

The Rational Optimist™

Blocking and Tackling

In Retirement, Preparing Trumps Repairing *By Mitch Levin, MD, CWPP, CAPP*

Many things can threaten the lifestyle you have worked hard to create: taxes, inflation, disability, unexpected life events, lawsuits, births, death, divorce, and even technological changes.

While many of these events are unavoidable, when they happen to you, much can be done to minimize their impact.

You should seek the help of experts who can understand, identify, and then reduce, solve, or even eliminate many threats to your current and future lifestyle. This affords the one thing that money alone cannot buy: security.

Prudent planners focus on preparing, rather than repairing. For example, if we can help you avoid losses, rather than helping you rebound from them, we have succeeded. This strategy is more powerful than “picking the winners.”

We believe that being consistently excellent outperforms occasional brilliance. We believe we can remove, reduce, or mitigate some threats, and potentially avoid them or eliminate them altogether at times. The premise is simple: we cannot control the wind, yet we can (and must) adjust our sails.

Once your threats are addressed, we shift attention to your opportunities. Too many in our industry try to focus on the opportunities first, ignoring the threats. They look past the costs, the fees, the expenses,

the taxes and the risks. The industry is continually introducing new products, and these products often have problems and are quite risky if applied without in-

“Prudent planners focus on preparing, rather than repairing.”

depth and comprehensive analysis. Yet we (consumers) are encouraged to buy them through marketing efforts that relay only the possible benefits, while undisclosed threats exist.

Opportunity-first type planning can work well for some people, but it has some serious flaws; some particularly for individuals with significant wealth. First, this type of

Continued on Page 2 ...



Chad Warrick and Brad Doster provide confidence, clarity, and meaningful results.

What's Inside This Issue:

- p.2 Understanding the “Fiduciary Standard”
- p.4 What is a TRILLION?
- p.6 They're Digging In The Wrong Place!
- p.7 Top Vacation Destinations of 2013

Blocking and Tackling

In Retirement, Preparing Trumps Repairing

... Continued from page 1

planning is “needs based.” For instance, this approach often assumes a lower tax bracket in retirement.

It assumes that traditional retirement plans (including government plans, such as IRAs, 401(k)s and qualified plans have predictable tax implications. In some ways, it implies that by simply increasing your rate of return you will increase your wealth.

A common behavior under this assumption is the practice of chasing returns, rather than managing risk and balancing appropriate returns.

“In some ways, it implies that by simply increasing your rate of return you will increase your wealth.”

Sadly, many financial professionals who focus on an opportunity-first planning model minimize the effects of inflation, such as decreased purchasing power – all of which affect investors into and through retirement.

With our philosophy of working to avoid risks, we are



Summit CEO and Managing Director Dr. Mitch Levin

cognizant of problems like these that could derail your financial goals in the future. Likewise, we strive to empower our clients with the tools to avoid them or plan for them accordingly.

A fundamental objective of our firm is the dutiful transfer of our knowledge. Knowledge leads to wisdom, and ultimately, wise choices. Wisdom combined with compassion helps combat arrogance.

Because we provide knowledge and wisdom with compassion, we are able to offer trusted advice to you. Combine this trusted advice with solid growth that is safely managed, and your probability of success should increase.

Make Great Decisions,

Solid Growth • Safely Managed • Trusted Advice



SOMETHING TO CONSIDER:

The people you care about are seeking financial guidance from someone.
Doesn't it make sense for them to receive this important guidance
from someone you know, like and trust?
Thank you for your continued trust and confidence!

Understanding the “Fiduciary Standard”

The term “fiduciary standard” is often used here at Summit. Here's a good summary of what that means and an example of an alternative approach:

“By law, a fiduciary standard of care means that I have one loyalty and that is to the client, only to the client. The interest of the client must be a priority above mine. Any recommendations I make are in line with that standard and I take them seriously.

Many brokers follow the “suitability standard” of care wherein there is a split loyalty. They put their loyalty first to their brokerage firm, and any products they sell must fit to your current situation in order for you to qualify for the product(s). This requirement does not necessarily mean it is in your best interest.

Even if a person in this environment knows what's right for you or if they are capable of doing the right thing, there can be a built in conflict of interest. Their standard of care and the decisions to be made for you may not align. This potential conflict of interest can cause problems. This is one of the reasons we believe in and provide the fiduciary standard of care.”

- Mitch Levin, CEO and Managing Director

Summit's Team of Trusted Wealth Advisors



Chad Warrick

Jason Print, CFP®

Bradley Towle

Brad Doster

Jette Browne, CFP®

Putting “Trillion” Into Perspective

One Hundred Dollars



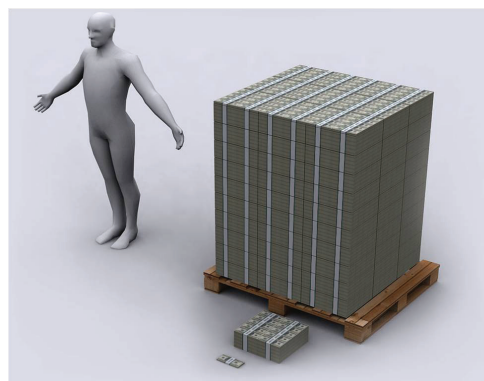
Ten Thousand Dollars



One Million Dollars



One Hundred Million Dollars



Summit Wealth keeps clients informed on changes and economic trends that may affect all financial futures.

“Every recommendation we make has a place and a specific purpose where it will contribute to your comprehensive and integrated wealth plan.

Without a complete review of your personal financial profile: your risk tolerance, income needs, tax situation, long-term care needs, and estate and charitable desires, no one can or should have an opinion on whether a specific strategy or investment vehicle is right for you.”



Chad Warrick

Senior Wealth Advisor

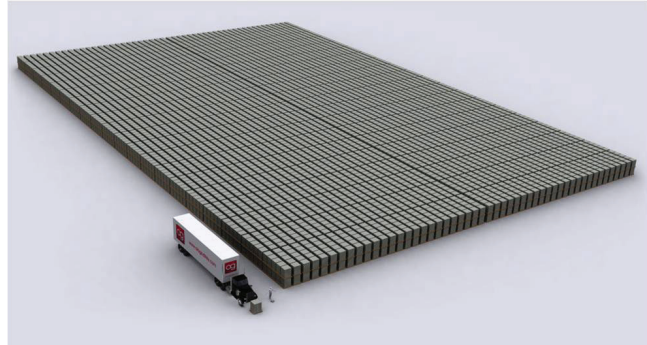
Chief Compliance Officer

CWarrick@MySummitWealth.com

One Billion Dollars



One Trillion Dollars



Fifteen Trillion Dollars

A little perspective goes a long way!

WORKING EVERY DAY TO:

Discover Your Needs, Goals, and Aspirations

Develop Your Prudent, Evidence-based Plan for Success

Deliver Meaningful, Specific and Long-term Results

THE SUMMIT DIFFERENCE

www.MySummitWealth.com

They're Digging In The Wrong Place!

Imagine, if you can, one country the size of the entirety of western Europe, with a current population of only about three million people. Imagine that this mythical land is found to contain some of the richest mineral deposits on the planet, with copper, coal, gold and uranium reserves rivaling even those of Australia. Indeed, imagine that total investment in just one copper and gold mine in the midst of this vast expanse will, by 2020, equal the entire GDP of the country in 2009.

Now, just when you begin to think this story couldn't possibly get any better, imagine that this geological treasure chest's longest border is with none other than the country which is the world's fastest-growing market for most minerals. Finally, imagine that this inexpressibly rich nation is still so underdeveloped that it currently has about the same amount of surfaced roads as does Luxembourg, a country which is itself slightly smaller than... Rhode Island.

Fantasy, you say? Plain facts, I assure you. The country is Mongolia, and the client state next door—which is going to render the population of Mongolia among the world's wealthiest, per capita—is China.

I'm guessing that most if not all of this is news to you. I'm guessing further that you will not see one word about Mongolia in the mainstream media—print and electronic—in the next 24 hours. I am guessing still further that you will hear and see several thousand words—actually, the same meaningless words regurgitated dozens if not hundreds of times—about Greece.

There's a terrific moment in the classic adventure film *Raiders of the Lost Ark* in which Indiana Jones and his Egyptian friend Sallah, after consulting with an ancient wise man as to the meaning of their key to the location of the Ark of the Covenant, realize that the Nazis, who have only one side of the key, are misguided. With unrestrained glee, the two adventurers exult simultaneously to each other: **"They're digging in the wrong place!"**

Forgive me if this seems like a long way to go for a drink of water, but: misguided by one-sided catastrophist journalism, the long term investor of today may be digging in the wrong place—just as the media intend him to. Mongolia is one small but wonderfully vivid example of the most important trend in the world economy: the rapid economic development of what used to be thought of as the third world. Yes, Mongolia only has three million people, but the next time you turn around, the combined population of China, India, Brazil, Indonesia, the Philippines and Turkey will be nearing four billion. (There are, for comparison, some 130 million people in the four most stressed southern European coun-

tries—Italy, Spain, Portugal and Greece—and about 333 million in the eurozone as a whole.)

The problem for journalism is that the millennial growth story in the developing world is (1) long term and (2) good news. Either characteristic would rule it out as front page news; both together render it completely beyond the pale. Journalism feeds insatiably on bad news—preferably something that can be presented as “a crisis that could engulf the entire global economy,” even and especially if it is nothing of the kind.

As I write, it's Greece's chaotic election, and the question of whether and on what terms that country can remain in the eurozone. Tomorrow it may be Spain. Then perhaps Italy. And so on, until the world finally comes to realize that the sclerotic social democracies of southern Europe simply don't matter that much anymore. At which point journalism will just have to hope against hope that Iran goes nuclear, or that some other incipient end of the world presents itself. Anything to keep from having to report on Mongolia, because that might give the long term investor some basis for optimism.

There has never been, in my lifetime, so much reason for long term optimism in the world, and at the same time so much terror among investors as to what alleged disaster might leap out at us next. The seventy-odd million baby boomers stepping into retirement over the next twenty years—and facing two-person, three-decade retirements when they do—are avidly stockpiling 10-year U.S. Treasury bonds that yield substantially less than two percent, despite the fact that given trendline inflation and a middle-class tax bracket, their real yield net of inflation and taxes may very well be less than zero.

Thus, we find ourselves at a moment when a great many people's long-term financial needs are diametrically opposed to their short-term emotional needs. That is, they genuinely need decades of real returns after inflation and taxes—but right here, right now they desperately want total protection from volatility, even at the risk of negative real returns. If there is one truth I've gleaned from 45 years as an investment professional, it's that when the emotions win, the investor loses. Not today, tomorrow or the next day, but in the long run.

As never before in my professional experience, the noise around us keeps us frantically digging in the wrong place. The first thing you'll need to do is stop digging. This isn't *a* conversation you want to have with your financial advisor; it's *the* conversation. And the time to have it is right now.

© 2012 Nick Murray. All rights reserved. Reprinted by permission.

Travel's Best Vacations of 2013

According to the Travel Channel, these are some of the hottest vacation destinations for 2013. They provide some intriguing rationale for these picks. To see them, visit www.travelchannel.com/interests/hot-topics/articles/travel-best-vacations-2013

#1 GULF COAST, USA

Lookout Naples and Fort Myers!

#2 CHRIST CHURCH, NEW ZEALAND

#3 DOMINICAN REPUBLIC

#4 SOLOMON ISLANDS

#5 AMSTERDAM, THE NETHERLANDS



“Finglish” (n) Financial English

Use Tax - A sales tax on purchases made outside one's state of residence on taxable items that will be used, stored or consumed in one's state of residence and on which either no tax was collected in the state of purchase or an insufficient amount of tax was collected. If the purchase would have been taxed had it been made in the purchaser's state of residence, then use tax is due. The use tax rate is the same as the resident's local sales tax rate, which includes both state and local sales taxes. A resident who does not pay use tax may be subject to interest and penalties.

“Fool In The Shower” - The notion that changes or policies designed to alter the course of the economy should be done slowly, rather than all at once. This phrase describes a scenario where a central bank, such as the Federal Reserve acts to stimulate or slow down an economy. The phrase is attributed to Nobel laureate Milton Friedman, who likened a central bank that acted too forcefully to a fool in the shower. When the fool realizes that the water is too cold, he turns on the hot water. However, the hot water takes a while to arrive, so the fool simply turns the hot water up all the way, eventually scalding himself.

Happy Father's Day to all of our Fathers
and Grandfathers. May your day be
Blessed with Love and Laughter!

Happy
Father's
Day



SUMMIT WEALTH — PARTNERS —

800 N. Magnolia Avenue, Suite 105
Orlando, FL 32803

PRSRT STD
U.S. POSTAGE
PAID
Mid-Florida, FL
Permit No. 475

CONTACT INFORMATION

www.MySummitWealth.com

ORLANDO

800 N. Magnolia Avenue
Suite 105

Orlando, FL 32803

PH: 407-656-2252

FX: 407-656-8116

NAPLES

9180 Galleria Ct., Suite 200
Naples, FL 34109

PH: 239-254-1875

FX: 239-254-0476

JACKSONVILLE

4223 Duval Drive
Jacksonville Beach, FL 32250

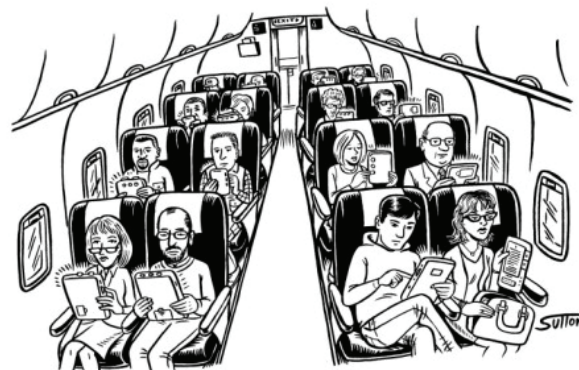
PH: 904-273-4550

FX: 904-212-0193

LOOK INSIDE!

- **Should You Prepare or Repair?** (pg.1)
- What Do We Mean By “**Fiduciary Standard?**” (pg.3)
- Do You *Really* Understand How Big A Trillion is? (pg.4)
- Are You “Digging In The Wrong Place?” (pg.6)
- Get Your “Finglish!” (pg.7)
- Top Vacation Destinations for 2013 (pg.7)

By failing to prepare, you are preparing to fail.
- Benjamin Franklin



“In preparation for landing, please turn off your books.”