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March 23, 2012

Dear Summit Investors,

The February net return for the Summit Consumer Receivables Fund, L.P. (SCRF) was 0.17% for the non-side pocket portfolio and 0.38% on a consolidated basis. This brings SCRF's total return since inception to 53.86% (9.00% annualized) for the non-side pocket portfolio and 12.74% (2.43% annualized) on a consolidated basis.

**February's Financials:**

- \$113,349 in Net Income before additions to loss reserve,
- \$ 32,230 net added to loss reserve, for
- \$ 81,119 February net profit before fees

We will be scheduling our SCRF, L.P. 2011 4Q and 2012 1Q Investor Meeting shortly; **let us know if you have a preference for a particular day**, and as always we will do our best to accommodate everyone's schedule.

**If you plan on attending and will be *unavailable* during any of these times, please contact Brian Anderson ([Banderson@saifunds.com](mailto:Banderson@saifunds.com)):**

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*Monday, April 23, 2012 – 10:00 AM or 1:00 PM PDT*

*Tuesday, April 24, 2012 – 10:00 AM or 1:00 PM PDT*

*Tuesday, May 1, 2012 – 10:00 AM or 1:00 PM PDT*

*Wednesday, May 2, 2012 – 10:00AM or 1:00 PM PDT*  
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**Audit Update**

**The SCRF Audit is now complete and we expect to have the final statements and your Schedule K-1(s) issued by March 30<sup>th</sup>.** As mentioned in last month's newsletter, the \$66,000 in adjustments related to the audit have been reflected in the February investor statements as a single line item "2011 Audit Adjustment". With these audit adjustments, 2011 was a good year for SCRF with a profit of approximately \$966,000, or a return of 3.63% for the non-side pocket portfolio and 4.43% on a consolidated basis (both beating the S&P 500 for the year).

As also mentioned in last month's newsletter, we received notice from our attorneys representing us in the Fair receivable issue that we will not likely be successful with our insurance claim. There is a clause in the Fair insurance policy preventing a claim where a contractual liability exists, which is the case in this matter. The balance of the \$96K receivable is being written off equally in each of the three months of the first quarter. All other things being equal, returns will then increase in subsequent quarters.

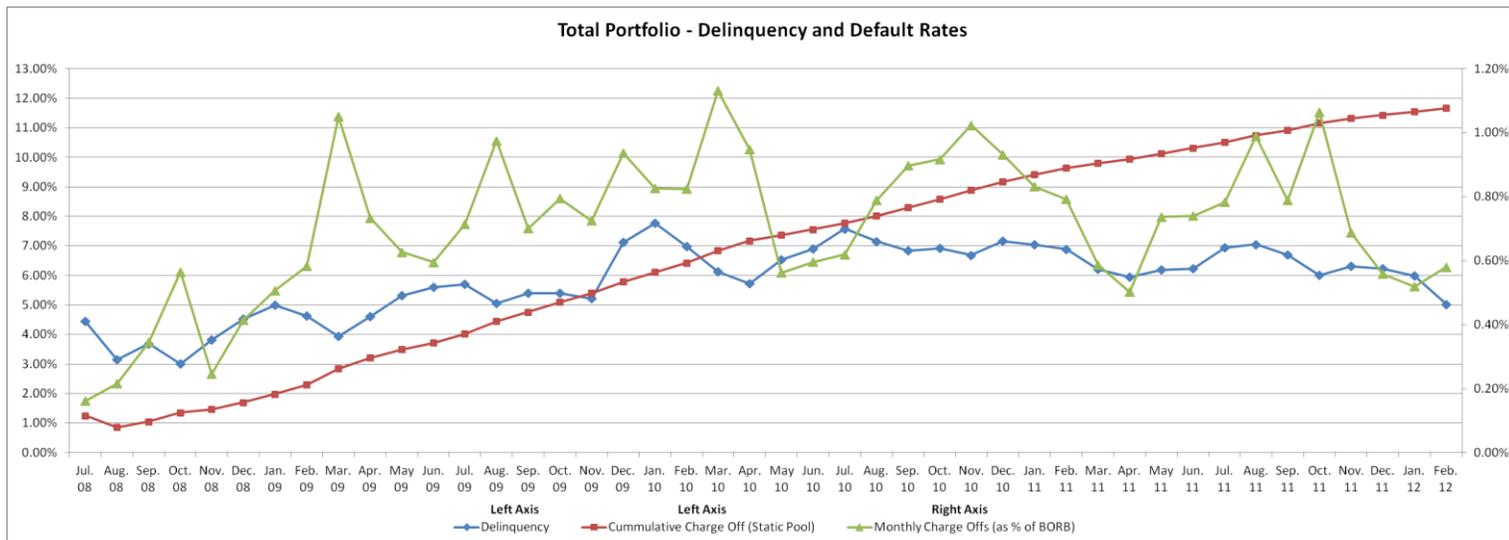
**Portfolio Performance Update (including side-pocket)**

Overall, SCRF's performance has continued to look good as both delinquency and defaults have remained below historic averages.

SCRF's defaults increased slightly in February to 7.18% annualized vs. 6.41% annualized in January but still remain well below the trailing 6 month average of 9.64% annualized. There has been a slight and typical seasonal effect on our constant payer base for the home improvement portfolio that began around mid-December, some account holders missed payments and the stream of payers has not resumed fully at

this time which led to higher defaults in February. March defaults are expected to be a bit higher than recent trends as well but the early stage (0-90 days past due) delinquency is favorable even after this seasonal bump, which bodes well for future defaults. On a positive note, we are seeing favorable trends on the elective medical portfolios for both February actual defaults and March projected defaults. Overall, net write-offs for February stood at 0.12% (vs. 0.11% in January, 0.12% in December, 0.15% in November and 0.25% in October) of total original principal balances purchased, with write-offs since inception totaling 11.65%.

Total delinquency across our entire portfolio in February was at its lowest level since April, 2009 at 5.02% (versus 5.98% in January). It was 6.23% in December, 6.31% in November, and 6.01% in October. 94.98% of the portfolio was current to 30 days, with only 1.31% of the Fund's paper greater than 90 days past due. With the positive trend on delinquency, there is reason for optimism that lower default totals may continue through the second quarter.



**Other Fund Data**

SCRf's annualized Sharpe ratio continues its string of strong marks at 1.34, with a monthly standard deviation of 0.85%. The Fund's leverage ratio experienced another decrease from 0.88 to 1 in January to 0.82 to 1 as of February 29<sup>th</sup> due to our continued pre-paying of the Fortress term loan. This de-levering continues to reduce both risk and returns gradually. The maximum amount we could borrow back from Fortress as of today is \$5,386,325. Our cash on hand at month-end was \$610,703, of which \$603,516 was "Restricted Cash" earmarked towards P&I payments for SCRf's credit facility and \$7,187 was working capital.

**Looking to the Future**

The market continues to be attractive for purchasing high quality performing consumer receivables at excellent prices, allowing for significant loss protection. We continue to solicit new investors and have the potential to put contributions to work using new structures aimed at providing more predictable liquidity to investors. Please let us know if you are interested in receiving more information on these vehicles and/or potential deals in the pipeline.

To access past months' Newsletters, quarterly meeting presentations and our 2007, 2008, 2009 and 2010 audited statements, go to [www.summit-alt-inv.com](http://www.summit-alt-inv.com), then click "Site Login" to access the password-protected Investor page. The User Name is saifunds, and the PW is Summit2012.

As always, thank you for your investment in Summit,

Eric J Gangloff