0.40% Next \$500,000: 0.35% Next \$4,000,000: 0.30% Next \$5,000,000: 0.25% Over \$10,000,000: 0.20%
Summit Investment Program	Asset Allocation Program	Third-Party Manager	2%	Up to 0.30%

Please refer to Cetera Advisory Services' Form ADV Brochure for information regarding fees and compensation related to the My Advice Architect™ Program.

Programs on Other Platforms				
Program	Program Type	Program Manager	Maximum Annual Advisory Fee	Manager Fee (included in annual advisory fee)
Summit Foliofn Portfolios	Adviser-Directed Program	Investment Adviser Representative	3%	First \$250,000: 0.20% Next \$500,000: 0.15% Over \$750,000: 0.10%

Costs of Our Programs

Fees for our advisory services may be higher than fees charged by other advisers who sponsor similar programs, or if you paid separately for investment advice and other services. Our wrap program fees include clearing and custodial costs, fees paid to your investment adviser representative and, for most programs, manager/strategist fees. You may be charged different fees than similarly situated clients for the same services. The specific fees and manner in which fees are calculated and charged is described in your investment advisory agreement. You should carefully review the investment advisory agreement prior to signing it.

Other Types of Fees You May Incur

You may incur additional charges imposed by custodians, broker-dealers, investment companies, insurance companies and other third parties, such as account maintenance fees, surrender charges, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Such charges and fees are exclusive of and in addition to Summit Financial Group's fees. You are responsible for payment of any and all taxes that may be due as a result of any transactions in your account.

In addition to advisory fees, you are responsible for paying any management and other fund-related expenses for the mutual funds in which your account assets are invested. This includes redemption fees imposed by the mutual fund or custodian as a result of a transaction-related request you initiate (such as a partial or complete liquidation of your account). Decisions to reallocate your account assets may result in you incurring a redemption fee imposed by one or more mutual funds held in your account. Distribution or "12b-1" fees paid by the mutual funds in which your account assets are invested are credited back to your account for your benefit.

Mutual funds available on Pershing's FundVest platform impose short-term trading fees if assets are redeemed within a specified period of time of purchase. Ticket charges may also be imposed if certain fund minimums are not met.

Compensation Arrangements for Program Referrals

Summit Financial Group pays referral fees to other individuals for referring clients to our firm. We require these individuals to comply with applicable laws, rules and regulations related to solicitation activities, including any state rules requiring registration. Individuals with which we have a solicitor arrangement have a financial interest in referring clients to our firm and investment adviser representatives, and receive a percentage of the advisory fee you pay our firm. No additional fees are assessed when clients are referred to our firm. If you are introduced to our firm or one of our investment adviser representatives through a soliciting partner, you will receive a separate written disclosure document that contains important information related to the solicitor arrangement. You should review this document carefully before opening an advisory account with our firm.

Other Types of Compensation We Receive

Your investment adviser representative also acts as a registered representative of our affiliated broker-dealer, Summit Brokerage Services, Inc. As a registered representative, he or she accepts compensation for the sale of securities in a non-fee-based brokerage account, including asset-based sales charges and service and distribution fees from the sale of mutual funds. The receipt of such compensation presents a conflict of interest and gives your investment adviser representative an incentive to recommend commission-based products in addition to advisory services based on the compensation he or she will receive, rather than on your needs. Summit Financial Group addresses this conflict of interest by

requiring that your investment adviser representative uphold their fiduciary duty to provide investment advice that is in your best interest and disclosing the conflict to you before or at the time you enter into an investment advisory contract with our firm. During the account opening process, your investment adviser representative will also provide you with our Big Picture Brochure, which describes the differences between commission-based and fee-based services, to help you determine whether a commission-based or fee-based account is appropriate for your financial needs and goals.

When recommending mutual funds, Summit Financial Group and our investment adviser representatives primarily recommend no-load or load-waived funds for advisory accounts. In instances where a distribution or “12b-1” fee is paid by a mutual fund you hold in your advisory account, such fee is credited back to the account for your benefit.

You have the option to purchase investment products that your investment adviser representative recommends through other brokers or agents that are not affiliated with Summit Financial Group.

Item 5 – Account Requirements and Types of Clients

Summit Financial Group generally offers investment advice to individuals, corporations and other business entities. The requirements for opening an account vary by the type of account you maintain and the program you select. Minimum investments may be waived at our sole discretion. For example, we may consider account values for your minor children, spouse and other types of related accounts in an effort to meet the stated minimum.

The minimum investment required for our programs are as follows:

Programs on Wells Fargo Platform	
Program Series	Minimum Initial Investment (manager minimums)
Wells Fargo Advisers	
<ul style="list-style-type: none"> • Allocation Advisors <ul style="list-style-type: none"> • Strategic ETF, Morningstar Strategic ETF, Morningstar ETF, Laffer Global Portfolio, Laffer Dynamic U.S. Inflation Portfolio and Active/Passive Portfolios • CAAP Plus and Compass ETF Portfolios • Diversified Managed Account <ul style="list-style-type: none"> • Optimal Blends • Customized Blends • Masters • Private Advisors Network • Wells Fargo Compass Advisory Program <ul style="list-style-type: none"> • Individual Strategies • Multi-Equity Strategies • Asset Allocation Strategies <ul style="list-style-type: none"> • Aggressive Growth • All Other Strategies • CustomChoice • FundSource® <ul style="list-style-type: none"> • Foundations Model Series • All other Series • Asset Advisor • Private Investment Management 	<ul style="list-style-type: none"> \$25,000 \$50,000 \$250,000 or portfolio minimum \$100,000 \$100,000 (subject to manager minimums) \$100,000 (subject to manager minimums) \$50,000 \$50,000 \$150,000 \$250,000 \$25,000 \$10,000 \$25,000 \$25,000 \$50,000
Summit Investment Program	\$10,000

Programs on Pershing Platform	
Program Series	Minimum Initial Investment
AIM	\$25,000
Investnet: <ul style="list-style-type: none"> • Separate Accounts • Multi-Manager Account • Advisor as Portfolio Manager • MF/ETF program • Unified Managed Account • Multi-manager program 	<ul style="list-style-type: none"> \$100,000 - \$250,000 per manager \$250,000 (minimums for select asset managers may be higher) \$10,000 \$250,000 \$150,000 per model allocation \$25,000 - \$100,000 (varies by model strategy)
Lockwood <ul style="list-style-type: none"> • Separately Managed Accounts • AdvisorFlex Portfolios • Investment Strategies • Asset Allocation Portfolios 	<ul style="list-style-type: none"> \$100,000 per manager \$50,000 \$250,000 \$50,000
Summit Investment Program	\$10,000

Programs on Other Platforms	
Program Series	Minimum Initial Investment
Summit Foliofn Portfolio	\$10,000

Item 6 – Portfolio Manager Selection and Evaluation

Selection and Review of Portfolio Managers

Third-party managers/strategists act as portfolio manager for the following types of wrap fee programs offered by our firm:

- Separately Managed Accounts
- Unified Managed Accounts
- Mutual Fund/ETF Advisory Programs

Our third-party manager/strategist programs are generally co-sponsored by the platform provider, who is responsible for conducting due diligence on the managers and/or strategists available through the program. Each platform provider's criteria for adding a manager or strategist to the platform or replacing a manager or strategist varies. Please refer to the platform provider's Form ADV Wrap Brochure for additional information on their portfolio manager selection and review process.

Portfolios Managed by Your Investment Adviser Representative

Your investment adviser representative acts as portfolio manager in adviser-directed wrap fee programs. When acting as portfolio manager, our investment adviser representatives are not subject to the same selection and review standards as the institutional third-party managers that are available through many of our other wrap fee programs. Please refer to Item 4 of this brochure for a list of our wrap fee programs.

Advisory Business

When acting as portfolio manager for your account, your investment adviser representative will provide the following types of advisory services:

- Active portfolio management
- Evaluation and review of a portfolio's composition
- Account management

Your investment adviser representative will work with you to build a financial plan that is tailored to your individual needs. The process starts with an assessment of your financial situation, investment objectives and risk tolerance. After discussing your investment needs and goals, your adviser will help you determine whether fee-based or commission-based services, or a combination of both, is appropriate for your financial needs and goals. It is important to understand the differences between fee-based and commission-based services.

In a fee-based or advisory relationship, you generally pay a fee that is a percentage of the account's value, or a fixed fee per service, for personalized advice and guidance instead of a commission for each trade. Fee-based services may include portfolio construction, investment recommendations, ongoing advice and/or financial planning tailored to your unique goals and timelines. Fee-based services align the performance of your account with your investment adviser representative's compensation.

In a commission-based or brokerage relationship, you pay a commission, and in some cases a trailing commission, for each transaction. The amount of that commission varies depending on the security or investment product. The charges for each product are described in the prospectus or other offering documents. Commission-based services require your consent for each transaction.

The way you work together with your investment adviser representative may change over time as your financial needs and goals change. It is important to notify your adviser of any changes to your financial situation, investment objectives or risk tolerance so he or she can advise you appropriately.

Please refer to Item 4 of this brochure for additional information on our portfolio management services.

Performance-Based Fees and Side-By-Side Management

Summit Financial Group does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of your assets. Side-by-side management refers to the practice of managing both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

Methods of Analysis, Investment Strategies and Risk of Loss

Your investment adviser representative may use various methods to determine an appropriate investment strategy for your portfolio. Meetings with your investment adviser representative will include discussions regarding the methods of analysis that will be employed for your account. These methods may include, but are not limited to, technical analysis, fundamental analysis or a combination of methods.

- Technical analysis utilizes statistics to determine trends in security prices and tends to focus on trading volume, demand and security price fluctuations. Technical analysis is also commonly referred to as chart analysis.
- Fundamental analysis concentrates on earnings, a company's financial statements and the quality of a company's management to determine the financial strength of a company.

Your investment adviser representative may employ various investment strategies to guide with investment decisions based on your individual goals, risk tolerance and time horizon. These strategies may include, but are not limited to, asset allocation, diversification, dollar cost averaging or other strategies deemed appropriate for your individual situation.

- Asset Allocation is a strategy that involves dividing an investment portfolio among different asset classes, such as stocks, bonds and cash. Various asset allocation methods may be used by your investment adviser representative to help you achieve your investment goals, including, without limitation, strategic asset allocation and tactical asset allocation.
 - Strategic asset allocation is a strategy that involves setting target allocations for various assets classes based on expected rates of return for each asset class and periodically rebalancing a portfolio back to the target allocations.
 - Tactical Asset Allocation is a strategy that involves actively shifting the percentage of assets held in various asset classes to take advantage of market opportunities and returning to a portfolio's original asset mix when desired profits are achieved.
- Diversification is a risk management technique that involves using a variety of dissimilar investments in a portfolio so that investments that yield a higher return offset investments with a negative return.
- Dollar-Cost Averaging is a strategy that involves buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. Dollar cost averaging aims at

reducing the risk of incurring substantial losses resulting from investing a lump sum in securities just before a market downturn.

Investing in securities involves risk of loss that you should be prepared to bear. There is no guarantee that asset allocation, diversification or dollar-cost averaging will ensure a profit or protect against loss or that the investment recommendations made by your investment adviser representative will be accurate. Summit Financial Group cannot assure that your portfolio will increase, preserve capital or generate income, nor can we assure that your investment objectives will be realized. Your investment adviser representative may recommend a variety of security types for your account in an effort to achieve your individual needs and goals. As more investments are added to a portfolio, fees and expenses may increase, which will, in turn, lower investment returns.

Voting Client Securities

Summit Financial Group does not have authority to vote client securities. You are solely responsible for receiving and voting proxies for the securities maintained in your account. You will receive proxy statements or other solicitations directly from your custodian or transfer agent. For third-party asset manager programs, the manager may require that you appoint their firm to vote proxies on your behalf. You should refer to the manager's Form ADV Brochure for additional information on their proxy voting policy. You may contact your investment adviser representative should you have any questions about a particular solicitation.

Item 7 – Client Information Provided to Portfolio Managers

The personal information you provide Summit Financial Group at account opening, including, without limitation, your social security number, net worth, annual income, etc., is accessible to your investment adviser representative. Your personal information is protected in accordance with our privacy policy, which is available on our website, www.summitbrokerage.com.

At least annually, your investment adviser representative will contact you to determine whether there have been any changes to your financial situation or investment objectives, and whether you wish to impose any reasonable restrictions on the management of your account or reasonably modify any existing restrictions. During this review, your investment adviser representative may request that you complete a new risk tolerance questionnaire or similar form to help you determine if any changes to your financial situation or investment objectives warrant a change to your investment strategy. In instances where a third-party manager acts as portfolio manager for your account, updates to your risk tolerance or investment objectives may be provided to the manager.

Item 8 – Client Contact with Portfolio Managers

Your investment adviser representative is your primary contact for account questions and is reasonably available to advise you, as needed.

Item 9 – Additional Information

Disciplinary Information

In July 2011, the Pennsylvania Securities Commission accepted an offer of settlement in which Summit Financial Group proposed a settlement of an alleged violation of the Pennsylvania Securities Act of 1972.

Without admitting or denying the allegations, Summit Financial Group agreed to pay an administrative penalty of \$21,500 for failing to register one investment adviser representative in the Commonwealth of Pennsylvania, and comply with the Pennsylvania Securities Act of 1972.

Other Financial Industry Activities and Affiliations

Summit Financial Group is a wholly owned subsidiary of Summit Brokerage Services, Inc., a FINRA member broker-dealer. Some of Summit Financial Group's management team are registered representatives of Summit Brokerage Services and/or another affiliated Cetera Financial Group broker-dealer.

Summit Financial Group is part of Cetera Financial Group, Inc., a network of financial services firms that includes other registered investment advisers and broker-dealers. Our affiliates include:

- Summit Brokerage Services, a broker-dealer
- SBS Insurance Agency of FL, Inc., an insurance agency
- SBS of California Insurance Agency, Inc., an insurance agency
- Cetera Advisor Networks, LLC, a broker-dealer, registered investment adviser, insurance agency and pension consultant
- Cetera Advisor Networks Insurance Services, LLC, an insurance agency
- Cetera Advisors LLC, a broker-dealer, registered investment adviser, insurance agency and pension consultant
- Cetera Financial Specialists LLC, a broker-dealer and insurance agency
- Cetera Investment Services LLC, a broker-dealer and insurance agency
- Cetera Investment Advisers LLC, a registered investment adviser and pension consultant
- Cetera Advisory Services, a registered investment adviser
- Cetera Insurance Agency, an insurance agency
- Cetera Advisors Insurance Services LLC, an insurance agency
- Cetera Investment Management LLC, a registered investment adviser
- First Allied Advisory Services, Inc., a registered investment adviser and pension consultant
- First Allied Securities, Inc., a broker-dealer and registered investment adviser
- FASI Insurance Services, Inc., an insurance agency
- First Allied Retirement Services, Inc., a pension consultant
- FASI of TX, an insurance agency

Your Investment Adviser Representative may recommend other investment advisers to you and receives compensation for doing so. This creates an incentive for your investment adviser representative to recommend an investment adviser that provides them with the most compensation. It is important to consider the fees, level of service and investment strategies, among other factors, when selecting an investment adviser. Your investment adviser representative has a fiduciary duty to recommend an investment adviser that he/she believes is best suited to meet your investment needs and goals.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Summit Financial Group is committed to providing investment advice with the utmost professionalism and integrity.

To help us avoid conflicts of interest, we have developed a Code of Ethics designed to protect our professional reputation and comply with federal and other applicable securities laws. The Code of Ethics sets forth guidelines and restrictions for personal securities trading, including an absolute prohibition of

trading on the basis of “inside” (material, non-public) information. Adherence to the Code of Ethics is a condition of employment or affiliation with our firm.

Summit Financial Group will provide a copy of our Code of Ethics to you upon request. You may request a copy of our Code of Ethics by contacting our Compliance Department at (800) 226-2660.

Your investment adviser representative may purchase or sell the same security he or she recommends to you. This creates a conflict of interest in that your investment adviser representative may receive a better price than you. Our Code of Ethics places restrictions on your investment adviser representative’s personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information, pre-clearance requirements for certain transactions and a requirement that any personal securities transactions not disadvantage clients or otherwise raise fiduciary or antifraud issues.

Review of Accounts

Accounts at Summit Financial Group are reviewed on a periodic basis. At least annually, your investment adviser representative will contact you to determine whether there have been any changes to your financial situation or investment objectives, and whether you wish to impose any reasonable restrictions on the management of your account or reasonably modify any existing restrictions. During this review, your investment adviser representative will advise you of any account changes he or she feels are necessary to help you stay on track with meeting your financial goals and will consider whether an advisory account continues to be suitable for your needs. Your account will also undergo a review by a supervisor upon account opening in an effort to ensure that a fee-based account is appropriate for you. Our Supervision Department also conducts periodic reviews of accounts for suspicious trading activity. Any issues raised during supervisory reviews are investigated and remedied, as needed. We may intermittently review client accounts when conducting routine audits and/or testing of our internal operating controls and processes, or on an as-needed basis.

In addition to the account statements you receive from your custodian at least quarterly, Summit Financial Group may also provide you with written quarterly performance reports for your account. Quarterly performance reports provide details on account holdings and performance. Written trade confirmations for the securities transactions made within your account are also provided by your custodian. You may be provided the option to opt out of receiving trade confirmations.

Client Referrals and Other Compensation

Summit Financial Group and our investment adviser representatives also receive compensation from third-party asset managers in the form of training events, educational meetings, industry conferences and entertainment events. This economic benefit creates a conflict of interest in that it gives your investment adviser representative an incentive to recommend a third-party asset manager that provides them with additional compensation. We address this conflict of interest by disclosing to clients the types of compensation that our firm and our investment adviser representatives receive so clients can consider this conflict when evaluating our firm, investment adviser representatives and third-party asset managers. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an asset manager.

Summit Financial Group pays referral fees to other individuals for referring clients to our firm. We require these individuals to comply with applicable laws, rules and regulations related to solicitation activities, including any state rules requiring registration. Individuals with which we have a solicitor arrangement have a financial interest in referring clients to our firm and investment adviser representatives, and receive a percentage of the advisory fee you pay our firm. No additional fees are assessed when clients are referred to our firm. If you are introduced to our firm or one of our investment

adviser representatives through a soliciting partner, you will receive a separate written disclosure document that contains important information related to the solicitor arrangement. You should review this document carefully before opening an advisory account with our firm.

Financial Information

Summit Financial Group does not require or solicit prepayment of more than \$1,200 in wrap program fees per client, six months or more in advance. We do not have any financial commitment that is reasonably likely to impair our ability to meet our contractual commitments to our clients, nor has our firm ever been the subject of a bankruptcy petition.