



Fourth Quarter 2006 Results

A BETTER THAN EXPECTED YEAR - 2006 turned out to be better than most forecasters had anticipated. The economy did not reverse direction despite a significant tightening of monetary policy and, overall inflation did not accelerate despite the low unemployment rate and despite soaring energy and industrial commodity prices of the past couple of years. Earnings growth outpaced expectations again last year and corporate balance sheets improved substantially. The structural forces of globalization, productivity gains and cheap money provided for higher stock prices around the world.

U.S. MARKETS LAGGED - Although the U.S. stock market underperformed compared to majority of foreign countries with established stock markets last year, all broad-based U.S. indexes reported very respectable double-digit gains. The Russell 1000 Index increased 15.46% for the year, strongly influenced by its fourth quarter gain of 6.95%. The S&P 500 reported similar gains of 15.8% and 6.7%, respectively. Taking a closer look at the numbers shows that value stocks significantly outperformed growth stocks across all capitalization categories and that Telecom Services, Consumer Discretionary and Utilities were the top performers for the year.

SUMMIT CORE PORTFOLIOS REBOUNDED – Summit's All-Cap Core 50 and All-Cap Core 100 portfolios rebounded 9.77% and 7.43%, respectively, during the fourth quarter, compared to the Russell 1000 gain of 6.95%. Approximately 67% of the quarterly gain came from positions in the Financial Services, Information Technology, and Basic Materials Sectors. Performance by Sector returns for the quarter were as follows.

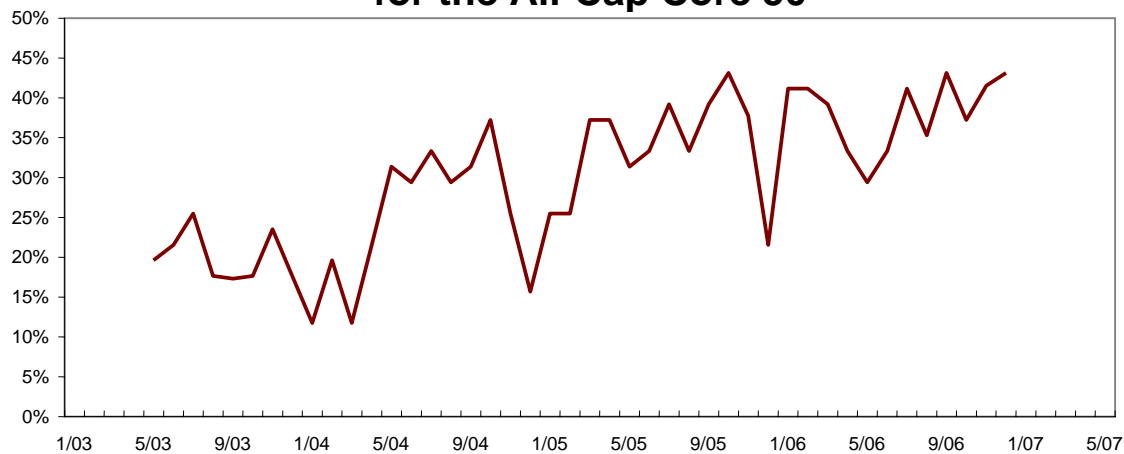
| SECTOR | Core 50 | Core 100 | S&P SPDRs |
|----------------------------|---------|----------|-----------|
| Basic Industry | 25.5% | 19.5% | 10.1% |
| Capital Goods/ Industrials | 14.3% | 7.8% | 5.0% |
| Information Technology | 9.9% | 8.6% | 5.7% |
| Consumer Discretionary | 11.0% | 7.4% | 10.5% |
| Healthcare | 4.1% | -0.5% | 0.9% |
| Consumer Staples | -- | 6.5% | 2.9% |
| Energy | -3.4% | 2.8% | 9.7% |
| Financial Services | 7.4% | 7.6% | 6.1% |
| Utilities | -- | -- | 8.0% |
| Telecomm Services | 24.0% | 14.0% | 7.1% |



While our underweight positions in Healthcare and Consumer Staples proved to be correct decisions, underweighting the very strong Utility and Telecom areas detracted from fourth quarter returns. Lastly, the increase in volatility of the energy sector made it difficult to capitalize on the apparent gains achieved in that area.

THE PERIOD AHEAD – Looking ahead, our quantitative process has been gradually moving the portfolios into more large cap and growth stocks which could be the leaders in the market place for several years to come. Over the near term, our portfolios are overweighting the still strong Basic Materials sector, the recently hit Energy sector and Financial Service stocks which are beneficiaries of a benign inflation environment.

% Large Cap Stock Allocation for the All-Cap Core 50



Looking into the year ahead, a number of conflicting factors suggest to us that 2007 might be a below trend line year. Heading up our list of concerns are geopolitics, volatile oil prices, the increase in speculative investing, this is the fifth longest bull market on record and this is the longest bull market to occur without a correction at 10% or more. On the positive side of the ledger we have relatively benign inflation, good economic growth, ample liquidity, reasonable equity valuations and Central Banks throughout most of the free world not eager to tighten credit conditions. The market is not in danger of experiencing a significant correction, in our opinion, so long as Congress does not aggressively alter tax rates or promote anti-corporate or protectionist trade policies.