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Dear Summit Investor,

We hope 2013 has continued on a positive note for you and that all is well. We have several encouraging developments to share as well as an update on the portfolio performance.

**Portfolio Updates:**

- We finalized our negotiations with our lender Fortress on how to resolve a \$1.75-2.5M shortfall on our Term Loan. We reviewed our options with investors at the recent investor meeting and decided to sign an Amendment which is effective starting May 1<sup>st</sup> and extends the loan’s maturity to August, 2014. This Amendment results in us paying a sub-servicing fee of 2.10% (versus our current 1.5%) on performing accounts and the existing 1.5% on charged-off accounts.
- The Amendment gives SCRF until the end of 2014 to have the term loan repaid in full. However, we expect that the Fortress loan will be repaid in full by February or March, 2014. After the Fortress loan is repaid, redemptions to investors can resume.

For anyone who was unable to participate in the investor meeting held April 25<sup>th</sup>, the following WebEx recording provides more information on these recent updates:

<https://sai.webex.com/sai/ldr.php?AT=pb&SP=MC&rID=74441722&rKey=66e12210a56c39fb>  
 SCRF, L.P. 1Q2013 Investor Meeting  
 1 hour 6 minutes

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

Non-side Pocket:

Apr-13 Return	0.08%
2013 YTD Return	0.43%
YTD Annualized Return	1.31%
Annualized Return (Since Mar-07)	7.13%
Total Return (Since Mar-07)	52.90%

Consolidated:

Apr-13 Return	0.21%
2013 YTD Return	0.86%
YTD Annualized Return	2.59%
Annualized Return (Since Mar-07)	0.61%
Total Return (Since Mar-07)	3.83%

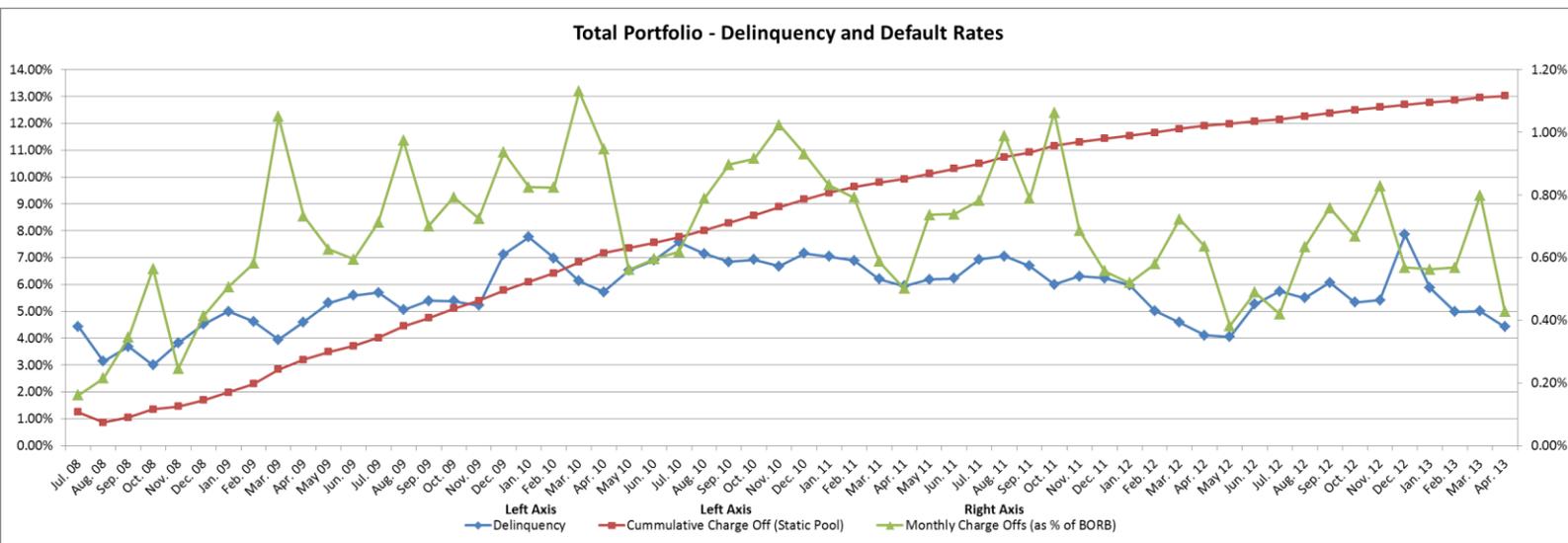
April’s Financials:

- \$48,721 in Net Income before additions to loss reserve,
- \$0 net added to loss reserve, for
- \$48,721 April net profit before fees

As previously mentioned, we revised our default forecast in late 2012 and are currently outperforming it by \$49,113 year-to-date. We want to make sure our loss reserve is as accurate as possible not only now, but especially once redemptions resume in early 2014 to make the playing field fair for all of our investors. We will continue to monitor the performance versus our loss reserve and make adjustments as needed in 2013. Hopefully, defaults in 2013 will decline faster than our new projection and we will find ourselves in an over-reserved situation, in which case we could potentially book some of that reserve back as income.

- This is the first month since Apr-12 that delinquency and defaults declined on both the FCC Bulk and Non-side-Pocket portfolios
- Delinquency went from 5.01% in March to 4.43% in April (- 0.58%). Delinquency continues to stabilize, declining 44% from Dec-12's spike (7.9%) and 18% below the trailing 12-month average (5.4%)
- FCCB defaults declined 48.8% month over month to 5.6% annualized following Mar-13's spike to 11.3% annualized, and is now 31.5% lower than the 12-month average (8.2% annualized) and 40.2% lower than the average since inception (9.4% annualized).

Our preliminary estimates for May and June are expected to come in slightly above our forecast. Overall, net write-offs for April stood at 0.06% (vs. 0.11% in March) of total original principal balances purchased, with write-offs since inception totaling 13.02%. 95.57% of the portfolio was current to 30 days, with only 0.82% of the Fund's paper greater than 90 days past due.



**Other Fund Data:**

The Fund's leverage ratio declined from 0.36 to 1 in March to 0.31 to 1 as of April 30<sup>th</sup>. Our cash on hand at month-end was \$478,299, of which \$446,774 was "Restricted Cash" earmarked towards P&I payments for SCRF's credit facility and \$31,525 was working capital.

## Looking to the Future:

The market continues to be attractive for purchasing high-quality performing consumer receivables at good prices. In our most recent investor meeting, an investor asked us what opportunities look like today vs. our existing returns. Very similar portfolios to our FCC "Bulk" which we purchased at a ~98% purchase price in 2008 have been trading over the last few months between 79% and 85%, which even with very conservative default projections, allows for attractive returns which should fall in the range of 10-12% on an unlevered basis. 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 2007-2012 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 Summit2013.

As always, thank you for your investment in Summit,

A handwritten signature in black ink, appearing to read "Eric J. Gangloff". The signature is fluid and cursive, with a large initial "E" and "G".

Eric J. Gangloff