



Eric J. Gangloff  
*Managing Director*  
Summit Alternative Investments, LLC  
Summit Consumer Receivables Fund, L.P.  
50 West Liberty Street, Suite 980  
Reno, NV 89501  
(775) 682-3000  
[Egangloff@SAIfunds.com](mailto:Egangloff@SAIfunds.com)  
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Dear Summit Investor,

Happy New Year!

We hope you are off to a good start of the year and that you enjoyed the Holidays. With the Fortress loan about to be paid in full within the next few months, we continue to look into the best ways of managing the Fund and redemptions and have now gathered feedback from most of our investors. We look forward to discussing this at the investor meeting next week. If you're unable to attend, we will forward a link to the recording and summary of the discussion. The meeting has been scheduled for Tuesday, January 14, 2014 at 9:00am PST:

Topic: SCRF, L.P. 3-4Q13 Investor Advisory Board (IAB) Meeting  
Date: Tuesday, January 14, 2014  
Time: 9:00 am, Pacific Standard Time (San Francisco, GMT-08:00)  
Meeting Number: 571 277 198  
Meeting Password: Summit2014

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To start or join the online meeting  
<https://sai.webex.com/sai/j.php?ED=249343487&UID=485450117&PW=NZDJmMWM5YmZm&RT=MiMO>

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Audio conference information

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Call-in toll number (US/Canada): 1-408-792-6300  
Access code: 571 277 198  
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### **Portfolio Updates:**

A GP related-party entity now owns a loan servicing platform which will allow the GP to more economically and effectively service the SCRF assets through their remaining life, which will help improve returns for SCRF. This platform also allows us the possibility of originating new paper in asset classes we did not previously have the capability to originate in-house. As always, if you have an interest in the opportunity to buy new consumer receivable paper, which is performing very well at today's prices and with today's underwriting standards, please reach out to us for more information.

## Portfolio Performance Update:

### Non-side Pocket:

Nov-13 Return	0.04%
2013 YTD Return	0.64%
YTD Annualized Return	0.70%
Annualized Return (Since Mar-07)	6.53%
Total Return (Since Mar-07)	53.22%

### Consolidated:

Nov-13 Return	0.25%
2013 YTD Return	3.28%
YTD Annualized Return	3.58%
Annualized Return (Since Mar-07)	0.91%
Total Return (Since Mar-07)	6.32%

### November's Financials:

- \$53,750 in Net Income before additions to loss reserve,
- \$0 net added to loss reserve, for
- \$53,750 November net profit before fees

We hope to have the December financials ready to review at least in draft form for next week's investor meeting.

As previously mentioned, we revised our default forecast in late 2012 and are on pace, currently outperforming it by \$53,755 year-to-date and based on preliminary default estimates, we expect to be slightly ahead of our forecast through January, 2014 as a result of December and January defaults that appear likely to come in a bit higher than our projections (we expect to have the final December default numbers prior to the meeting). We want to make sure our loss reserve is as accurate as possible not only now, but especially once redemptions resume in the next month or two. We will continue to monitor the performance versus our loss reserve and make adjustments as needed before redemptions resume.

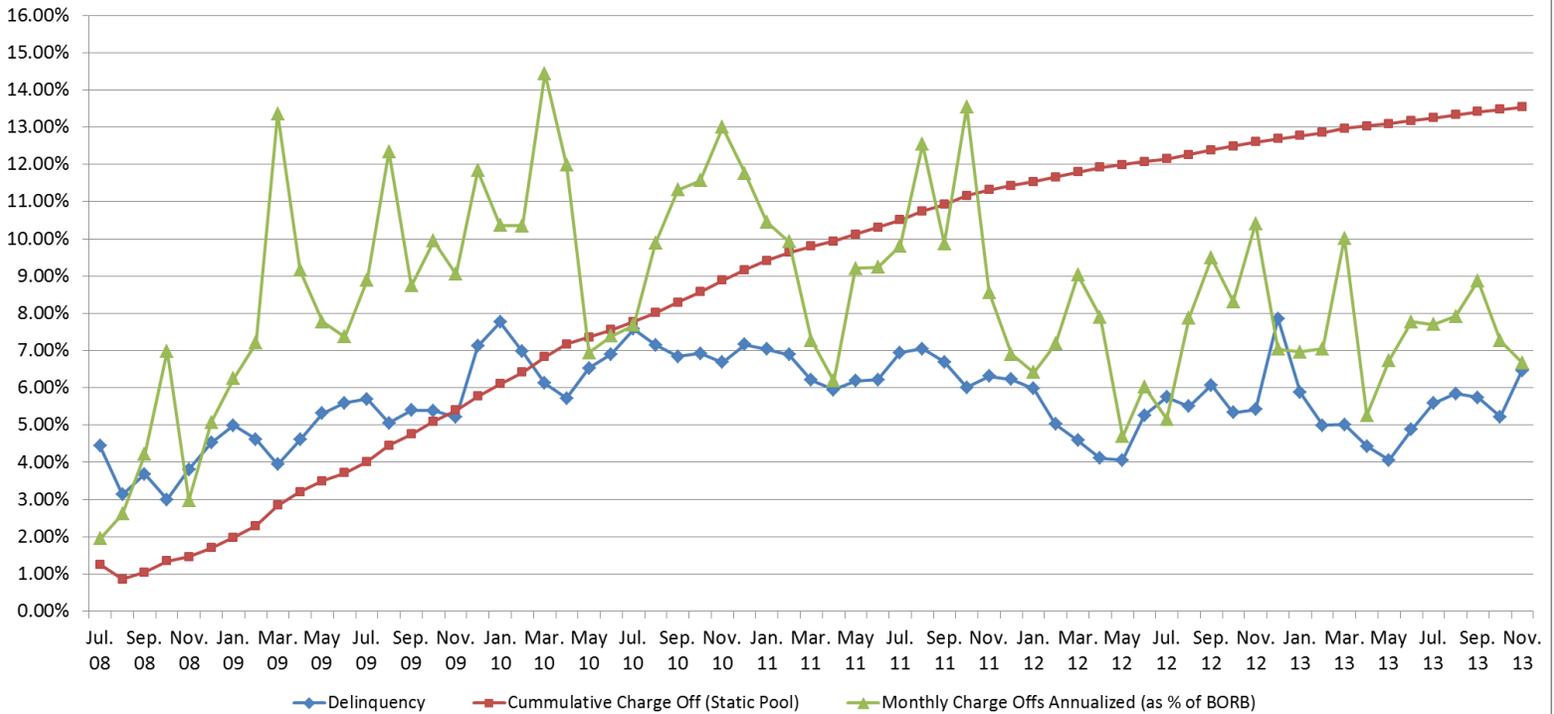
- Defaults decreased 8.0% month-over-month to 6.7% and are 13.5% below the trailing 12-month average and 20.2% below the average since inception
- However, delinquency increased significantly month-over-month to 6.5%, and is 19.5% above the trailing 12-month average (5.4%). Higher delinquency in the month of December is not unusual as disposable income that month tends to be directed towards holiday purchases.

Our preliminary estimates are that December and January defaults are likely to come in well above our forecast, by about \$57,700. Overall, net write-offs for November stood at 0.06% (vs. 0.07% in October) of total original principal balances purchased, with total write-offs since inception totaling 13.54%. 93.5% of the portfolio was current to 30 days, with only 1.0% of the Fund's paper greater than 90 days past due.

### Other Fund Data:

The Fund's leverage ratio declined from 0.10 to 1 in October to 0.07 to 1 as of November 30<sup>th</sup> as we continue to pay down the Fortress loan. Our cash on hand at month-end was \$495,554, of which \$364,429 was "Restricted Cash" earmarked towards P&I payments for SCRF's credit facility and \$131,126 was working capital. We are still on track to have Fortress repaid in full by approximately February, 2014.

### Total Portfolio - Delinquency and Default Rates



#### Looking to the Future:

The market continues to be attractive for purchasing high-quality performing consumer receivables at good prices, especially new loan originations on a forward flow basis with expected returns falling in the range of 9-17% on an unlevered basis. We have the potential to put contributions to work in either SCRF, or in 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,

Eric J. Gangloff