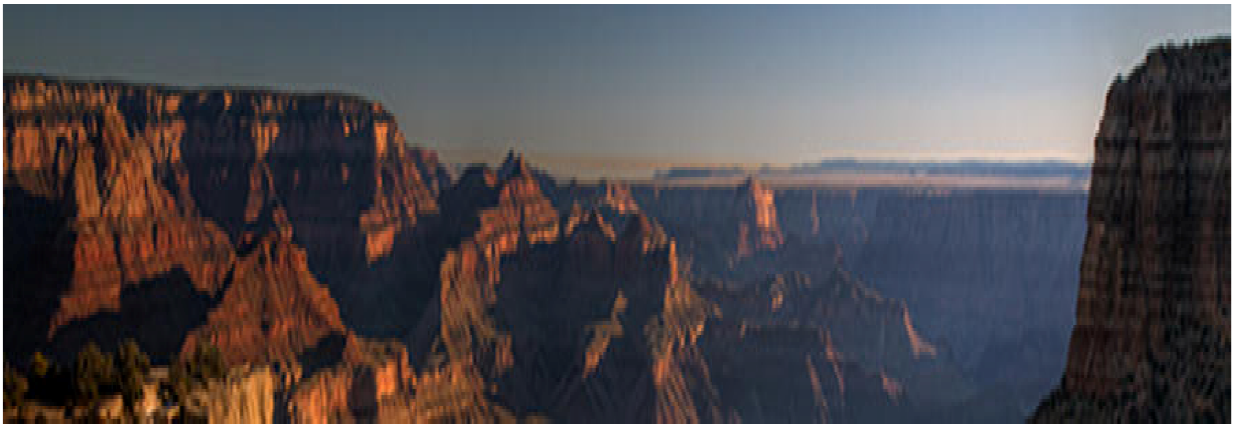


AN INTRODUCTION TO:

BlackSummit Financial Group



395 Chandamere Way
Nicholasville, KY 40356
Phone: +1-859-305-0602
Web: www.BlackSummitfg.com

About Us

BlackSummit is a boutique-style, discrete, independent financial consulting and asset management firm that focuses on the preservation, advancement, and stewardship of wealth. We believe that wealth creation is at the center of a productive society that desires to preserve and grow its capital stock. Our approach is intellectually honest, transparent, disciplined, respectful, and free from conflicts of interest.

Our goal is to increase the substantive value of our clients' capital faster than the central banks of the world can depreciate the value of the money used to measure it. Our first and foremost goal is always to preserve and grow our client's wealth, based on their individual risk profile, and investment goals by using investment strategies that are rules-based, anchored, and hedged. We do not measure our performance against an arbitrary index, as is traditionally done, but rather our client's definition and expectation of a reasonable rate of return required to maintain one's standard of living or accomplish one's target level of wealth.

Informed by economic expectations, tested strategies, and several decades of experience, BlackSummit is well positioned with valuable resources to be a dependable advisor to our clients. We seek first to understand our clients, their risk appetite, their needs and interests. We do not pretend to be all things to all people. We aim to add value to what is typically an already valuable situation but needs additional coordination, clarity, management expertise, or valuable economic insight.

Our client's mandate is the guide that governs the risk level in the particular portfolios we use. BlackSummit, through its affiliate firms and associates, also provides corporate, institutional and government consulting services in the areas of capital formation (debt, equity, convertible and other forms of hybrid capital), restructuring and growth-oriented turnaround strategies.

Our services focus on three areas, namely: wealth and asset management, corporate advisory, and special situations. In the next few paragraphs we elaborate on those services.



Sam Smith via Getty Images

The BlackSummit Philosophy on Wealth Management

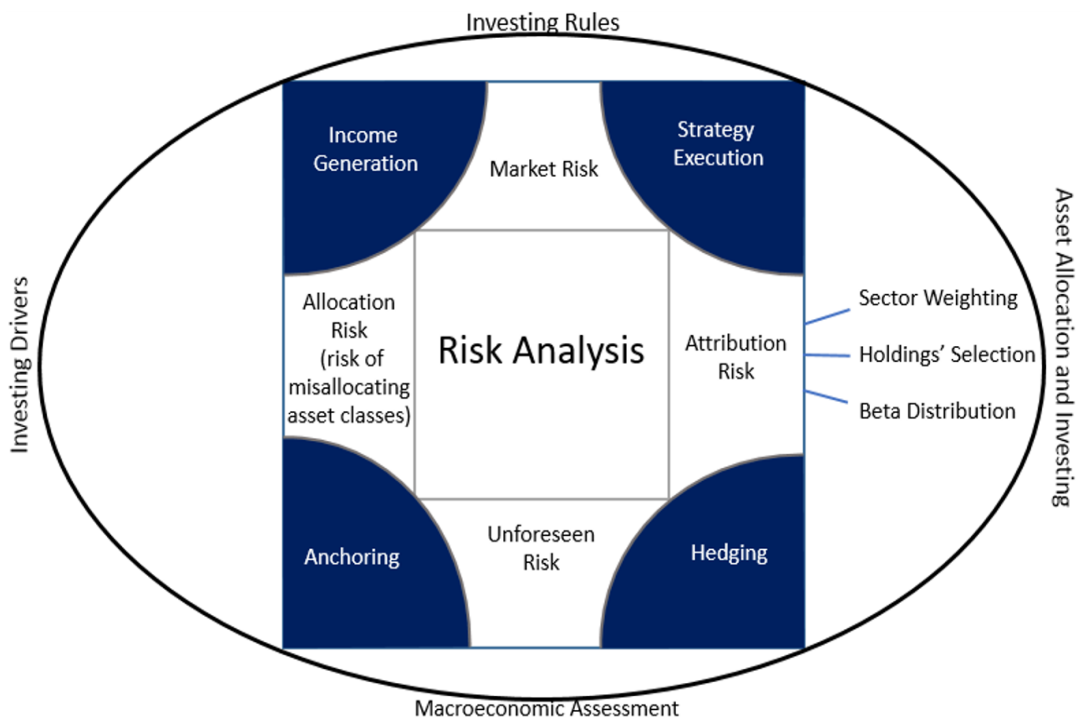
BlackSummit Financial Group’s (BFG) investment process centers on a holistic approach in evaluating the global economic landscape and the ramifications that the unraveling of global developments may have on portfolio allocation and investment decisions. No investment plan can adequately minimize risks and generate returns without a tested strategy and principled worldview of global markets. The increasing interconnectedness of the global economy demands an approach that can identify the various ways risks can manifest themselves and hedge against them according to the investment objectives.

We have two models on wealth and asset management services. The first is a discretionary approach where, through our custodian, we directly execute trades and strategies on behalf of the client. The second is through asset advisory services, where the client retains their existing managers and custodians and we act as economic/financial physicians providing a second opinion where we advise the client on possible strategies and trades. This second approach is fully explained below.

Our attention to the global environment is at the core of our process and distinguishes us in the industry. We utilize our synthesis and analysis of global economic events to identify areas of vulnerability and opportunity, employing tactics and strategies to protect wealth and make capital grow in the applicable sectors, asset classes, and regions, while maximizing the potential income streams that the client can have. Our analysis gains significantly from incorporating the views of our global network.

In today’s volatile markets it is essential to leverage the expertise of a firm that has a global macroeconomic viewpoint to ensure that your investment portfolio is positioned for optimal growth and protected in the event of a market downturn or economic shock. BFG has a track record of pointing out macroeconomic risks before they impact the markets. Being able to hedge against these risks is a major part of the risk mitigation function BlackSummit offers its clients. Our goal in risk mitigation is for you to realize a stable rate of return consistent with your investment goals rather than merely settling for the mean return between the highs and lows of the market swings.

Our investment philosophy and process can be seen in the following schematics:

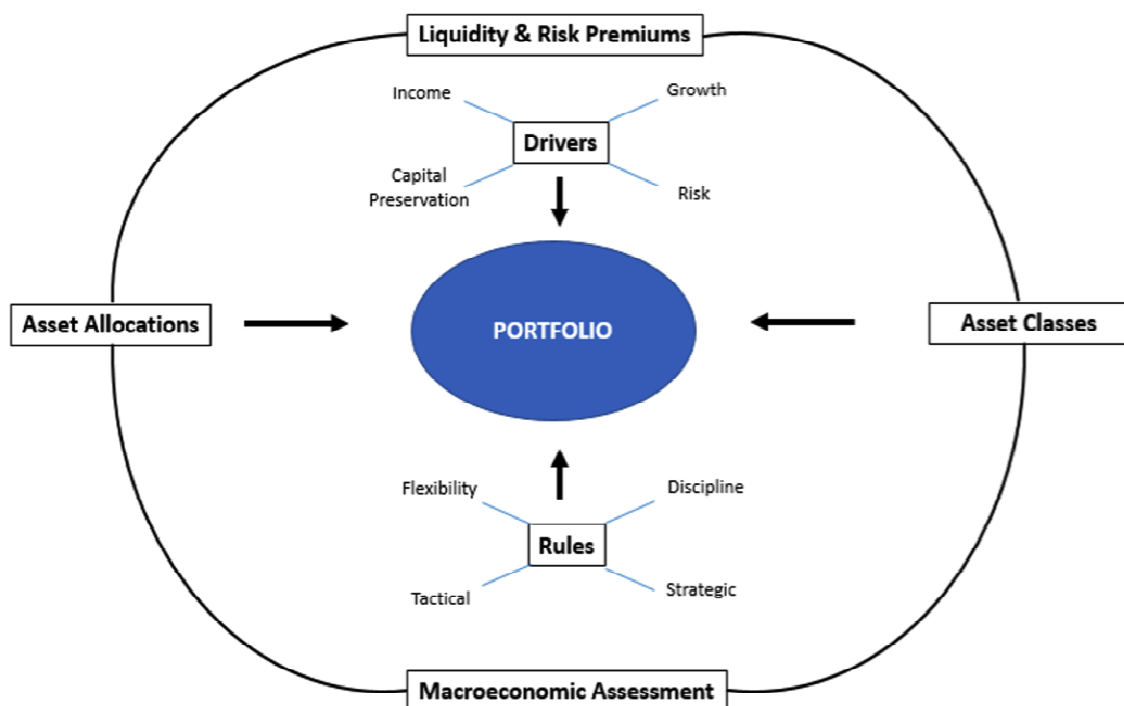


Our analysis has two components, namely the perimeter and the core. We start by analyzing the macroeconomic risks (perimeter). For example, if managers had missed the risks accumulated through derivatives prior to the 2008 financial crisis, they would have suffered significant losses. Following the macro-assessment, we evaluate the investing drivers (such as growth or income needs. Those drivers can be seen in the schematic below). We believe that any portfolio needs to be guided by rules. A portfolio strategy that is not guided by rules is misguided and will fail in the long term. In order to close the perimeter's circle we evaluate the possible asset allocation based upon the previous three steps (e.g. if the macro-environment points to rising long term rates, we will reduce bond exposure).

We proceed with the core analysis, which is centered on assessing the client's risk profile using quantitative as well as qualitative criteria. Risk assessment is at the center of our core analysis since it will guide the customized investment strategy recommended. We assign a score to the client's risk appetite, and we customize an investment strategy based on that score. Our investment strategies take into account market risk, potential black swan events, and proper diversification principles. Finally, our analysis takes into account the value at risk and conducts an attribution analysis to make sure that the client's risk tolerance and goals are met.

As we unfold our customized recommendations, and as the schematic above shows, it is our belief that a portfolio needs to be anchored using assets that have proved their intrinsic value over time. Therefore, we may recommend a percentage (usually small) of a portfolio to be anchored on such assets, as part of a hedging strategy. A further example of a hedging strategy we may recommend is a covered call approach that generates premiums for the client while also partially protecting the portfolio in a downturn.

While examining different asset classes (debt, equity, hybrid, real estate, commodities, alternatives, private equity, etc.) for strategy deployment as the schematic below shows), we also take into account the client's growth goals. Moreover, we perform simulations in order to examine the effects that different possible scenarios might have on the portfolio.



We are of the belief that any strategy should be rules-based, executed with conviction, be of strategic nature, while have a built-in flexibility for tactical re-adjustments (and hence liquidity considerations).

Investment Strategy

Principles of BFG's Overall Philosophy & Practice

- Preservation of capital and sufficient safety margin when deploying said capital
- Bias for portfolio holdings and assets that do not have counterparty risk
- Sustained income streams from asset classes that have intrinsic value. Consideration is given to free cash flow and debt coverage in addition to dividend yield
- Macroeconomic, sector, and company-specific fundamentals guide the core of portfolio holdings, while we are assessing the cyclical component of risk
- When uncertainty and high volatility prevail we employ hedging strategies in order to mitigate risk and preserve capital including the use of stop orders and option trades (as explained above)
- Exploit inefficiencies in the market using various options strategies to enhance portfolio return.
- Once a target has been achieved, outright profit-taking, position reduction and/or stop loss measures may be employed to ensure that we lock in existing profit and protect against a possible period of consolidation
- A global perspective that analyzes market fundamentals while considering geopolitical dimensions
- The risk profile of the investor will guide the particular strategy utilized which will be rules-based



BFG on Investing

- Our perspective on investing includes (among others) the following elements:
- Identification of dormant assets that have intrinsic value
- Asset classes whose value is below its historic 3-5 year average (cyclically adjusted) and whose business generates sufficient and growing earnings. Emphasis is placed on dividend growth history
- Businesses that have a significant market share, enjoy some barriers to entry, and whose competitive advantage separates them from the crowd
- Businesses that have profit margin power, sufficiently positive free cash flow, and pay a healthy dividend that is significantly above the 10-year Treasury note
- Businesses whose management has exhibited strategic competencies demonstrated in growing sales, executed with professional ethical power
- Historically strong balance sheets with major emphasis on prudent use of leverage
- Exploiting ETFs of industries and sectors that hold the above principles and goals

- Mr. Market - as Benjamin Graham would have said – offers opportunities based upon ephemeral trends and mood swings. Based on our principles and value position we evaluate market-entry and exit points in order to take advantage of those opportunities
- If we believe that a particular asset class and/or a particular security has reached bubble territory and is unsustainable then we would not hesitate to short that particular asset class and/or security
- A minimum amount of cash (or cash equivalents) is preserved for those opportunities
- In times of uncertainty we utilize options strategies (covered calls, vertical spreads, etc.) that are intended to generate returns in accordance with the client's mandate and risk profile



The BlackSummit Team

BlackSummit's Leadership team boasts a collective resume with seeds in various specialties from banking (investment and commercial), business, economics, legal, regulatory, and other areas. Every corner of our business – from corporate advisory to portfolio strategy – reaches around the world. Our diverse skills give us a well-rounded foundation to approach your needs. Together our team has provided advice and consultation in the billions of dollars to various clients, ranging from the individual investor, to institutional funds, as well as government bodies. In the past few years our team has worked extensively with a diverse set of prestigious institutions such as TPG Capital, Fortress Investment Group, Morgan Stanley, J.P. Morgan Chase, US Bank, Barclays, Citigroup, BMO Capital Markets, Deutsche Bank, BNP Paribas, Credit Suisse, Apollo Global Management, Oaktree Capital Management, MC Capital Partners, UBS, Pinebridge, Citic Group (to name a few) providing advisory and financial services in matters of asset allocation, private equity, portfolio restructuring, hedging strategies, alternative investments and more.

The following are members of our leadership and advisory teams:

DALE AHEARN

Dale is a senior member of the Frost Brown Todd LLC law firm. Dale's practice concentrates on commercial banking, corporate financing, and real estate. Dale also sits on the board of U.S. Bank, one of the largest commercial banks in the United States.

AHMAD AL-SATI

Mr. Ahmad Al-Sati serves as Managing Director of Albright Capital Management, a private equity firm specializing in emerging markets. He has been Senior Vice President of Plainfield Asset Management and a Member of the Plainfield's private portfolio group since July 2008. Mr. Al-Sati is an investor and restructuring professional with over 12 years of direct experience in private equity, lending transactions and other special situations in areas including Africa, Europe, Asia and the Americas. Mr. Al-Sati was also Chairman of two renewable energy companies. He holds a JD from Columbia Law School and an MBA from the Stern School of Business.

JOEL CHARALAMBAKIS

Joel has been working for BlackSummit since 2014. Prior to that he worked in the energy sector as a consultant to municipalities and Fortune 500 companies. Joel is responsible for generating investment ideas and strategies, and ensuring their execution. He also contributes to BlackSummit's periodic publications. Joel helps monitor BlackSummit's tools designed to align client portfolios with their designated risk tolerance level. He holds a degree in Financial Mathematics and a Master's in Diplomacy from the Patterson School of Diplomacy. He is currently pursuing his MBA at Vanderbilt University.

JOHN CHARALAMBAKIS

John holds a Ph.D. in Economics and an MBA with an emphasis on macro-trends and financial markets. John has been a Professor of Economics and Finance, as well as an advisor on asset allocation, for over twenty years. John has worked as a consultant for government agencies, corporations, and non-profit groups in several countries, including providing recent support to the Congressional Financial Crisis Inquiry Commission. He is the author and editor of books and numerous articles related to economics, finance, and investments. John is the Managing Director of the BlackSummit Financial Group.

DAVID COULLIETTE

David holds a Ph.D. in computational Mathematics from Florida State University. He has over twenty five years of experience in scientific and economic simulation and modeling. David is a retired military officer with the US Air Force and has expertise on modeling, defense policy analysis, and acquisitions infrastructure. David's focus in BlackSummit is to build financial models based on risk characteristics and to assist in simulating portfolios under different scenarios.

EVA ECONOMOU

Eva holds degrees in Chemical Engineering from the Athens Technical University (EMP) and in Economics from the University of Piraeus, Greece. Eva has over 20 years of experience in banking, particularly in the areas of investment banking, structured and project financing, working with leading investment banks such as BNP Paribas and National Bank of Greece. Eva is a Managing Director of BlackSummit Capital LLC.

RODNEY JOHNSON

Rodney is a Certified Public Accountant (CPA) and received a B.A. in Accounting from Asbury University. His experience includes working for a Fortune 500 company in the investment advisory sector, non-profit accounting, international development and relief coordination. As member of the BlackSummit team, Rodney's focuses on reporting and research.

CHRIS KANE

Chris received a B.A. in Economics and Geography from Columbia University. Chris began his 27-year career in finance focusing on mergers and acquisition investment banking at First Boston before joining Salomon Brothers earning Institutional Investor's top honors for distressed research. While at Salomon Brothers he joined their fixed income arbitrage group responsible for global credit investing. As a portfolio manager at Moore Capital Management and Tudor Investment Corporation, Chris invested nearly \$1 billion in corporate loans, bonds and equity annually before starting his own corporate opportunity hedge fund. Chris has actively invested in over 25 countries, often in complex corporate restructurings.

KENNETH RIETZ

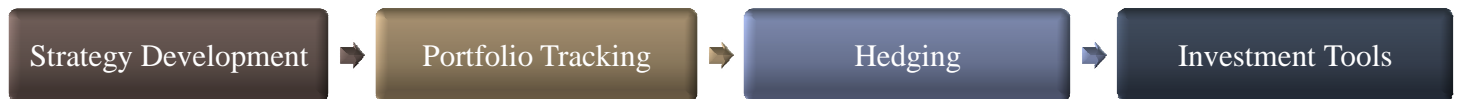
Ken holds a Ph.D. in mathematics, receiving degrees from MIT and the University of Michigan. For many years Ken taught mathematics and modeling which led him to his desire for advanced training in technical analysis and training. Ken is using his training and expertise in order to identify unique ways for investment purposes.

DANIEL STELTER

Dr. Daniel Stelter is the founder of the German discussion forum "Beyond the Obvious", focusing on strategic and macroeconomic issues. Previously, he worked as Senior Partner and Managing Director of the Boston Consulting Group (BCG). From 2003 to 2011, he was in charge of BCG's Corporate Strategy and Finance practice area. Daniel's focus has been on the macroeconomic effects of debt accumulation on corporations and nations. Daniel had authored books and written numerous articles on the subject.

The Advisory Process

Strategy Development



Understanding the client's investment objectives is the first stage to our ability to preserve and enhance capital. Our initial course of action will be to sit and listen to your needs, goals, fears, concerns, and interests. These will be the foundational principles that we will use to care for your funds. We aim to reach a mutual point of understanding where we not only comprehend your goals and how you want your targets achieved, but also have clearly explained to you what we have heard and how BlackSummit plans to assist you in reaching your desired destination.

The strategy development phase then moves on to recognizing the long-term goals, the income needs for living expenses or entity operations, the risk tolerance level, as well as contrasting current portfolio makeup against those goals, needs, and risk-tolerance level through simulations that demonstrate what happens under hypothetical scenarios.

Portfolio Tracking

The second step in the advisory relationship is to develop a process whereby we can appropriately monitor your investments in real-time. If we open an account on your behalf with one of our custodians we will simply import your daily holdings and transactions into our database. We start by importing statements or position data from your custodians about your positions into our own comprehensive system. We utilize this system as the foundation for our decisions and advisory services.

Our process in evaluating your portfolio combines two components. We start by evaluating how trends in the global economy impact the respective opportunities and risks on the different sectors and industries your portfolio is subject to. From there we move on to our second, bottom-up approach where we evaluate how individual companies are exposed to or insulated from these trends. By examining a corporation's financial statements – and sometimes by sitting with some of its executives - we are able to gain insight into whether or not a company complies with the mandate given to the portfolio and where the business falls in the macroeconomy's risks and opportunities. Our overriding mandate is to protect the value of the portfolio in all cases, while seeking reasonable opportunities to grow it. From there, technical analysis is utilized to determine points of entry and exit.

Our system of portfolio tracking allows us to follow relevant news and trends impacting each holding in the portfolio. In our analysis we determine the impact trends may have on the economy, sectors, and individual holdings. If the news is company-related we analyze its potential consequences according to the objectives we have for the portfolio as well as their time-related impact. In all cases, we review those developments and classify them accordingly into categories ranging from noise, to temporary disruption,

to medium-term but tolerable effect, to long-term effect that requires hedging, to systemic which may necessitate a strategy change.

Reviewing your portfolio involves discussions on what assets need to be sold, bought, hedged, or enhanced and how to protect and grow the value of current holdings, according to the agreed-upon goals and objectives pertaining to growth and income needs.

Hedging Strategies

BlackSummit Financial Group directs hedging strategies in three broad scenarios: First, when a brand new position is initiated we consciously place a limit on how much of a loss we are willing to tolerate before exiting. Too often positions are initiated with only the thought of what could go right for the investment and not what could go wrong. Second, hedging strategies are used to protect profits on a specific investment while allowing for continued appreciation if we find the fundamentals favorable. Third, we deploy hedging techniques across our portfolios when we see a heightened risk of an external shock that would pervade all asset classes. The threat of the EU disintegration is a recent example. For instance, we may buy put options, or we may opt for call options on an inverse market ETF or a currency forward to take advantage of a depreciating currency.

Sell-Stop and Trailing-Stop orders are tools we employ to hedge current positions against an adverse turn, allowing for both the ability to limit downward moves and ensure a profit. Both techniques allow us to lock in profits on a position or exit an investment whose losses exceed our tolerance. These practices allow our team to conform to the guidelines and desires you have with your capital. We also explore investing in funds that hold a negative correlation to the market, such as inverse funds, that appreciate in value if markets decline. Bond funds, for example, appreciated in price significantly during recent market volatility.



Investment Tools and Strategy Execution

The overall thesis in our investment approach is centered on three core elements: First, the portfolio cannot be guided by wind blowing and inefficient diversification where holdings are thrown into it without consideration of risk appetite, liquidity considerations, client's objectives, conviction, and strategic focus. We rather opt for a strategy (e.g. value oriented) which will be rules-based, which can be tested over time and simulated under different scenarios.

Second, evaluate holdings that can advance risk parity considerations, mitigate risks, while advancing the income objectives of the portfolio.

Third, explore options that would increase the growth prospects of the portfolio while enhancing the portfolio's income stream.

Our method of investing is open to a variety of instruments, so long as it is consistent with your investment goals. Stocks, bonds, hard assets, mutual funds, commodities, real estate, alternatives, index funds, ETFs, MLPs, private equity, and options are all products that we are comfortable using and crafting to deploy in your portfolio, where appropriate.

When looking to add a position to your portfolio our staff searches for opportunities that provide value and stay true to your investment goals and income needs, while staying compatible with the overall investment strategy that Client and Advisor have agreed to.

We review companies based upon their fundamentals factors such as earnings, debt levels, competitiveness, profit margins, growth in sales and profits, management and vision, reliable cash flows, valuation, etc. Candidates are heavily analyzed and scrutinized when pondering a new position. Technical analysis is utilized to affirm our opinion on an asset while also allowing us to plan points of entry and exit, giving us a clear vision for what to expect and how to behave with the position's future moves.

The prospective position is then offered up for review and discussion to our Investment Committee. If approved by the committee we then either offer our recommendation and rationale to you directly or we can enter the order ourselves if you desire to give us this discretion.

Corporate Advisory

BlackSummit consults with corporations in their restructuring, growth, and capital formation or augmentation opportunities. Our team assists companies in determining the best capital structure for their firm as a whole, as well as the optimal funding options for their individual projects. Our goal is to consult with companies in the drafting of all necessary materials for successful capital-formation, (business plans, teaser, information memorandum for investors, company and project presentations, as well as anything else that may be needed).

We will advise the company regarding its capital raising process and through our investment banking network we will guide the corporation through the necessary steps for funding its projects, raising the capital it needs, re-financing existing loans, or accessing the bridge capital it needs for its operations. Through an extensive network of professionals our focus would be to identify proper capital structures and appropriate funding sources whether the goal is to raise equity, debt, hybrid, convertible, mezzanine, bridge or other form of capital appropriate for the circumstances and within the corporation's objectives.

Customized Services/Special Situations

Financial Planning Services: We provide a variety of financial planning and consultation services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of their current situation, goals, and objectives. Generally, such financial planning and consulting services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations usually include general recommendations for a course of action. Recommendations may be made that the clients initiate or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. We refer clients to an accountant, attorney, or other specialist as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, and our firm's observations and recommendations. Plans and/or consultations are typically completed within six (6) months of the client agreement. Implementation of the recommendations will be at the discretion of the client.



Pension Consulting: As Advisors we assist clients in selecting investment options and in articulating investment objectives and constraints through an Investment Policy Statement (IPS). We will conform our investment advice and activity to the terms of the IPS and update the IPS as needed. We provide ongoing services to the Plan including the prudent selection, monitoring, and replacement of investments as well as analysis and evaluation.

BlackSummit can help select and designate an appropriate QDIA (Qualified Default Investment Alternative) for use by participants who fail to or choose not to designate the investment options for

their accounts. Our firm will assist in the development of model portfolios for selection by participants. Our firm will communicate with you and the participants as to the investment criteria and objectives for a given portfolio. BlackSummit will conduct strategic planning sessions to review current performance (quarterly reports) and establish future objectives and strategies for the Plan. We also provide investment education to and for the benefit of Plan Participants. Accordingly, our firm will coordinate Participant investment education meetings, on an annual or, upon request, a more frequent basis.

Private Placements: Private placements are debt or equity investments in private companies. These investments offer high net worth individuals and institutions the opportunity to diversify their holdings into areas that do not have systematic risk. We have advised on projects ranging from energy (conventional and renewable), to business consulting, to shipping, and from consumer cyclical to technology.

Private Investments in Public Companies (PIPEs): These are investments in publicly traded companies that occur off exchange in most cases. The company receiving the investment may need quick funding for a project or expansion and the time required to raise the additional funds in the market is time-prohibitive. The equity received for this kind of investment may be restricted for a period of time, depending on the jurisdiction.

Estate Planning and Asset Protection: BFG's associates have worked on numerous estate planning cases to protect a family's wealth within a trust and a family bank. Our models and estate planning methods have provided tax efficient structures for families in preserving and growing their wealth for future generations. In asset protection cases, we aid to protect the clients' wealth from potential loss due to taxes associated with generational wealth transfer as well as from other liabilities that may arise or currently exist. We have a team dedicated to estate planning with over twenty years of successful experience.

Government Consulting: We consult with federal, state, and municipal governments as well as with government agencies in their endeavor for financing projects such as infrastructure, waste management, government deficits, as well as in identifying potential opportunities due to their competitive advantage in a given part of the world. When potential weaknesses are identified we devise a mitigation strategy that is designed to reduce the risk to an acceptable level for investors.

Public Relations: Through our affiliate firms, we assist companies in their public relations campaign for product launching, image making, corporate takeovers, merger activity, opinion mapping, coalition building, digital advocacy, communication strategy, stakeholders' internal communication, as well as crisis management tactics for rapid and effective response to unexpected events.

Corporate Restructuring: BlackSummit can analyze the capital structure of a corporation and draft a plan for restructuring that often lowers the cost of capital to give the company a competitive advantage. We also aid organizations in distressed conditions to determine a more beneficial capital structure.

This communication is published by BlackSummit Financial Group, Inc. BlackSummit Financial Group Inc. is an independent Registered Investment Adviser. Any comments contained in this communication are provided as a general source of information and should not be considered personal investment advice. Every effort has been made to ensure that the material contained in this communication is accurate at the time of publication. However, BlackSummit Financial Group Inc., cannot guarantee its accuracy or completeness and accepts no responsibility for any loss arising from any use or reliance on the information contained herein. All information contained herein is for informational purposes only and does not constitute a solicitation or an offer to sell securities or advisory services. Advisory services are only offered to clients or prospective clients where BlackSummit Financial Group, Inc. and its representatives are properly licensed or exempt. No advice may be rendered by BlackSummit Financial Group, Inc unless a client service agreement is in place.