

# Summit Financial Advisors, Inc.

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of Summit Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 513-424-6300. 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 Advisors, Inc. is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Summit Financial Advisors, Inc.’s most recent update to Part 2 of Form ADV was made in June 2022. Summit Financial Advisors, Inc.’s business activities have not changed materially since the time of that update.

## Table of Contents

|   |   |
|---|---|
| Material Changes.....   | 2 |
| Table of Contents .....   | 2 |
| Advisory Business.....  | 2 |
| Fees and Compensation.....  | 3 |
| Performance Based Fees and Side-by-Side Management.....                                     | 4 |
| Types of Clients.....   | 4 |
| Methods of Analysis, Investment Strategies and Risk of Loss .....                           | 4 |
| Disciplinary Information .....  | 6 |
| Other Financial Industry Activities and Affiliations .....                                  | 6 |
| Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... | 6 |
| Brokerage Practices .....   | 7 |
| Review of Accounts .....  | 8 |
| Client Referrals and Other Compensation.....  | 8 |
| Custody.....  | 8 |
| Investment Discretion.....  | 9 |
| Voting Client Securities .....  | 9 |
| Financial Information .....   | 9 |

## Advisory Business

Summit Financial Advisors, Inc. primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities. Summit Financial Advisors, Inc. generally invests client assets in mutual funds and exchange traded funds (“ETFs”).

Summit Financial Advisors, Inc. works with each client to establish an appropriate investment profile. Clients choose from growth, balanced, and conservative strategies, and can impose reasonable restrictions on Summit Financial Advisors, Inc.’s management of their accounts.

Summit Financial Advisors, Inc. was founded in 2007 and is owned by Roger L. Miller, CFP®, Peter B. Miller, CFP® and Ellen M. Weed, CFP®. As of June 2022, Summit Financial Advisors, Inc. managed \$166,881,843 on a discretionary basis on behalf of approximately 369 accounts. On a non-discretionary basis, Summit Financial Advisors, Inc. managed \$3,427,011 on behalf of approximately 36 accounts.

## Fees and Compensation

Summit Financial Advisors, Inc. charges most of its clients an annual investment management fee based on the following schedule:

| <u>Assets under management</u>                       | <u>Annual Fee</u> |
|--|-------------------|
| First \$1,000,000                                    | 0.90%             |
| Amounts in excess of \$1 million & up to \$2 Million | 0.75%             |
| Amounts in excess of \$2 Million & up to \$4 Million | 0.50%             |
| Amounts in excess of \$4 Million & up                | 0.35%             |

Summit Financial Advisors, Inc. has waived or negotiated lower or higher fees for certain clients, such as charitable organizations or employees' family members.

Summit Financial Advisors, Inc. imposes a minimum annual fee of \$4,500, which may be waived or reduced.

Summit Financial Advisors, Inc. offers advice on an hourly rate basis for clients who do not meet the \$500,000 household minimum. Advice includes investment consulting, education planning, retirement plan consulting, risk management planning, tax planning and estate planning. The hourly rate ranges from \$250 - \$400 per hour. General guidelines for the number of hours needed for each area are as follows:

|                             |         |
|-----------------------------|---------|
| Investment Consulting:      | 3 hours |
| Education Planning:         | 1 hour  |
| Risk Management Planning:   | 2 hours |
| Retirement Plan Consulting: | 2 hours |
| Tax Planning:               | 2 hours |
| Estate Planning:            | 2 hours |

The number of hours in the guidelines above can be lower or higher, depending on client circumstances.

Summit Financial Advisors, Inc. charges fees quarterly in arrears based on the account value at the end of the prior quarter. Most clients authorize Summit Financial Advisors, Inc. to deduct fees automatically from their brokerage accounts, but clients may request that Summit Financial Advisors, Inc. send quarterly invoices to be paid by check.

If a client terminates the investment management agreement with Summit Financial Advisors, Inc. in the middle of a billing period Summit Financial Advisors, Inc. will invoice the client for an amount that is pro-rated based on the number of days that the account was managed.

In addition to Summit Financial Advisors, Inc.'s investment management fees, clients bear trading costs and custodial fees. To the extent that clients' accounts are invested in mutual funds, these funds charge a separate layer of management, trading, and administrative expenses.

Roger Miller and Dennis Vitori, who provide investment advice on behalf of our firm, are licensed as insurance agents and will earn commission-based compensation for selling insurance products, including insurance products they sell to you. The commissions received for the sale of insurance products are in addition to the advisory fees described above. This creates a conflict of interest as the receipt of commissions creates an incentive to recommend insurance products for the receipt of the commissions rather than the needs of the client. We mitigate this conflict by only recommending insurance products to clients when it is in line with the client's investment objectives and the client has been fully comprised of any charges involved. Clients are under no obligation to purchase the insurance products recommended to them.

## **Performance Based Fees and Side-by-Side Management**

Summit Financial Advisors, Inc. does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to Summit Financial Advisors, Inc.

## **Types of Clients**

Summit Financial Advisors, Inc. primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit sharing plans, and other legal entities.

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

### **Methods of Analysis and Investment Strategies Generally**

Summit Financial Advisors, Inc.'s personnel work together to conduct fundamental analysis on all securities recommended for client accounts. This analysis varies depending on the security in question.

For mutual funds and ETFs the analysis generally includes a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

Summit Financial Advisors, Inc.'s Investment Committee is led by Matthew A. Weed, CFA®, CFP®. It also includes Roger L. Miller, CFP® and Ellen M. Weed, CFP® and Peter B. Miller, CFP®. The Investment Committee convenes quarterly to discuss global market conditions and

outlooks, as well as existing and prospective investments. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures.

Summit Financial Advisors, Inc. primarily invests for relatively long time horizons, often for a year or more. However, market developments could cause Summit Financial Advisors, Inc. to recommend selling securities more quickly.

Depending on a client's investment objectives, Summit Financial Advisors, Inc. might recommend option writing. The use of option writing poses additional risks that are discussed in detail with any clients who are considering the use of these investment vehicles.

### Summary of the Principal Investment Risks

**Fundamental Analysis** - Summit Financial Advisors, Inc. utilizes an investment process based upon fundamental business and credit analysis; capital structure and liquidation analysis, a review of documentation surrounding an issuer's securities and identification of an investment catalyst.

In making its investment decisions, Summit Financial Advisors, Inc. will rely on internally generated research, derived from annual reports, prospectuses, filings with the SEC, corporate press releases, inspections of corporate activities, conversations with the firm and/or competitors, financial newspapers, magazines and other sources. Summit Financial Advisors, Inc. may also use research materials prepared by others in making an investment decision. During the research process, Summit Financial Advisors, Inc. makes an assessment of the quality of the security in question by examining among other things financial metrics of the relevant company, the integrity and strategic vision of the management team and the ability to execute such strategy, as well as the attractiveness and risks of the company's industry.

**Stock market risk** - The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

**Information relied on could turn out to be wrong** - Summit Financial Advisors, Inc. selects investments based, in part, on information provided made directly available to Summit Financial Advisors, Inc. by the issuers or other sources. Summit Financial Advisors, Inc. is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

**Failure to identify successful companies** - Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing any anticipated value.

**Investing in securities entails risks associated with the underlying business** - Investments in securities entails all the risks associated with the underlying businesses, including reliance on a company's managers and their ability to execute business strategies. In addition, all businesses face risks such as adverse changes in regulatory requirements, interest rate and currency

fluctuations, general economic downturns, changes in political situations, market competitions and other factors. Summit Financial Advisors, Inc. will not have day-to-day control over any company in which it invests for clients.

**Investing in securities is inherently risky** - An investment in individual securities or in a portfolio of securities could lose money. The investments selected by Summit Financial Advisors, Inc. should be deemed speculative investments and are not intended as a complete investment program. These types of investments are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of their entire investment. Summit Financial Advisors, Inc. cannot give any guarantee that it will achieve its investment objectives or that any client will receive a return of its investment.

The descriptions of risk factors contained above are a brief overview of different market risks related to Summit Financial Advisors, Inc.'s investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management of client accounts.

## **Disciplinary Information**

Summit Financial Advisors, Inc. and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

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

Roger Miller and Dennis Vitori, who provide investment advice on behalf of our firm, are licensed as insurance agents and will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

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

Summit Financial Advisors, Inc. has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires Summit Financial Advisors, Inc. and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Summit Financial Advisors, Inc.'s restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of Summit Financial Advisors, Inc.'s code of ethics is available upon request.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients, but the Chief Compliance Officer might not allow the security to be purchased for client accounts in order to avoid even the appearance of employees trading ahead of clients. In Summit Financial Advisors, Inc.'s experience, it is rare for an employee's personal trading to limit clients' investment opportunities, but such a situation may arise from time to time.

## **Brokerage Practices**

Summit Financial Advisors, Inc. generally recommends that clients arrange for their assets to be held with Charles Schwab and Co., Inc. Summit Financial Advisors, Inc. has managed client assets held at Charles Schwab and Co., Inc. for many years and has found Charles Schwab and Co., Inc. to offer good services at competitive prices.

### Soft Dollar Benefits

Summit Financial Advisors, Inc. receives certain products and services from Charles Schwab and Co., Inc. free of charge or at discounted rates. These products and services include:

- The receipt of duplicate client confirmations, statements, and other account information;
- Direct advisory fee debiting capabilities;
- Access to an electronic network for order entry, including the simultaneous entry of trades on behalf of multiple client accounts;
- A portfolio management system and software that supports Summit Financial Advisors, Inc.'s research processes.

Summit Financial Advisors, Inc. does not believe that clients whose accounts are held by Charles Schwab and Co., Inc. bear any additional costs in connection with Summit Financial Advisors, Inc.'s receipt of the products and services. Furthermore, Charles Schwab and Co., Inc.'s provision of these products and services is not contingent upon Summit Financial Advisors, Inc. formally committing any specific amount of business to Charles Schwab and Co., Inc. However, Summit Financial Advisors, Inc. would not receive these products and services if client accounts were not held in custody and traded by Charles Schwab and Co., Inc. Summit Financial Advisors, Inc.'s receipt of these products and services creates a conflict of interest in connection with Summit Financial Advisors, Inc.'s recommendation of Charles Schwab and Co., Inc. Also, some of the products and services listed above benefit clients whose accounts are held by other custodians, which could create a conflict of interest between the clients at Charles Schwab and Co., Inc., who are indirectly paying for the products and services, and the clients at other custodians who may benefit from the products and services.

### The Selection of Trading Counterparties

For clients who elect to have their accounts held by firms other than Charles Schwab and Co., Inc., Summit Financial Advisors, Inc.'s approach is generally to recommend trading stocks, mutual funds, and ETFs with the chosen custodian.



### Best Execution Reviews

On at least an annual basis Summit Financial Advisors, Inc.'s Chief Compliance Officer and other senior executives evaluate the pricing and services offered by Charles Schwab and Co., Inc. and other trading counterparties with those offered by other reputable firms. Summit Financial Advisors, Inc. has sought to make a good-faith determination that Charles Schwab and Co., Inc. and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by Summit Financial Advisors, Inc.'s receipt of products and services from Charles Schwab and Co., Inc. Historically Summit Financial Advisors, Inc. has concluded that Charles Schwab and Co., Inc. is as good as, or better than, the other firms that have been considered. Summit Financial Advisors, Inc. would notify its clients if it were to determine that another firm offered better pricing and services than Charles Schwab and Co., Inc.

### Client Referrals

Summit Financial Advisors, Inc. does not compensate Charles Schwab and Co., Inc. or any other custodian or broker/dealer for referring client accounts.

## **Review of Accounts**

Accounts under Summit Financial Advisors, Inc.'s management are monitored on an ongoing basis by the Investment Committee members and the Chief Compliance Officer. The Investment Committee members review each account in detail on at least an annual basis, as well as in connection with each client meeting. On at least a quarterly basis the Investment Committee members and the Chief Compliance Officer review a number of reports that are designed to identify accounts that are outside the expected ranges for returns, exposure to asset classes, and exposure to industry sectors. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. Summit Financial Advisors, Inc. may supplement these custodial statements with reports provided during client meetings or as requested.

## **Client Referrals and Other Compensation**

Other than the previously described products and services that Summit Financial Advisors, Inc. receives from Charles Schwab and Co., Inc., Summit Financial Advisors, Inc. does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

## **Custody**

Summit Financial Advisors, Inc. does not maintain custody of your assets [that we manage/on which we advise], although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account. Under government regulations, we are deemed to



have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account [or if you grant us authority to move your money to another person's account]. For this reason Summit Financial Advisors, Inc. is considered to have custody of client assets. Your assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any periodic account information provided by Summit Financial Advisors, Inc.

## **Investment Discretion**

Summit Financial Advisors, Inc. does not have investment discretion over all clients' accounts.

## **Voting Client Securities**

In most circumstances, Summit Financial Advisors, Inc. does not vote proxies or offer advice on corporate actions. In these cases, it is the client's responsibility to vote proxies.

In the rare case that the client asks, and we agree to vote proxies for their accounts, we will review each specific situation and make sure we do what is best for the client. We will be sure to review the decisions and results of these proxies with the client before we cast our votes.

## **Financial Information**

Summit Financial Advisors, Inc. has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.