SUMMIT WEALTH
PARTNERS

Volume 4, Issue 17, May 2014

The Rational Optimist™

Life is Short (part two-sequel to *Life is Long*)

By Mitch Levin, MD, CWPP, CAPP
CEO and Managing Director

There is another emotion that stifles success. That is when you find yourself in dread. I know for myself that if I'm supposed to be doing something that I dread, one of the first things I do is to procrastinate. How about you?

"we are creating self-fulfilling prophecies"

Like many of you, I have coaches. And while describing something I dreaded, my coach asked me, "Well, why are you doing it?" It was as if somebody threw cold water on my face, "Wait. What? I have a choice?"

When you find yourself dreading something, then delegate. Now, there are certain things we must do and cannot delegate. We all dread the tax thing. Especially now when we must make that big payment. I'm not suggesting that when we have dread, that there are things that we have control over. It is important that you give yourself permission to begin saying, "I really don't like doing that. Since my well being and my profits are determined by what and how I feel as the business owner, I really need to be aware of when I'm dreading something. Because I may need to make changes in my work about what I dread."

These are small distinctions and improvements we can make for 2014, while the year is still young, that if you catch yourself dreading anything, it may be an internal signal that conflicts with why you're in business to begin with. Most of us went into business because we wanted freedom, we wanted no limits, we wanted to create a lifestyle, and then comes the dread as a hiccup to our strategy. So now we have permission to make changes on how we deal with dread without procrastination.

Most entrepreneurs set goals based on money. And we all agree that money is super important. We are working very hard to earn it. What if we make earning and making money a by-product of our goal, instead of basing our goals on money but rather base them on hard work and doing the right things?

The goal that often serves us better could be to make sure that we are actually enjoying our business more. Because it's like a relationship. The more you enjoy your family, the more you want to be with them. The more you enjoy what you do at work, the more energy and effort you put into it and it feels effortless. Start catching your internal and external self talk, because with our self-talk, we are creating self-fulfilling prophecies.

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What's Inside This Issue:

First Quarter Performance—Not Really

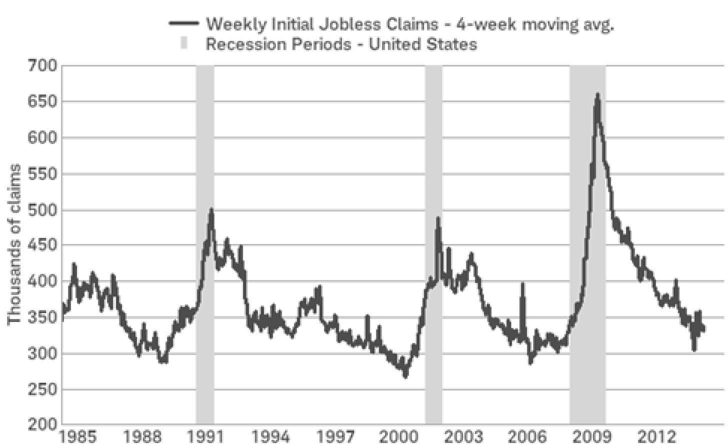
Chad Warrick, Senior Wealth Advisor
Partner and Chief Investment Officer

The first quarter of 2014 equity markets performance was nothing to write home about. They pretty much finished where they started in the beginning of the year. The following table illustrates the breakdown on the general market performance.

I would like to point out that we did experience solid rebound in our fixed income assets, which we could contribute to modest inflationary data. The market continued to trade within a range, while the potential for a market pullback does exist, similar to the one in the beginning of February. Economic and corporate earnings still remain positive. We continue to believe that interim pullbacks offer excellent opportunities for us to rebalance the portfolio and improve the equity income in the portfolio.

GENERAL MARKET PERFORMANCE for period ending March 31st 2014

	1 Month	3 Month	YTD
S&P 500	.84	1.81	1.81
Dow Jones	.93	-.15	-.15
MSCI World	.15	1.26	1.26
MSCI EAFE	-.64	.66	.66
MSCI Emerging Markets	3.07	-.43	-.43
Dow Jones Commodities	.41	6.99	6.99
Barclays US Treasury. 20+Yr	.79	7.73	7.73
Barclays Aggregate Bond	-.17	1.84	1.84



The economy continues to show growth. Interest rates are forecasted to go higher, although not in nose bleed territory, nor very quickly. Like any economic number, or chart, there is always another side to the story. We continue to see improving job numbers and falling claims like the chart shows below. What it doesn't show is wage growth, which still remains stagnant. This could attribute to slow growth in the economy.

Maintaining our global allocation to equities and bonds continues to demonstrate our rationale view, that segments of the market do not always move in tandem with one another, and it is important to remain globally diversified through all market conditions and deploy strategic and disciplined approaches to take advantage of good and bad markets/economies.

On a personal note, in Aprill, my family celebrated my parents' 50th wedding anniversary! We're looking forward to visiting with friends and family from all over the United States to honor them and their marriage.

In Q2, the entire Summit team and I will continue to work hard for you to achieve solid growth that is safely managed. Thank you for your ongoing trust and confidence!

Chad

Please Welcome Summit's Newest Team Members!

Amanda Morris
Client Service Specialist
Orlando Office

Prior to Summit, Amanda worked at PNC Wealth Management as a Sales and Service Specialist. She also has a background in banking that includes servicing trust and investment accounts.

Amanda's hometown is Melbourne, Florida. She and her fiancé Russell live in East Orlando with Jasper, their rescued pet cat. Jasper is a Savannah cat, a cross between a domestic cat and the serval, a medium-sized, large-eared wild African cat that has spots like a leopard.

She earned her Bachelor of Science from Florida State University and was also a member of the FSU cheerleading team. Amanda will graduate with her Master of Science in Management from Florida Institute of Technology in May 2014.

Her hobbies include fishing, baking, and gardening. Also, Amanda is head coach for the FIT cheerleading squad.

Jessica Feliciano
Client Service Specialist
Orlando Office

Jessica comes to Summit with a background in banking. Prior to Summit, she worked at Chase Bank and SunTrust. Her focus has been in operations and client services. Her passion for creating an exceptional client experience has been evident in each of her roles and makes her a perfect match for Summit!

Jessica was born and raised in Orlando. She and her husband Julio reside in Kissimmee with their two children, Julien and Olivia.

She graduated from the University of Central Florida with a B.S. degree in Psychology.

Jessica is a busy, hardworking wife and mother with a 10 month old daughter and a three year old son. She loves homemade goodies and spending time with her family. Her hobbies include reading, painting, and writing short stories.

Markets Face Uncertainties
Jason Print, CFP
Partner and Senior Wealth Advisor

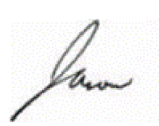
Following an exceptional 2013 for the equity markets, they pressed the pause button in the 1st quarter. Markets offered a bumpy ride during the quarter, with a negative Dow and the S&P 500 up slightly year to date, stock investors aren't much better off than when we started 2014. Unrest has resurfaced in Turkey, and the crisis in Ukraine has brought uneasy relations between Russia and the Western allies to a head. Although both of these markets are a drop in the global macroeconomic bucket, the turmoil has sparked wider concern regarding slowing growth throughout the Emerging Markets, which have proven to be a key source of growth for large multi-national companies.

In addition to macro instability, markets face other uncertainties. The U.S. Federal Reserve has been scaling back its asset purchase program, stemming the flow of free money that had previously lubricated markets. And we have yet to see the full fallout of how the severe weather's impact on the consumer will affect corporate earnings. With the implementation of its tapering strategy, the Fed is setting the stage to raise interest rates. This, of course, would be a welcome relief to savers who have continued to be hampered by low savings and CD rates. Despite the Federal Reserve's tapering program, we haven't seen bonds perform poorly in the first quarter of 2014, on the contrary, the aggregate bond index is positive year to date. The members of the Federal Open Market Committee hedged their commitment on the performance of the economy, but the minutes show that, despite recent economic weakness, they remain on track to wind up the bond-buying program late this year.

Gold was up 6.5% for the first quarter, breaking a downtrend for most of 2013. Commodities as a whole are positive year to date. In 2013, equities far surpassed every other asset class, but so far in 2014 a diversified portfolio has provided a steady positive return. Corporate balance sheets are healthy, but consumers are still repairing their personal balance sheets. The housing market rebound over the last two years has certainly helped this effort.

On a personal note, the Print family is happy and healthy. With my oldest, Sydney, soon to be 3 years old, we anxiously prepared for the arrival of the Easter Bunny, an egg hunt and of course the tasty treats that come along with the fun. My 18-month old, Joseph, followed her around, not completely understanding what was happening, but thoroughly enjoyed the festivities.

We thank you for your trust and confidence. Please don't hesitate to contact us with questions or concerns.



The Hidden Agendas Of Financial Journalism

It is a fairly common theme in these little essays that financial journalism (a) has an agenda, but will never disclose it, and (b) is very much not the friend of the long-term, goal-focused, patient, disciplined investor.

A couple of interesting examples came to the fore in the last few weeks; I draw them to your attention as compelling if anecdotal evidence of two of journalism's most particularly distressing proclivities. These practices have three general characteristics in common: (1) they are remarkably consistent throughout financial media, suggesting the existence of a kind of Groupthink Central; (2) the investor is so relentlessly exposed to (indeed, submerged in) these practices that one may no longer be conscious of their existence, much less their effects; and (3), although this should almost go without saying: ***they are not true.***

The first of the two agenda items under study today is the illusion that ***there is a direct, causal relationship between today's "news" headlines and what the equity market is doing right at this moment.*** Since this is rarely true, other than in cases of really dramatic events, investors must realize that financial journalism is almost always positing a cause and effect which do not actually exist, but which are intended to keep you glued to the "news."

Financial journalism has zero interest in making you a good long-term investor. (The terms "good" and "long-term" being, when it comes to investing, essentially redundant.) Indeed, the longer-term your perspective, the less you will have recourse to the 24-hour financial "news" cycle. Thus, financial journalism must, in its own self-interest, encourage you as nearly as possible to fixate on the "news," as distinctly opposed to the truth of long-term historical perspective.

The really fun thing for financial journalism is that it gets to pick and choose the news items that it will employ to explain whatever the market is doing at any given moment. Case in point: the morning of this past February 28. There were three items of genuine financial news that morning. In no particular order: the Institute for Supply Management—Chicago's widely-watched composite business index (called the Chicago PMI) edged up for the month of February, despite the depredations of the polar vortex. Particularly noteworthy was a substantial jump in the employment subindex. This was certainly good news.

Almost simultaneously—the morning of the last day of the month traditionally brings a number of these reports—the most closely-followed index of consumer sentiment (that of Thomson Reuters/University of Michigan) was reported to have also ticked up more than economists' consensus forecast. This was taken as a particularly good sign given that the bitter winter weather of January-February had caused consumers' fuel bills to spike, yet they reported their confidence rising.

Within moments of these two positive developments, the Commerce Department "slashed" (journalism's verb) its estimate of fourth quarter GDP growth to a 2.4% annual rate, down "sharply" (journalism's adverb) from the first estimate of 3.2%. The media reported this in its usual apocalyptic terms—focusing not on the growth, which was actually quite good, but on the downward revision, especially in consumer spending. (It is a staple of journalism's Negativity Narrative that the American consumer is cash-strapped; more about this in a moment.)

The stock market went up that morning, probing into new high ground. And just when you thought I'd never come to the point, the headline on Yahoo! Finance by 11:00 a.m. was, inevitably: **"Chicago PMI and consumer sentiment trigger stock market rally to all-time high."**

Please tell me you already intuit where I'm going with this. The folks at Groupthink Central, who get to assign causality where none exists in order to make you think the "news" is important, cherry-picked the morning's two positive developments to explain the market's rise. But you cannot and must not doubt that, had the market fallen that morning, the headline would have most assuredly been: **"Stocks plummet on sharp slash in GDP estimate,"** or words to that effect. That is, journalism would have selected with equal facility a negative stimulus and used it to explain an utterly random negative response. *That's what they do. And we become so inured to it that we no longer see what's being done to us.*

No one knows for sure why the equity market does what it does on any random day. And no long-term, goal-focused, patient, disciplined investor cares. These are the facts, and not only will journalism never acknowledge them; it will fight them with every ounce of its strength and every fiber of its being. *Journalism is not your friend.* Good news this morning "causes" the market to go up; bad news this afternoon "causes" it to go down. *This can only make manic-depressives of us all.*

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Life is Short, continued from p. 1

The way that you program your mind to obtain goals often determines whether you can achieve them or not. I see many entrepreneurs whose focus is counter productive, "Well, in 2010, I was making all this money. Now, we're not making as much money." It is almost as if they are cursing themselves. Thoughts and self talk are that powerful. They don't realize that the past is a locked door; the future is our imagination based on our actions in the present. Our power is now. Actions are even more powerful than thoughts because we can change our thoughts by changing our actions.

Celebrate and appreciate your present. Many people seem to be working hard, but they don't appear to be very happy. And, even though my previous article is entitled "Life is Long", life truly is very short. You never know when your number is up. Why not make our legacy to be not only a successful entrepreneur, but also a happy, grateful entrepreneur? And make great decisions!

Mitch

Solid Growth • Safely Managed • Trusted Advice

Client's Corner, continued from p. 5

That brings us to the second manifestation of journalism's malign agenda which happened to crop up in recent days. And that principle is: when something really good happens in the economy, put the most negative possible spin on it, *giving no indication that you're switching from straight reportage to your own hidden-agenda-driven editorial commentary.* Case in point: the Federal Reserve's March 6 report of U.S. household net worth in the fourth quarter of 2013. (This used to be called the flow of funds report, but an infinite number of bureaucrats dancing on the head of a pin have suddenly re-named it the financial accounts report. Got that?)

The fourth quarter financial accounts report was one of those very rare phenomena in economics: an unalloyed good, without a caveat in sight. Net worth for households and non-profit groups rose 3.8% over the previous quarter, or $2.95 trillion, to a record $80.7 trillion. That's "record," as in "this is the richest we've ever been," lest you harbor any doubt.

The value of financial assets, including stocks and pension fund holdings, held by American households increased by $2.52 trillion in Q413, paced by a 9.9% quarterly rise in the S&P 500, capping the best year for equities since 1997. Household real estate assets rose by $40.1 billion, as the S&P/Case-Shiller national home price index soared 11.3 percent in 4Q13 vs. the same period in 2012, the biggest year-over-year gain since the first quarter of 2006. And just when you think this story couldn't possibly get any better: owners' equity as a share of total household real estate holdings rose to 51.7 percent in the quarter from 50.6 percent in 3Q13. That is: not only are home values up, but our percentage equity in them popped as well.

Once more, with feeling: an unalloyed good. And there is nothing on this earth that financial journalism hates worse—because it so authoritatively contradicts the Negativity Narrative—than an unalloyed economic good. But since it can't fudge the numbers, journalism must find ways to inject its own special brand of naysaying editorially, again not alerting you to what it's doing.

I could not make this up: Reuters' first headline when this report broke was something pretty close to: "The rich are doing better, the rest of us not so much." Read: even if we have to make it up out of whole cloth—even if it's perfectly obvious that this report gives findings for the whole society—we pledge allegiance to the flag of "income inequality," which we all know is the single greatest threat to American civilization, excepting only "climate change." (The latter is the official new name for what used to be called "global warming," a concept that couldn't and didn't survive this howlingly bitter winter.)

And Bloomberg's report, right in the middle of its coverage of this glorious news, suddenly opined, "Additional gains in the labor market and household wealth will be needed to give consumers the means to spend on goods and services, boosting economic growth." Read: no matter to what extent household assets are soaring in value, and no matter how significantly household indebtedness is cratering—such that household net worth is setting records—we pledge allegiance to the myth of the cash-strapped consumer. The facts don't matter; the numbers don't matter: Groupthink Central has decreed that the consumer is still living from hand to mouth, and so he must be.

In her essay "Truth and Politics," Hannah Arendt identifies the deliberate confusion of fact and opinion as a form of lying. I would suggest that the reader of my little essay consider financial journalism in just that sense. You may expose yourself to it in the interest of finding out the "news," if you dare. But for truth, I believe you'd do better to seek the counsel of your trusted financial advisor.

1995 Nobel Prize in Economics

Robert Lucas was born September 15, 1937 in Yakima, Washington. He earned a B.A. degree in History in 1959 and in 1964 his Ph.D. in Economics, both from Chicago University.

He was awarded the Nobel Prize for "having developed and applied the hypothesis of rational expectations, and thereby having transformed macroeconomic analysis and deepened our understanding of economic policy."

His ex wife Rita Lucas included a clause in their divorce agreement in 1988 that if he were awarded the Nobel Prize within seven years of their divorce, she would receive half of the prize money. And she did.

"The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 1995". *Nobelprize.org*. Nobel Media AB 2013. Web. 15 Apr 2014. <http://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/1995/>

Summit Wealth Partners' offices will be closed on Monday, May 26 in observance of Memorial Day

"Fing*lish*" (n) Financial English

Deferred Account: account that postpones taxes until a later date. Some examples: Annuity, Individual Retirement Account (IRA), Keogh Plan accounts, Profit-Sharing Plan, Salary Reduction Plan, Simplified Employee Pension (SEP) Plan.

Safe Harbor: financial or accounting step that avoids legal or tax consequences, commonly used in reference to safe harbor leasing, as permitted by the Economic Recovery Tax Act of 1981 (ERTA).

Source: Dictionary of Finance and Investment Terms

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Look Inside!

"Your net worth to the world is usually determined by what remains after your bad habits are subtracted from your good ones."
— Benjamin Franklin

Read more at http://www.brainyquote.com/