



Form ADV Part 2A

Cover Page

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Disclaimer: This brochure provides information about the qualifications and business practices of Summit Global Investments. If you have any questions about the contents of this brochure, please contact us at 888-251-4847 and/or [info@summitglobalinvestments.com](mailto:info@summitglobalinvestments.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Summit Global Investments is an SEC registered investment advisor. Registration does not imply a certain level of skill or training.

Additional information about Summit Global Investments also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## 2. Material Changes

Material changes since the last brochure, dated March 26, 2020:

**Advisory Business.** This section has been updated to include SGI's new private funds, SGI's three new mutual funds and the offering of private credit funds.

**Fees and Compensation.** References to the fees associated with private funds have been added.

**Industry Affiliates.** Updates to this section include the inclusion of Summit Global, LLC, and private fund GP entities as affiliates.

Clients may request the most recent version of Summit's brochure by submitting an email request to Summit's Chief Compliance Officer at [brent@summitglobalinvestments.com](mailto:brent@summitglobalinvestments.com), telephone number (801) 683-0041 or submitting a written request to the adviser at Summit Global Investments, 620 South Main Street, Bountiful, UT 84010.

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## 4. Advisory Business

### Summary

Summit Global Investments (also hereafter referred to as SGI) is a Limited Liability Company, formed in 2010 and registered with the SEC as a Registered Investment Advisor. SGI's investment advisory services are primarily limited to the discretionary management of investment portfolios for investment companies, institutional investors, pension and profit sharing plans, trusts, corporate and business entities, and individual clients. The principals of SGI are David Harden and Bryce Sutton. David Harden began his career in the financial services industry in 1993 with Fidelity Investments. Bryce Sutton began his career in the financial services industry in 1996 with Morgan Stanley. Summit Global Investments' principal place of business is located in Bountiful, Utah.

### Advisory Services

#### Investment Management Services

SGI is an investment management and advisory firm that focuses on providing clients managed risk investment portfolios.

Pursuant to a written advisory agreement with an investment company, Summit Global Investments serves as an advisor, as defined by the Investment Company Act of 1940, to the Summit Global Investments U.S. Large Cap Equity mutual fund, the Summit Global Investments Small Cap Equity Fund, the Summit Global Investments Global Equity Fund, the SGI Peak Growth Fund, the SGI Conservative Fund, and the SGI Prudent Growth Fund (together hereinafter referred to as "the Fund(s)"). Summit Global Investments will observe the investment parameters described in the respective Fund prospectuses as well as those required by the Investment Company Act of 1940 and any regulations issued in addition to any applicable provisions of the Internal Revenue Code.

Pursuant to a written investment manager agreement, Summit Global Investments serves as the investment manager to the SGI Timpanogos Fund, LP (the "Private Fund"). The SGI Timpanogos Fund is a limited partnership that is exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), provided by Section 4(a)(2) and Regulation D (including Rule 506(b)) thereunder and from registration of the Partnership as an investment company under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), provided by Section 3(c)(1) thereunder. The Partnership offers limited partnership interests (the "**Interests**") through a private placement on a continuous basis to persons who are "qualified clients" as that term is defined in Rule 205-3(d)(1) under the Investment Advisers Act of 1940, as amended (the "**Advisers Act.**"), subject to certain exceptions.

SGI shall generally allocate the investment management assets of its clients on a discretionary basis.

SGI implements strategies focused on risk/return determined by the underlying risk tolerance and suitability profile of the client. Based on a client's needs, risk and suitability, SGI may allocate client assets among the Funds, the Private Fund, Private Capital Funds, various mutual funds, exchange traded funds, fixed income and/or cash instruments in the construction of a client's portfolio. In addition, portfolios may be constructed consisting of equity securities, corporate debt securities,

municipal securities, US government securities, leveraged funds, sector funds, options, structured products, private equity, private capital and other investments, equities and fixed-income assets (or mutual fund subdivisions within a variable annuity or life product owned by the client).

SGI strives to adhere to industry best practices and to maximize risk-adjusted returns. These practices include, but are not limited to, security selection through rigorous quantitative and fundamental analysis.

Clients investing in SGI's strategies are exposed to various risks including, but not limited to, market risk, equity risk, and volatility risk.

Individual clients generally are referred to SGI by investment advisor representatives (IAR's) of other registered investment advisors (RIA's). IAR's that refer clients to SGI are the central point of contact for their client in understanding their financial needs, investing goals and suitability requirements. SGI relies on the clients and their referring IAR to notify SGI immediately of any changes to a clients' financial situation or investment objectives. For clients referred to SGI through an RIA, a signed disclosure statement must be signed by the clients and accompany the client's paperwork prior to the account being established with SGI. Clients may have in place a dual contract, where an advisory agreement is signed with the referring IAR's firm in addition to SGI's investment advisory agreement. Otherwise, the referring RIA firm will have a solicitation agreement with SGI and the client will sign an investment advisory agreement with SGI.

For individual client accounts, SGI offers model-based portfolio strategies as well as customized accounts. The model-based portfolios are constructed to offer clients an investment strategy that matches their investing goals. The strategies range from conservative to aggressive. Each model may have an allocation to SGI's Funds. Some clients may prefer accounts that are customized to meet their specific investing goals outside of the model-based portfolios. These accounts may include various strategies that are proprietary to SGI, individual stock and/or bond holdings, private capital funds and SGI's private fund.

For institutional client accounts, SGI may also provide proprietary technology and quantitative modeling that may be used by these clients to internally manage their strategies.

All accounts are managed on a fee basis at a custodian typically selected by the client.

### **Sponsored Investment Management Platforms**

Pursuant to a written agreement by SGI and a sponsor, SGI provides model investment advisory services to the sponsor's clients. The sponsor determines the terms, conditions and the specific strategies that will be offered within this relationship in partnership with SGI. The client signs an agreement with the sponsor with the help of a sponsor representative. Through this agreement, the program sponsor obtains the information necessary to determine the client's suitability. The client's account and funds will be held and cleared through a custodian and broker-dealer selected by the sponsor.

SGI will provide discretionary investment advice on the portion of funds delegated to SGI's strategies. The client grants this power and authority in the program sponsor's agreement. SGI will provide model trading instructions to the sponsor or a third party as directed by the sponsor who will

be responsible for executing SGI's recommended trades. SGI has no responsibility for transaction execution.

The program sponsor's representative is required to provide the client with a copy of SGI's disclosure brochure.

See Item 5 for an overview of fees associated with sponsored investment management platforms.

### **Portfolio Construction**

The manner in which portfolios are constructed centers around SGI's managed risk approach to investment management. At SGI, fundamental beliefs help guide our approach to investment management. A key concept is how the equity risk premium remains elusive. Those who take on risk expect to be paid for doing so. This market efficiency holds across asset classes very well, yet in the equity markets it seems elusive. While it is self-evident that some stocks are riskier than others, we believe there is not a broad-based equity risk premium. Through rigorous quantitative and fundamental analysis we can identify equities that demonstrate better risk return trade-offs, offering better upside potential while mitigating and minimizing the downside. We believe that equity risk is actual, not relative.

We believe that defining risk by the volatility and return of a portfolio is superior to defining risk as variation from a benchmark as found in an explicit or implicit information ratio. As such, we view our strategies as more conservative, consistent and capital preserving approaches than cap-weighted benchmark-sensitive investment strategies. We focus on specific security risk, not tracking error or the information ratio.

Individual companies vary in risk. As such, the manner in which a portfolio is constructed should focus on managing the entire risk of the portfolio rather than exposures to growth, value, etc. Our managed risk approach to equity investing will vary within these exposures over time based on market conditions, economic conditions and market cycles.

Prudent portfolio management seeks to maximize the upside potential of a portfolio through minimizing downside risk. This is subtle; experiencing a more volatile pattern of returns will cause a lower compounded result. It is very hard to recover from large losses. Minimizing downside equity risk is far superior to finding the next "lottery" stock. Creating a portfolio with more consistent, transparent downside protection while still capturing the upside potential the markets offer is what SGI's strategies seek to accomplish.

Once the portfolio is constructed, SGI provides continuous supervision and re-optimization of the portfolio as changes in market conditions and client circumstances may require.

### **ESG**

Summit Global Investments seeks to incorporate ESG issues into existing portfolio construction practices using a combination of up to three approaches: integration, screening and thematic. Through integration, the Adviser will explicitly and/or systematically include ESG issues in their investment analysis and decisions, to better manage risks and improve returns. Screening places specified filters to lists of potential investments that rule companies in or out of contention for

investment, based on SGI's preferences, values or ethics. Thematic investing seeks to combine attractive risk-return profiles with an intention to contribute to a specific environmental or social outcome, including impact investing.

Summit Global Investments may encourage the companies they are already invested in to improve their ESG risk management or develop more sustainable business practices through direct engagement with a company. This may be done by discussing ESG issues with companies to improve their handling, including disclosures the companies make surrounding such issues. Another way in which SGI may seek to improve performance through ESG is stewardship through proxy voting by formally expressing approval or disapproval through voting resolutions and proposing shareholder resolutions on specific ESG issues.

### **Account Restrictions**

Clients may impose restrictions on investing in certain securities or types of securities in consultation with SGI. Also, certain client accounts, by policy, may have certain restrictions as to the type of investments that may be held in the account. As such, these accounts may have alternative holdings compared to other clients of SGI not subject to such account policies.

### **Wrap Programs**

SGI does not sponsor a wrap fee program. SGI currently advises sponsors of wrap fee programs as an investment manager. SGI manages these wrap fee programs in the same manner as described in this document.

### **Discretionary Assets Under Management**

SGI manages on a discretionary basis approximately \$1,217,171,547.01 of client assets as of June 30, 2020.

## **5. Fees and Compensation**

### **Investment Company Management**

SGI receives an annual investment management fee of .70%, 0.95%, and 0.70% from an advisory agreement with RBB Fund Inc., for the investment management services of the Summit Global Investments U.S. Large Cap Equity mutual fund, the Summit Global Investments Small Cap Equity mutual fund and the Summit Global Investments Global Equity mutual fund respectively. The total fee investors incur from owning the institutional share class of each fund respectively is 0.98%, 1.23%, and 0.84% on an annual basis. Fees are calculated by US Bank, and paid to Summit Global Investments from the custodian, US Bank.

SGI also receives an annual investment management fee of 0.75%, 0.75%, and 0.75% from an advisory agreement with RBB Fund Inc., for the investment management services of the SGI Peak Growth Fund, the SGI Conservative Fund, and the SGI Prudent Growth Fund. The total fee investors incur from owning the institutional share class of each fund respectively is approximately 2.00%, 1.50%, and 1.75% on an annual basis, subject to total acquired fund fees and expenses which are

variable. Fees are calculated by US Bank, and paid to Summit Global Investments from the custodian, US Bank.

All other details of the Summit Global Investments Funds are described in their respective fund prospectus. The prospectus for each Fund is available by calling 855-744-8500.

SGI is a fee-only investment advisor. No commissions or asset-based sales charges are received from the purchase of individual securities, mutual funds or ETF's in order to eliminate the potential for conflict of interests. Please note, however, that for accounts that are managed by SGI and all or some portion of the managed assets are allocated to one or more of SGI's mutual funds, SGI may earn fees for its services as an investment manager, and fees from the mutual funds it manages.

### **Private Fund(s)**

#### Management Fee

SGI receives a management fee equal to 1/4 of 2% per calendar quarter (approximately 2% annually) of the net asset value of the Private Fund. The Management Fee shall be payable quarterly in arrears and calculated as of the last Business Day of each calendar quarter, before taking into account any Limited Partner withdrawals, distributions and redemptions. A pro rata Management Fee will be charged to Limited Partners on any amounts permitted to be invested or withdrawn during any calendar quarter.

Notwithstanding the foregoing, no Management Fee will be accrued or charged on any quarter in which a Limited Partners receives an allocation of Net Capital Depreciation from the Partnership for such quarter.

The Investment Manager, in its sole discretion, may waive or reduce the Management Fee with respect to one or more Limited Partners for any period of time, or agree to apply a different Management Fee for that Limited Partner.

#### Performance Based Fee

The Performance Based Fee is calculated as follows: the excess of:

- i. The Net Capital Appreciation otherwise allocable for such period to each Limited Partner's Capital Account (including realized and unrealized gains and net of the Management Fee paid and Management Performance Allocation accrued) over;
- ii. Any balance remaining in such Limited Partner's Loss Recovery Account, but only if a Limited Partner's Capital Account is subject to such to establishment of a Loss Recovery Account.

At the end of each Performance Period, a percentage return for such Performance Period (the "Period Return Percentage") will be determined as follows: Net Capital Appreciation for such period; reduced by the balance remaining in a Partner's Loss Recovery Account, if applicable, then divided by that Partner's beginning capital account of such period.

- iii. The Performance Allocation shall be subject to the High Water Mark if previously agreed to between the General Partner and the Limited Partner,



iv. and is subject to a Hurdle Rate

If the resulting Period Return Percentage on an Annualized Basis is less than or equal to the Hurdle Rate of 8% annually, then the Performance Allocation Percentage will be 0%.

If the resulting Period Return Percentage on an Annualized Basis is less than or equal to 10% but greater than the Hurdle Rate of 8%, then the Performance Allocation Percentage between the Hurdle Rate and 10% will be 100%;

If the resulting Period Return Percentage is on an Annualized Basis is greater than 10%, then the Performance Allocation Percentage above the 10% will be 20%

Notwithstanding the foregoing, the General Partner shall accrue, but not be paid any Performance Allocation on a Limited Partner's Capital Account during such Limited Partner's Exempt Performance Period.

Complete details of fees and expenses associated with the Private Fund(s) may be found in the offering documents, Private Placement Memorandum ("PPM") and subscription documents pertaining to the individual fund.

### **Individual Managed Accounts**

Asset Amount	Maximum Annual Advisory Fee*
Less than \$500,000	2.20%
\$500,000 to \$999,999	1.70%
\$1,000,000 and Above	1.20%

\*SGI reserves the right to charge clients less than the stated maximum fee. SGI's investment management fees shown above reflect the maximum fee that SGI may charge.

SGI's annual maximum advisory fee, shown above, shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. Clients of SGI must notify SGI in writing upon termination of SGI's investment management (as detailed in the investment advisory agreement). Upon receiving written notice from the client, SGI's investment management fee shall be pro-rated through the date of termination, and the remaining balance (if any) shall be promptly refunded to the client.

Further, SGI may not assess an advisory fee where SGI offers advisory services to employees of SGI or family members of related persons. All investment management accounts are maintained at various custodial/clearing firms.

SGI's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by a client. Clients may incur certain charges imposed by custodians, brokers, third-party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfers and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Certain clients wishing to retain SGI as an investment advisor may elect to have their advisory fees withdrawn from another separate account. At SGI's discretion, certain clients may have their

advisory fee withdrawn from a different brokerage or bank account owned by the client via ACH or credit card payment.

In addition to the annual investment advisory fees, SGI charges an annual administrative fee of \$44 (forty- four dollars) for each separately managed account. This fee is pro-rated and deducted quarterly at the rate of \$11 (eleven dollars) per quarter.

### **General Information on Advisory Services and Fees**

The annual investment advisory fee charged is calculated as described in the above schedule and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the fund returns of an advisory client. **See Section 6 on Performance-Based Fees.**

All fees paid to SGI are separate and distinct from the fees and expenses charged by broker-dealers/custodians. Registrant fees are also separate and distinct from separate account management and custody.

Although SGI believes its advisory fees are competitive, lower fees for comparable services may or may not be obtained from other sources.

SGI does not represent, warranty or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market conditions.

### **Sponsored Investment Management Platforms**

Per the written agreement by SGI and a sponsor, SGI may receive an annual fee no greater than 1.25% of the market value of the assets on which SGI provides services. The program sponsor and SGI will determine the exact fee calculation. The timing of the fee to be charged to the client is typically at the discretion of the sponsor. The sponsor will calculate and deduct the appropriate fees from the client account and remit those fees to SGI. The sponsor will also have various fees they charge to the client. The sponsor of the investment management platform sets these fees. Please review and read carefully the sponsor's disclosure brochure to understand these costs.

## **6. Performance-Based Fees and Side-By Side Management**

SGI, in specific investment strategies or Client situations, will receive a performance fee based upon specific gains obtained in the accounts of "Qualified Clients," as defined in Item 7 below, pursuant to the terms of the investment advisory agreement. Performance-based fees may be in addition to the investment advisory fee and calculated as described in Item 5 above. The terms for the Client specific performance-based fee engagement will be set forth in each Qualified Clients' investment advisory agreement. Client should understand that certain conflicts of interest exist due to performance-based fee arrangements, which include the fact that it creates a financial incentive for the Advisor to make investments that are more risky or more speculative than might otherwise be the case in the absence of such arrangement. To mitigate the conflict, the performance-based fees are structured so that certain performance hurdles must be met in order to receive the fee.

Importantly, as part of the Advisor's fiduciary duty, the Advisor must act in the best interest of its Clients.

Regarding side-by-side management, the Advisor receives different types of fees, such as asset-based and performance-based fees. Managing Clients that are charged different types of fees creates conflicts of interest between the Advisor and its Clients, in addition to the ones listed above. For example, charging performancebased fees could incentivize the Advisor to allocate more favorable investments to those Clients being charged a performance-based fee.

## 7. Types of Clients

SGI provides investment management services to registered investment companies that are each a series of the the RBB Fund Inc., institutional clients and high net-worth individuals. SGI serves as the advisor to the Summit Global Investments Funds, registered under the Investment Company Act of 1940. Investors within these mutual funds may include financial advisors, institutions, trusts, individuals or other entities.

SGI has a minimum to open and maintain a separate account of \$500,000 for institutional accounts and \$20,000 for individual accounts. SGI reserves the right to accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing clients. SGI may aggregate the portfolios of family members to meet the minimum portfolio size.

Specifically, SGI offers investment advisory services to high net worth individuals, families, trusts, estates, charitable organizations, businesses, institutional investors and pooled investment vehicles. SGI only imposes a size restraint of \$20,000 for establishing a relationship. Some of SGI's offerings are only suitable for high net worth individuals, institutional investors, businesses and other groups which meet certain asset minimums. Additionally, the Private Funds have minimum investments that vary based on different strategies typically starting at \$250,000. The various requirements for investing in a Fund, including the minimum investment size, are set forth in each Fund's Offering Documents. The Advisor has the ability, in its sole discretion, to permit commitments below the minimum.

### **Private Fund Services**

Investors who invest within the Private Funds meet the definition of "accredited investor" as defined in the Securities Act of 1933 and "qualified client" as defined in the Advisers Act.

### **Who is a "Qualified Client"?**

Rule 205-3(d)(1) of the Adviser's Act defines a "Qualified Client" as:

- I. A natural person who, or a company that, immediately after entering into the contract has at least \$1,000,000 under the management of the investment advisor;
- II. A natural person who, or a company that, the investment advisor entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
  - a. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000.

b. Is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the contract is entered into; or

III. A natural person who immediately prior to entering into the contract is:

- a. An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or
- b. An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

#### **Who is an “Accredited Investor”?**

Rule 501 of the Securities Act definition of “Accredited Investor” is intended to encompass those persons whose financial sophistication and ability to sustain the risk of loss of investment or ability to fend for themselves render the protections of the Securities Act’s registration process unnecessary.

Accredited investor shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

- i. Any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- ii. Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

- iii. Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- iv. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- v. Any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds \$1,000,000.
- vi. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- vii. Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii); and
- viii. Any entity in which all of the equity owners are accredited investors.

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

SGI employs its own proprietary security valuation process to evaluate and construct portfolios. It is designed to analyze securities through quantitative and fundamental analysis characteristics while controlling for unpredictable elements and risks.

Information on securities comes from a variety of sources including, but not limited to, external data providers, third-party research material, and our own proprietary data. We apply our insights regarding market, economic, industry, and securities to calculate risk/return characteristics. These risk/return characteristics are at the heart of how SGI constructs and optimizes portfolios.

As with any active security strategy, investing involves risk of loss that clients must understand and be prepared to bear.

### **Risk of Loss**

All investments with SGI are subject to loss. An investor with SGI may lose money. An Investor should not invest unless:

- fully able to bear the financial risks of its investment for an indefinite period of time; and
- can sustain the loss of all or a significant part of its investment and any related realized or unrealized profits.

An investor could lose some or all of its investment. Past results, are not necessarily indicative of the future performance of the Private Fund(s).

There is various risk associated with investing and this list in no way accounts for every possible risk, both foreseen and unforeseen.

**Conflict of Interests** - For investors in SGI's Funds, please see the Fund's Prospectus and Statement of Additional Information ("SAI") for additional risks and conflicts of interests related to the Funds.

**Equity** – Equities securities have multiple risks and represent ownership in a public company. Some of these risks include but are not limited to:

- Market risk – broad corrections in the overall market can affect the value of the underlying security in which you are invested.
- Company risk – a stock's price can decline due to changes in the company's underlying fundamentals.
- Merger risk – in the event that a company is bought out by another, the acquiring company may not be as desirable by the overall market. This could cause the stock's price to decline.
- Dividend risk – the dividends that a stock pays can be reduced or eliminated by a company at any time. A change in a stock's dividend could cause the stock's price to decline.
- Turnover risk – a higher portfolio turnover rate may result in increased transaction costs and may result in higher taxes for funds held in a taxable account.

**Fixed income – fixed income securities** have multiple risks and represent debt in a public or privately held company. Some of these risks include but are not limited to:

- Interest rate risk – as underlying interest rates rise the value of the underlying security may drop in price.
- Company risk – the underlying security may become less valuable if the company that issued the security has negative changes in their underlying fundamentals.
- Market risk – broad corrections in the overall market can affect the value of the underlying security in which you are invested.
- Municipal Bonds - Municipal bonds can be significantly affected by political or economic changes as well as uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders, including in connection with an issuer insolvency. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets. Certain municipal bonds may provide exposure to the transportation industry and utilities sector. The transportation industry may be adversely affected by economic changes, increases in fuel and operating costs, labor relations, insurance costs and government regulations. The utilities sector is subject to significant government regulation and oversight, and may be adversely affected by increases in fuel and operating costs, rising costs of financing capital construction and the cost of complying with U.S. federal and state regulations, among other factors.
- Inflation-Indexed Bonds – Unlike a conventional bond, whose issuer makes regular fixed interest payments and repays the face value of the bond at maturity, an inflation-indexed bond provides principal and interest payments that are adjusted over time to reflect a rise (inflation) or a drop (deflation) in the general price level for goods and services. Although inflation-indexed bonds seek to provide inflation protection, their prices may decline when interest rates rise and vice versa. In the event of deflation, the U.S. Treasury has guaranteed

that it will repay at least the face value of an inflation-indexed bond issued by the U.S. government. However, if an inflation-indexed bond is purchased at a premium, deflation could result in a loss. Any increase in principal for an inflation-indexed bond resulting from inflation adjustments is considered by the Internal Revenue Service to be taxable income in the year it occurs. An ETF holding an inflation-indexed bond pays out (to shareholders) both interest income and the income attributable to principal adjustments in the form of cash or reinvested shares, and the shareholders must pay taxes on the distributions.

**Private Capital & Private Funds** – These type of investments are speculative and entail substantial risks, including, among others: dependency on key individuals, risks associated with options and futures, litigation risk, valuation risk, risks arising from the use of portfolio margin, risks related to the public debts, commodities and derivatives markets, and the risk related to global asset allocation strategies.

**Third Party Data** – Further, specifically for all of SGI’s investment strategies, there is a risk of loss associated with our use of third-party data and risk models in managing client portfolios.

### **Other Important Risks:**

- Natural and human disruptions including natural disasters, severe weather events, climate change, earthquakes, fires, war, terrorism, health pandemics and other public health crises, pollution.
- Operational & Trading Risk - Operational risk, such as breakdowns or malfunctioning of essential systems and controls can impact our ability to perform key functions, including managing Client Accounts. Personnel and organizational changes can materially affect such risks.

Similarly, disruptions in the electronic trading and other systems (resulting from system upgrades or other reasons) and troubles at the exchanges through which orders are executed (resulting from, among other things, extreme market volatility) could interrupt trading and availability of timely execution could diminish substantially. If this occurs during periods of volatility, substantial losses may be incurred.

- Model Portfolio Risk - A Model Portfolio’s use of a particular investment style might not be successful when that style is out of favor. Furthermore, any imperfections, limitations, or inaccuracies in Model Portfolios could affect the viability of the Model Portfolio, and the data and research used to manage the Model Portfolios may be inaccurate and/or may not include the most current information available.

## **9. Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Summit Global Investments or the integrity of SGI’s management. There are no employees of SGI with any history of disciplinary action, nor do the principals of SGI have any disciplinary action against them.

## **10. Other Financial Industry Activities and Affiliations**

SGI is not a broker-dealer, or a registered representative of a broker-dealer. Registration with a state or the SEC does not imply a certain level of training. No SGI management persons are registered representatives or registered as broker/dealers.

Neither SGI nor any of its management persons are registered futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Summit Global, LLC, a Delaware limited liability company, is a holding company that serves as the parent company for Summit Global Investments, LLC.

SGI serves as the Managing Member and Investment Manager to the SGI Timpanogos Fund, LP.

These entities are affiliated through common ownership.

Other Affiliations – none.

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

### **Code of Ethics**

Summit Global Investments has developed a code of ethics based on the principle that all employees of the company have a fiduciary duty to place the interest of clients ahead of their own and SGI's. The code of ethics applies to all employees, directors, officers, partners or members of the company who agree to avoid activities, interests and relationships that might interfere with making decisions in the best interests of SGI's clients. The code of ethics covers such areas as fiduciary duty, confidentiality, gifts, reporting, record keeping and personal securities trading. SGI requires annual certification of compliance with the company's code of ethics. The code of ethics is available to all clients upon request.

### **Conflicts of Interest**

SGI manages multiple investment vehicles for which it receives compensation. SGI believes that the investment documents provided to each client contain the most significant conflicts of interest associated with any particular prospective investment. SGI encourages investors to carefully consider the conflicts of interest outlined in the offering materials for any prospective investment.

### **Participation or Interest in Client Transactions**

It is SGI's express policy that no person employed by SGI shall effect for himself or herself or for his or her immediate family (i.e. spouse, minor child) (collectively "associated persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of SGI's clients, unless in accordance with firm policies and procedures. Utilizing the firm policy procedures, SGI, or advisory representatives of the firm, may buy or sell – for their personal account(s) – investment products identical to those recommended to



clients when these securities are widely held and publicly traded and only in accordance with the firm policy.

### **Firm Policy**

In order to implement SGI's investment policy, the following procedures have been put into place with respect to SGI and its associated persons:

1. If SGI is purchasing or considering for purchase any security on behalf of SGI's client, no associated persons may transact in the security prior to the client purchase having been completed by SGI, or until a decision has been made not to purchase the security on behalf of the client; and
2. If SGI is selling or considering the sale of any security on behalf of SGI's client, no associated person may transact in the security prior to the sale on behalf of the client having been completed by SGI, or until a decision has been made not to sell the security on behalf of the client. SGI does not recommend securities in which the firm has a material financial interest.

### **Exceptions**

1. This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of SGI's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records in these trades, including reasons for the exceptions, will be maintained with SGI's records in the manner set forth above. Should this type of trading occur, a conflict of interest may exist depending upon the price at which these trades are either purchased or sold.
2. It is further noted that SGI's investment advisory business is in and shall continue to be conducted in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, SGI has adopted a firm-wide policy statement outlining insider-trading compliance by the firm, and the associated persons and other employees.

Example: There could be a potential conflict of interest if an employee of SGI knew that SGI was going to be buying a particular security in a large quantity and prior to that happening, the employee bought the same security for himself or herself in their own account. After that, if SGI bought that same security in large share amounts, the stock price could be affected which would benefit the employee unfairly. Should this type of trading occur, a conflict of interest may exist.

## **12. Brokerage Practices**

### **Investment or Brokerage Discretion**

As mentioned in Section 4 and Section 16, SGI manages clients' accounts on a discretionary basis. SGI may utilize its discretionary authority to determine: 1) the securities to be bought or sold; and 2) the amount of the securities to be bought or sold. However, these purchases may be subject to specified investment objectives and guidelines. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the portfolio, or a client may place restrictions on holding particular stocks.

Certain factors are considered by SGI when recommending which custodians a client should use. These include; the custodian's financial strength, pricing, execution of trades, servicing, technology platforms and reputation. SGI does not receive any free research, client referrals, or any other form of soft dollar benefits for placing client accounts with any particular broker/dealer or custodian.

With respect to the SGI Funds (sold by prospectus only), SGI manages these mutual funds with discretionary authority. SGI also decides which broker-dealers provide best execution and which firms are used to execute trades for the mutual funds.

With respect to individual clients the commissions charged by broker-dealer/custodian firms where a client account is held may be higher or lower than those charged by other broker-dealer/custodians. SGI will not receive any portion of the brokerage commissions and/or transactions fees charged. Security transactions through broker-dealers/custodians and the brokerage commissions and/or transaction fees from designated broker-dealer/custodians directed by clients of SGI are exclusive of, and in addition to, SGI's investment management fee. Although the commissions paid by SGI's clients shall comply with SGI's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction.

With respect to sponsored investment management programs, SGI is directed to place trades with certain broker-dealers. As a result, the sponsored accounts may trade before or after other advisory client accounts of SGI depending upon when changes to the sponsored program portfolios are actually traded. This may result in sponsored accounts receiving less favorable execution.

Certain clients may direct SGI in writing to execute trades with a specific broker-dealer, for some or all of their transactions. SGI will acknowledge the receipt of such instructions to the client and will execute the transactions at the negotiated rate the client has with the specified broker-dealer. As a result, the client may incur higher transaction charges, less favorable execution or net prices compared to another broker-dealer.

SGI will always work with broker-dealers to negotiate competitive rates. SGI may not necessarily obtain the lowest possible commission rates for client account transactions. SGI will aggregate the purchase and/or sale of securities for various client accounts when it has the opportunity to do so and where it is cost effective. This will ensure that all accounts receive the same execution prices on trades of the same security.

### **13. Review of Accounts**

SGI periodically reviews client accounts. Client accounts are reviewed by SGI portfolio managers on a regular basis, ranging from daily to monthly depending upon the type of account and investment strategy a client owns. In addition, accounts may be reviewed periodically by compliance officers to determine the appropriate investment mandate and the suitability of the employed strategy(ies) for each client.

Clients will receive statements at least annually directly from their respective custodians. Additionally, clients have full access to their account information electronically from the custodians. SGI may also provide clients with additional information, per client request. Clients should carefully review and compare all statements received from the custodian and/or SGI.

Investors in the mutual funds receive their account statements directly from their respective custodians. SGI does not provide additional reporting to investors in the Summit Global Investments Funds.

#### **14. Client Referrals and Other Compensation**

If a client is introduced to SGI by either an affiliated or an unaffiliated solicitor, SGI may pay a portion of the total advisory fee SGI charges to the introducing solicitor in accordance with the requirements of Rule 206(4)-3 of the Advisors Act and any corresponding state securities law requirements. Any such referral fee is paid solely from SGI's investment management fee. Payment of such compensation may increase expenses associated with the client's account. The solicitor is also required to provide the client with a copy of this disclosure brochure which meets the requirements of Rule 204-3 of the Investment Advisors Act of 1940 and a copy of the solicitor's disclosure brochure containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of SGI is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this disclosure brochure at the time of the solicitation.

#### **15. Custody**

Regulators define custody, as it applies to registered investment advisors, as having access or control over client funds and/or securities. Upon the completion of an investment advisory agreement with SGI, in certain cases SGI is given the authority to deduct investment management fees directly from clients' accounts. To the extent that SGI deducts fees directly from a clients account, SGI is deemed to have custody. As set forth in Item 13 above, all clients receive statements directly from their custodian at least quarterly. SGI does not physically hold any client funds and/or securities. SGI will only manage accounts for clients that are maintained with a qualified custodian.

#### **16. Investment Discretion**

Summit Global Investments manages all clients' accounts with discretionary authority. To receive discretionary authority from each client, SGI requires an investment advisory agreement at the outset of an advisory relationship. In all cases, however, such discretion to select the identity and amount of securities to be bought and sold is to be exercised in a manner consistent with the stated investment objectives for each particular client account.

When selecting securities and determining amounts, SGI observes the investment policies, limitations and restrictions of the clients for whom SGI advises. Similar to investment policy guidelines, adherence to ERISA regulations is also a primary concern at SGI. In the course of normal business activity, SGI does not engage in the type of transactions contemplated by the prohibited transaction provisions of ERISA other than those for which there is an exemption under ERISA. With respect to the Summit Global Investments Funds and any future clients that are registered investment companies, SGI's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients with specific investment guidelines and restrictions must provide to SGI in writing these parameters as part of the executed investment advisory agreement or as an addendum to the investment advisory agreement.

## **17. Voting Client Securities**

SGI has the authority to vote securities on behalf of its current clients. SGI's proxy voting policies and procedures are designed to identify potential conflicts of interest and ensure that proxies are voted in the best interest of clients. Proxies are reviewed on a case-by-case basis to determine the impact on the portfolio. Any person involved in SGI's proxy voting process must disclose any potential conflict of interest in which he or she is aware.

Clients with separate accounts that hold individual securities vote their own proxies, unless that responsibility is assigned to SGI and agreed to by SGI in the investment advisory agreement. Clients may obtain a copy of SGI's proxy voting policies and procedures and information about how the firm voted by contacting SGI at 888-251-4847.

## **18. Financial Information**

SGI does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As such SGI does not include a balance sheet in this filing. Nor does SGI have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.