

THE Rational Optimist™

We Know So Little- About the Economy

BY MITCH LEVIN, MD, CWPP, CAPP

It is difficult to identify a time or a place that had a true free market economy. In the late 19th century, Socialists renamed Marxism to Progressivism. It sounded like this system would be better for society. Anything good for society must be beneficial, right?

Academia, the press, the intellectuals, and the elite quickly joined the bandwagon. Next, they renamed the free market economy to Capitalism.

Would you rather be for society or for capital (otherwise known for greed, dirty dealing, etc.)? This is a clever approach of reframing the argument which still persists today.

Going back even further to Colonial and Revolutionary times, we were a mercantilist economy. Natives were forbidden from participation, and regulation blocked competition in banking and manufacturing. Financial panics were frequent: 1792, 1819, 1837, and 1857.

The Civil War was precipitated by Republicans of the North who represented Northern manufacturing that used tariffs, which impeded agricultural free trade with Europe.

Democrats of the South represented agricultural plantations that refused to replace slavery with mechanization and goods from the North.

Then we entered the phase of Monopoly. We know

that monopolies can only exist with government support; otherwise competitors enter the market.

This was the age of what progressive “muckrakers” of the press called “robber barons.” The government encouraged and protected railroad, oil, steel, electricity, natural gas, telephone, and banking monopolies. This era was followed by, the panics of: 1873, 1893, 1901, and 1907.



In 1913, the Federal Reserve Bank was created (the same year the national income tax was added to the Constitution as an amendment).

Soon after, the “Forgotten Depression” of 1920-1921 occurred, which while shorter and self-correcting, was far deeper and more wide-spread than the Great Depression.

This led to the “Alphabet Soup” of the FDR administration regulatory agencies that are still in existence and then massively expanded by President Johnson’s Great Society.

Then the Bush-Obama federal massive growth occurred. In between, of course, was “stagflation” in the 1970s and much more.

The point of this history review: we are better off now than we were back then. Whether you are left-leaning and believe it is because of, or right-leaning and believe it is despite government insertion into true markets, we have



Continued on page 5

ALSO IN THIS ISSUE:

Living Your Elevator Speech CHAD WARRICK - PAGE 2

How Summit Helps Lower the Cost of Investments JASON PRINT - PAGE 3

8 Ways to Use Your Tax Refund MISCHAEAL BROSS - PAGE 4

Summit Wise: Poppies - PAGE 6

Summit Spotlight: Summit Adventures - PAGE 7



Living Your Elevator Speech

BY CHAD WARRICK, CHIEF INVESTMENT OFFICER



One of the questions I am periodically asked, particularly in professional networking settings is, “What do you do?” Such a simple, yet complex question it is.

In the past, my daily work activities would flash through my mind.

The outcome those activities had for my clients and how much I enjoyed what I was doing would gather at the tip of my tongue – before I would spit out, “I am in financial services.”

This vague, uninteresting response was long before the trending momentum of having an “elevator speech.”

In today’s world, career experts suggest that having a carefully planned and concise marketing message about yourself is beneficial.

Working on an elevator speech has allowed me to reflect on my primary skill set and what brings value to my organization and clients.

As one’s profession changes, expertise evolves, and strengths develop – this speech inevitably changes.

“Live without neglecting to live for today.”



Does this imply that the speech will disappear upon retirement? I would like to think it shouldn’t.

Upon retirement, how would you respond when asked, “So, what do you do?”

“Oh, I am retired,” is an answer which can often denote that one has arrived at a dead end.

Frankly, that answer is almost as monotonous as my “Financial Services” response.

Although I am not anywhere near retirement, I often envision my “retirement elevator speech” sounding something along the lines of:



“I am an adventure-seeking, wild life enthusiast – who strives to document the natural beauty of the experiences which surround us.”

Certainly, this is not solely reserved for retirement, but rather every day.

While still planning for tomorrow, I want to be sure to live without neglecting to live for today.

My hope is that you would each carry a sense of happiness, peace, and fulfillment during retirement.

My commitment to you is to do my best to ensure that this phase of your life is financially feasible to best equip you to achieve that sense of peace.

Be Well,

***Our offices will be closed on
Monday, May 29th,
in observance of
Memorial Day***

How Summit Helps Lower the Cost of Investments

BY JASON PRINT, CFP®, SENIOR WEALTH ADVISOR



Forced fee transparency from mutual funds has led investors to vote for lower cost mutual funds. Hopefully this will result in high-cost funds continuing to lose assets as investors move towards lower cost mutual funds and Exchange Traded Funds (ETFs).

More and more we see the media shedding light on the operating expenses within many high-cost mutual funds, of which often times exceed 1%. This is the cost that the fund bears to hire a portfolio manager, research teams, etc.

One of the internal expenses inside mutual funds which does not get as much media exposure is called a 12b-1 fee. This name is derived from the rule 12b-1 of the Investment Company Act of 1940, which authorizes mutual funds to pay for marketing and distribution expenses directly from the investment assets of shareholders.

Essentially, the sales expenses associated with acquiring new investors are being paid for by existing shareholders. This fee can also climb to 1% and is in addition to the operating expenses of the mutual funds.

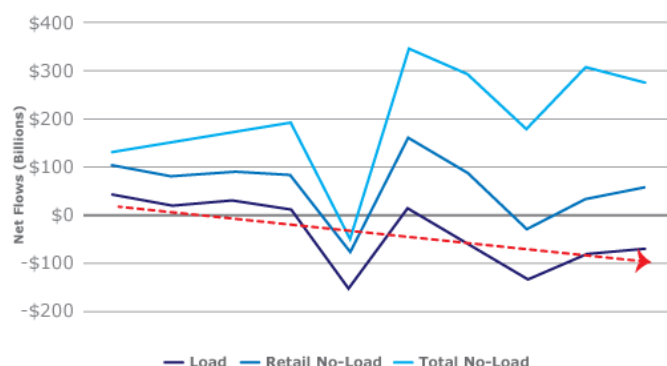
In theory, this 12b-1 fee was not supposed to increase overall expenses. Proponents of the structure argued that the more of the investors' assets the mutual fund was able to gather, the lower the overall operating expenses would be since the fixed costs associated with hiring portfolio managers and research analysts would now be spread over more investors.

Therefore, the idea was that the additional 12b-1 fee could be offset by the lower operating expenses. However, an SEC study found that while the funds with 12b-1 fees did grow, the mutual funds did not become cheaper.

From the outset in 1980 this rule was controversial, for obvious reasons. And due to the growth in the independent advisory channel, usage of these funds is in decline.

As the chart below shows, total no-load funds are gaining market share. There is also a retail no-load class of funds. Essentially this class of mutual funds does not charge a commission, but there is a 12b-1 fee. As transparency within our industry continues to develop, total no-load funds are growing in assets.

Net cash flows to load vs. no-load mutual funds



Source: Michael Kitces

What has also helped is the growth of independent Registered Investment Advisors, such as Summit Wealth Partners. Summit, and all RIA's, cannot accept 12b-1 fees and instead pursue much lower cost institutional funds or Exchange Traded Funds to implement in client portfolios.

This further reduces the amount of assets in high-cost mutual funds. Your team at Summit is continuously working to provide the most beneficial investments and financial plans to reach your goals.

Best Regards,



CHART from Michael Kitces using ICI data:
<https://www.financial-planning.com/news/kitces-why-the-12b-1-fee-era-must-end>



8 Ways to Use Your Tax Refund

BY MISCHAEAL BROSS, CLIENT SERVICE SPECIALIST



So you have received your tax refund, congratulations! Did you know that the average tax refund per return is around \$3,000?

Of course now that we, the tax payers, have received this sum of money, we start to create a mental list of all the things we could use this money towards.

Some of the items on our lists may be beneficial towards our financial plans.



Even so, it seems that our lists tend to focus on items you may categorize as “splurge” purchases. Splurge purchases are not always frivolous as long as we keep our goals in the fore-front of our minds.

To help you stay focused, we have created a list of eight ideas (in no particular order) in which to use your tax refund all while benefiting your financial plan:

- ✓ Pay off Credit Card Debt
- ✓ Increase Your Emergency Fund
- ✓ Boost Retirement Savings

- ✓ Invest in a Taxable Account
- ✓ Contribute to a College Savings Account (i.e. 529 Plan)
- ✓ Contribute to a Roth IRA for Your Child
- ✓ Make a Charitable Contribution to Help Others in Need
- ✓ Invest in Your Home

Your team at Summit would be more than happy to discuss the different options and how they will benefit you. Give us a call!

Regards,

Mischael

You may have noticed that your quarterly statements have a fresh new look for 2017. We would love to get your feedback!

Let us know if you prefer to go paperless. Quarter Statements are also available to view in your Client Portal Vault.



As a value-added service to you, please feel free to tell your family, friends and colleagues that they may use us as a sounding board for their financial concerns free of charge and without obligation.

Continued from page 1, We Know So Little- About The Economy-

never really experienced true free markets. Yet invested capital continues its inexorable climb upwards - in fits and starts.

Could that be because politicians and economists know so little about the economy?

Trillions of dollars injected into the economy failed to elicit the expected economic growth. Could it be that the economy has so little correlation with long-term investment results?

While we have so much data about the economy, the data seems to be a moving target. Rather than focusing on economical data, we suggest you focus on the below objectives:

- 1** Give up the pretense that we know where the economy is going
- 2** Give up the pretense that the economy predicts investment returns
- 3** Focus on what matters and what we can control: planning, allocation, and our own behaviors
- 4** Systematically buy low and sell high: through strategic reallocation
- 5** Diversify
- 6** Most importantly: Depend on Summit.

We bring you great value by doing the above for you.

Believe in the ingenuity of humanity to find ways to improve and grow our lot in life no matter the circumstances of society. Believe in and take advantage of Summit's True Wealth™ Process. The future is bright.

Make Great Decisions,



IN FLANDERS FIELDS

By Lieutenant Colonel John McCrae

Composed at the battlefield on May 3, 1915

*In Flanders fields the poppies blow
Between the crosses, row on row,
That mark our place: and in the sky
The larks still bravely singing fly
Scarce heard amid the guns below.*

*We are the dead: Short days ago,
We lived, felt dawn, saw sunset glow,
Loved and were loved: and now we lie
In Flanders fields!*

*Take up our quarrel with the foe
To you, from failing hands, we throw
The torch: be yours to hold it high
If ye break faith with us who die,
We shall not sleep, though poppies grow
In Flanders fields*



**Let us know how we can help.
Thank you for your TRUST and CONFIDENCE.**

How Did the Red Poppy Become a Symbol of Memorial Day?

The red poppy is the traditional flower of remembrance for Europe and North America because of its ties to World War I and II. The remembrance poppy was inspired by the World War I poem "In Flanders Fields" (on page 5), by Canadian physician, Lieutenant Colonel John McCrae, after witnessing the death of his friend, a fellow soldier on May 3, 1915.

In 1918, Moina Michael was inspired by the poem and published a poem of her own called "We Shall Keep the Faith". She vowed to always wear a red remembrance poppy as a symbol of remembrance for those who fought and helped in the war. She then campaigned to have the poppy adopted as a national symbol of remembrance. She was the first to wear one and sold poppies to her friends and co-workers with the money going to benefit servicemen in need.

Later, a Madam Guerin from France was visiting the United States and learned of this new custom started by Moina. When she returned to France she made artificial red poppies to raise money for war orphaned children and widowed women. This tradition spread to other countries.



In 1920, the National American Legion adopted the poppy as their official symbol of remembrance. Shortly before Memorial Day in 1922 the VFW became the first veterans' organization to nationally sell poppies. Two years later their "Buddy" Poppy program was selling artificial poppies made by disabled veterans. In 1948, the US Post Office honored Ms. Michael for her role in founding the National Poppy movement by issuing a red 3 cent postage stamp with her likeness on it.



Today, Buddy Poppies are still assembled by disabled and needy veterans in VA Hospitals. The VFW Buddy Poppy program provides compensation to the veterans who assemble the poppies, provides financial assistance in maintaining state and national veterans' rehabilitation and service programs and partially supports the VFW National Home for Children.

Sources: usmemorialday.org, poetryfoundation.org, vfw.org

We Shall Keep the Faith

by Moina Michael, 1918

*Oh! you who sleep in Flanders Fields,
Sleep sweet - to rise anew!
We caught the torch you threw
And holding high, we keep the Faith
With All who died.*

*We cherish, too, the poppy red
That grows on fields where valor led;
It seems to signal to the skies
That blood of heroes never dies,
But lends a lustre to the red
Of the flower that blooms above the dead
In Flanders Fields.*

*And now the Torch and Poppy Red
We wear in honor of our dead.
Fear not that ye have died for naught;
We'll teach the lesson that ye wrought
In Flanders Fields.*

FINGLISH /'FiNG(g)liSH/(n.) - [Financial English]

Marquee Asset : A company's most prized asset, one that is a highly visible symbol of its success and often the biggest contributor to its bottom line. A company with a coveted marquee asset may become a target for a bigger rival, or one with deep pockets, even if the other assets in its portfolio do not amount to much.

Avalize : The act of having a third party (usually a bank or lending institution) guarantee the obligations of a buyer to a seller per the terms of a contract such as a promissory note or purchase agreement. The bank, by "avalizing" the document (usually "by aval" will be written on the document itself), acts as a cosigner with the buyer in the transaction.

Vest Fleece : A term used to describe a situation in which a company's executives accelerate the vesting of their employee stock options. Usually, accelerated vesting is preceded by a period of excessively high employee stock option grants. Resulting in reduced shareholders' ownership, option holders are able to turn their options into stock in a shorter time.

Source: Investopedia.com



Marienplatz



Rialto Bridge



Neuschwanstein Castle

SUMMIT SPOTLIGHT

A LOOK INTO THE LIVES OF THE SUMMIT TEAM

Summit Adventures: EURO-TRIP

After two years of planning and saving, my husband and I took a trip of a lifetime! We departed from Orlando and arrived in Munich, Germany to embark on our 1,200 mile road-trip. We traveled through four countries and made many stops along the way. We visited the Neuschwanstein Castle in Germany, Jungfrauoch in Switzerland, Lake Como, Venice and the Dolomiti Bellunesi National Park in Italy, the Hallein Salt Mine in Austria, and explored Marienplatz, and the Chinesischer Turm upon returning to Munich. The weather was beautiful. If we didn't already have a travel bug, we sure do now! Where to next!?

Viele Grüße,

Amanda

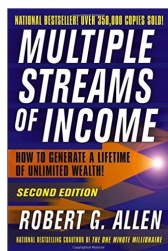


Jungfrauoch



Burano

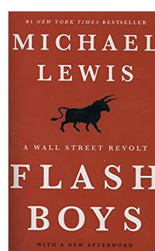
BOOKS WE'RE READING



Multiple Streams of Income: How to Generate a Lifetime of Unlimited Wealth!

by Robert G. Allen

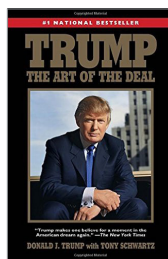
Ten revolutionary new methods for generating over \$100,000 a year; on a part-time basis, working from your home, using little or none of your own money. Allen researched hundreds of income-producing opportunities and narrowed them down to ten surefire moneymakers anyone can profit from.



Flash Boys: A Wall Street Revolt

by Michael Lewis

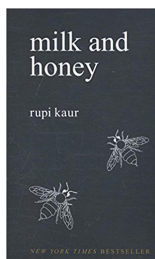
A small group of Wall Street iconoclasts realize that the U.S. stock market has been rigged for the benefit of insiders. They band together—some of them walking away from seven-figure salaries—to investigate, expose, and reform the insidious new ways that Wall Street generates profits. If you have any contact with the market, even a retirement account, this story is happening to you.



Trump: The Art of the Deal

by Donald J. Trump with Tony Schwartz

Here is Trump in action—how he runs his organization and how he runs his life—as he meets the people he needs to meet, chats with family and friends, clashes with enemies, and challenges conventional thinking. But even a maverick plays by rules, and Trump has formulated time-tested guidelines for success.



Milk and Honey

by Rupi Kaur

A collection of poetry and prose about survival: violence, abuse, love, loss, and femininity. Each chapter deals with a different pain and heals a different heartache. It takes readers through a journey of the most bitter moments in life and finds sweetness in them because there is sweetness everywhere if you are just willing to look.

Cover Images & Summaries: Amazon.com

FPA[®]
FINANCIAL PLANNING
ASSOCIATION

The Heart of Financial Planning[™]



National Ethics
Association
ethics.net



Ameritrade
Institutional

charles SCHWAB
INSTITUTIONAL

BLACKROCK



iShares[®]

RiA

STANDS FOR YOU.



FOR RECORDED PODCASTS VISIT:

[www.myassetprotectiongroup.com/
client-education/podcasts](http://www.myassetprotectiongroup.com/client-education/podcasts)

PRE-SORTED
STANDARD
U.S. Postage

PAID

Orlando, FL
Permit No. 2825

SUMMIT WEALTH

— PARTNERS —

INSIDE THE RATIONAL OPTIMIST:

- ➔ *We Know so Little*
- ➔ *Going Up?*
- ➔ *Going Down?*
- ➔ *Extra Money to Use*
- ➔ *Summit Wise: Poppies*
- ➔ *Summit Spotlight: Summit Adventures*



AS SEEN ON:



THE WALL STREET JOURNAL

**SOLID GROWTH
SAFELY MANAGED
TRUSTED ADVICE**

MYSUMMITWEALTH.COM

ORLANDO

One Orlando Centre
800 N. Magnolia Avenue
Suite 105
Orlando, FL 32803
(407) 656-2252

NAPLES

Vanderbilt Financial Center
9045 Strada Stell Court
Suite 101
Naples, FL 34109
(239) 254-1875

JACKSONVILLE

822 N A1A Highway
Suite 310
Ponte Vedra Beach, FL 32082
(904) 273-4550