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Dear Summit Investors,

The October net return for the Summit Consumer Receivables Fund, L.P. (SCRF) was -0.33% for the non-side pocket portfolio and 0.01% on a consolidated basis. This brings SCRF's total return since inception to 55.80% (8.14% annualized) for the non-side pocket portfolio and 13.60% (2.28% annualized) on a consolidated basis.

October's Financials:

- \$89,134 in Net Income before additions to loss reserve,
- \$75,000 net added to loss reserve, for
- \$14,134 October net profit before fees

Portfolio Performance Update (including side-pocket)

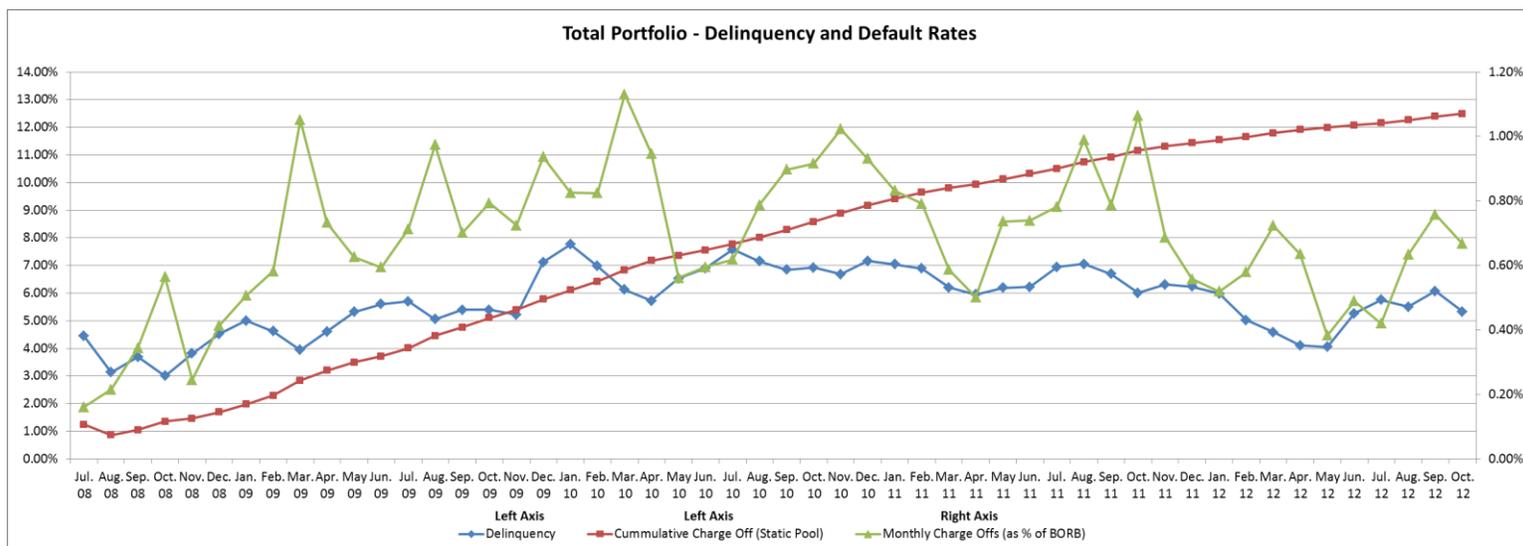
As expected and hoped, we have some good news – SCRF's October delinquency and defaults decreased from September's both on a nominal basis and as a percentage of principal balance.

Annualized defaults as a percentage of beginning outstanding receivable balance decreased to 8.31% and were slightly above the trailing 12-month average of 7.73% (as seen in the graph below).

As stated in the previous three newsletters and addressed in-depth during the most recent quarterly investor meeting, after a few strong months earlier this year in which we saw historically low default levels, we have been experiencing a "bubble" of higher defaults which we still expect to continue to run through December. However, recently delinquency has begun coming back down again. Delinquency decreased from 6.07% in September to 5.33% in October, which is now once again below the trailing 12 month average (5.41%).

Following suit from last month, an additional \$75K was added to the loss reserve for October and we plan to add an additional \$40K to loss reserve in November. We will continue to monitor receivable performance versus the loss reserve and make adjustments as needed. We have also been evaluating our long-term default forecast for 2013 and beyond, as we want to make sure our loss reserve is being forecast as accurately as possible not only now, but especially once redemptions resume at the end of 2013. This may result in further additions to the loss reserve before the end of the fourth quarter of 2012 or in the first quarter of 2013.

Overall, net write-offs for October stood at 0.11% (vs. 0.13% in September, 0.11% in August, 0.07% in July, 0.09% in June, 0.07% in May, 0.12% in April, 0.14% in March, 0.12% in February and 0.11% in January) of total original principal balances purchased, with write-offs since inception totaling 12.49%. 94.67% of the portfolio was current to 30 days, with only 1.40% of the Fund's paper greater than 90 days past due.



Other Fund Data

SCRFF’s annualized Sharpe ratio continues its string of strong marks at 1.04, with a monthly standard deviation of 0.83%. The Fund’s leverage ratio experienced another decrease from 0.52 to 1 in September to 0.49 to 1 as of October 31st due to our continued pre-paying of the Fortress term loan. This de-levering continues to gradually reduce both risk and returns. Our cash on hand at month-end was \$584,612, of which \$555,174 was “Restricted Cash” earmarked towards P&I payments for SCRFF’s credit facility and \$29,438 was working capital.

Loan to Summit Transaction

As we mentioned in last month’s Newsletter, we have estimated a shortfall for our Fortress loan of approximately \$1.75-2.5M at the August, 2013 maturity date. Fortress has certain rights under our loan agreement such as the ability to charge us a default interest rate, assess fees or even potentially sell the portfolio at a discount to satisfy their loan, which are risks we want to make sure we avoid for our investors. As such, we are offering an opportunity to make a highly-secured loan to the Fund towards that end. We emailed a summary document with details on our proposed terms and conditions for the loan.

If you have an interest in making a loan to the Fund, let us know what dollar amount you would be most likely to lend. Also, if you have any suggestions for revised terms and conditions, let us know as we would like to make the loan document the same for all lenders. Thank you to those investors who have already provided us with your feedback, and as a result of that feedback we will most likely make the interest rate payable to investors fixed rather than variable. Let us know if you have any questions related to this opportunity and if you would like us to resend the loan summary. We will discuss the details of all this at our next Quarterly Investor Meeting.

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, 2010 and 2011 audited statements, go to 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, and if we don’t have a chance to speak beforehand, have a wonderful holiday season!

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