

The Rational Optimist™

PROS AND CONS OF INEQUALITY

by Mitch Levin, MD CWPP, CAPP



How different from winter in Park City is our current summer in Florida. No big surprise. Moose and mountain lions are replaced by manatees and dolphins. Snow storms are now replaced by thunderstorms.

Although it is hot here in summer, the waters of the beautiful blue-green gulf are delightfully tepid and calm. And we, and a very few other weekend beach goers, enjoy the cooler evening breezes at sunset.

Meanwhile, in the world of geo-politics situations are heating up in spots, and some say there is a new cold war brewing. Inequality it seems is everywhere.

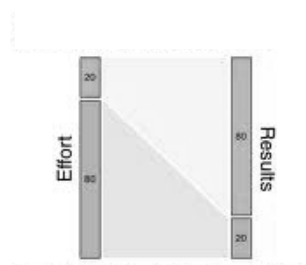
While we enjoy the bounty of our constitutional freedoms, and celebrate our liberties on Independence Day, people in other countries are dealing with their country's sovereignty under attack, their politicians' selfishness and corrupt actions.

It often doesn't seem fair. We know that all things are not equal. One of the big American political arguments

now concerns income inequality. Without the fear of poverty or the opportunity of wealth, too many of us would not expend effort, labor, capital, and risk to improve our lot in life.

And I wonder; who exactly would decide what equalized income would be like? And how would that be determined? And what would the consequences be? Pareto's Principle 80-20 Rule states that for many events, roughly 80% of the effects come from 20% of the causes.

The 80-20 Rule



This reminds me of another conversation insiders in asset management are having regarding "equal-weighted index" investing. Equal weighting has had success over the past decade that exceeds the more traditionally and widely known cap weighted indices.

However, it is how that success occurred that bears scrutiny. Most index investing critics say that only a small percentage of the largest companies have an

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Jason runs sprint triathlon.
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Brother goes Army
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SUMMER SOLSTICE 2014

By Chad A. Warrick, Chief Investment Officer

I hope you were able to enjoy the Independence holiday with your friends and families. Celebrating and demonstrating patriotism is especially meaningful when you have loved ones who have served or who are serving our country. To all service men and women, please accept our heartfelt gratitude. You, more than anyone, know that freedom is not free.

Political and financial freedom is very important to all of us. Here at Summit, financial freedom for our clients is our goal. It requires an enormous amount of resources including planning, knowledge, experience, and technology; we strive to present to our clients the very best. As we begin the second half of 2014, it is important to take a look at where we've been and where we are going.

Although stocks hit a multi-year high, they delivered modest returns, after the first quarter pull-back, when economic numbers suggested signs of slowing down. A low interest rate environment remains steady and below 20-year averages. As monetary policy continues to relax towards quantitative easing now and possible into

2015, so does a show of improving growth in the U.S. economy. Inflation is hovering between 1-2%, well below historical averages.

According to the Investment Company Institute's 2014 Fact Book, cash and money markets still remain above average levels. These factors continue to support equity exposure over fixed income, given individual risk tolerance. For the past year, both the emerging markets and the developed international markets trail U.S. markets. This remains an important allocation for us, as we see their economies on the glide path of improvement, which offers opportunities for excellent values for strong growth potentials.

Our portfolio focus, at these new levels, are comprised of equity positions that offer lower volatility than the broader markets; particularly, our research shows, that dividend paying companies offer higher return characteristics during a slower growth economy. Headwinds con-

tinue to include escalating tensions in the middle east, with the potential spike in oil prices. And long-term employment remains an issue for the Federal Reserve, hence the quarter end support.

We know that market timing is not a winning strategy for most investors. Time in the market will always prevail over the long run. As our economy continues to improve, U.S. economic data will be the largest benefactor. And a pullback will continue to be a concern. It could ignite an inflation scare, which

Summer Solstice

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INDICIES RETURNS

(as of June 30)

YTD (%)

US Equity Market

Dow Jones US Index	7.16
S&P 500	7.14
Russell Mid Cap	8.67
Russell 2000	3.19

International Equity Market

MSCI All Countries World Investable Market Index*	6.23
MSCI World*	6.18
MSCI EAFE*	4.78
MSCI Emerging Markets*	6.14

ALT Beta Market

Morningstar Dividend Yield Focus*	9.21
Dow Jones UBS Commodity	7.08

Fixed Income Market

Barclays Capital US Aggregate	3.93
Barclays Capital U.S. Total Treasury	2.71

*Returns are calculated with net dividends in USD

PLEASE WELCOME SUMMIT WEALTH PARTNERS' NEWEST TEAM MEMBERS



Patricia McNair joined our client service team in the Naples office. Before joining Summit Wealth

Partners, Patricia managed the lead generation and CRM system for a life insurance company. While working closely with clients in the financial industry, she has developed valuable experience.

A dedicated and skilled business professional with a versatile client service and support skill set makes Patricia a valuable addition to our team.

Patricia earned her B.S. degree from Pace University. She and her husband Jim live in Naples. She was born and raised in Greenwich, Connecticut. Patricia enjoys cooking and arranging flowers in her free time.



Jim and Patricia McNair



Gary Glover is managing advisor relationships using third party investment management pro-

grams powered by Summit Wealth Partners, Inc. He brings an enormous amount of knowledge and experience to our team.

Before joining Summit, Gary enjoyed a successful career in Major League Baseball consisting of 10 organizations, as well as playing in Japan, Korea, Australia, and Venezuela. He played at the Major League level with the Toronto Blue Jays, Chicago White Sox, Anaheim Angels, Milwaukee Brewers, Tampa Bay Rays, and the Detroit Tigers. During his baseball career, Gary earned six championship rings. He



Jake, Kaylie, Vanessa and Gary Glover

As a professional baseball player, Gary witnessed many of his peers making poor financial decisions, which developed into a passion to enter the financial world after his playing career concluded. His goal is to bring the truths of investing to ensure financial security to as many people as possible.

attributes his 19 year tenure to perseverance and remaining healthy.

Gary and his wife Vanessa live in Lutz, Florida with their son Jake and daughter Kaylie. Their family is active in the community, especially with youth sports. Gary also volunteers with non-profit organizations such as SCORE International.



RUN YOUR OWN RACE



By Jason Print, Senior Wealth Advisor, CFP

Recently, I completed my first sprint triathlon. There is a big difference between the sprint triathlon and the Ironman triathlon or ultra triathlon held in Hawaii. It would be similar to the difference between a penny stock and stock in Google. The sprint triathlon consists of a .47 mile swim, a 12 mile bike ride, with a 3.1 mile run at the finish. The Ironman consists of a 24 mile swim, a 112 mile bike ride, and a 26.2 mile run at the finish.

For me to complete a sprint triathlon has been a personal goal for a number of years, but this was the first time I actually put a date on the calendar. I registered and began training for the event about six months in advance. I had never biked more than a few miles before and I have never been much of a swimmer; I figured these two portions of the race would be my most challenging. I cannot say that I trained as hard, or as much, as I had planned. With two toddlers under the age of three and working full time, that is probably to be expected. However, I was confident that I would be able to complete the event without any major injuries. That too was part of my goal. I was not concerned with my time, or placement within my age group. My goal was to cross the finish line,



under my own power, and to be able to walk back to the hotel with my children. I thought this would be pretty cool and I was excited about competing.

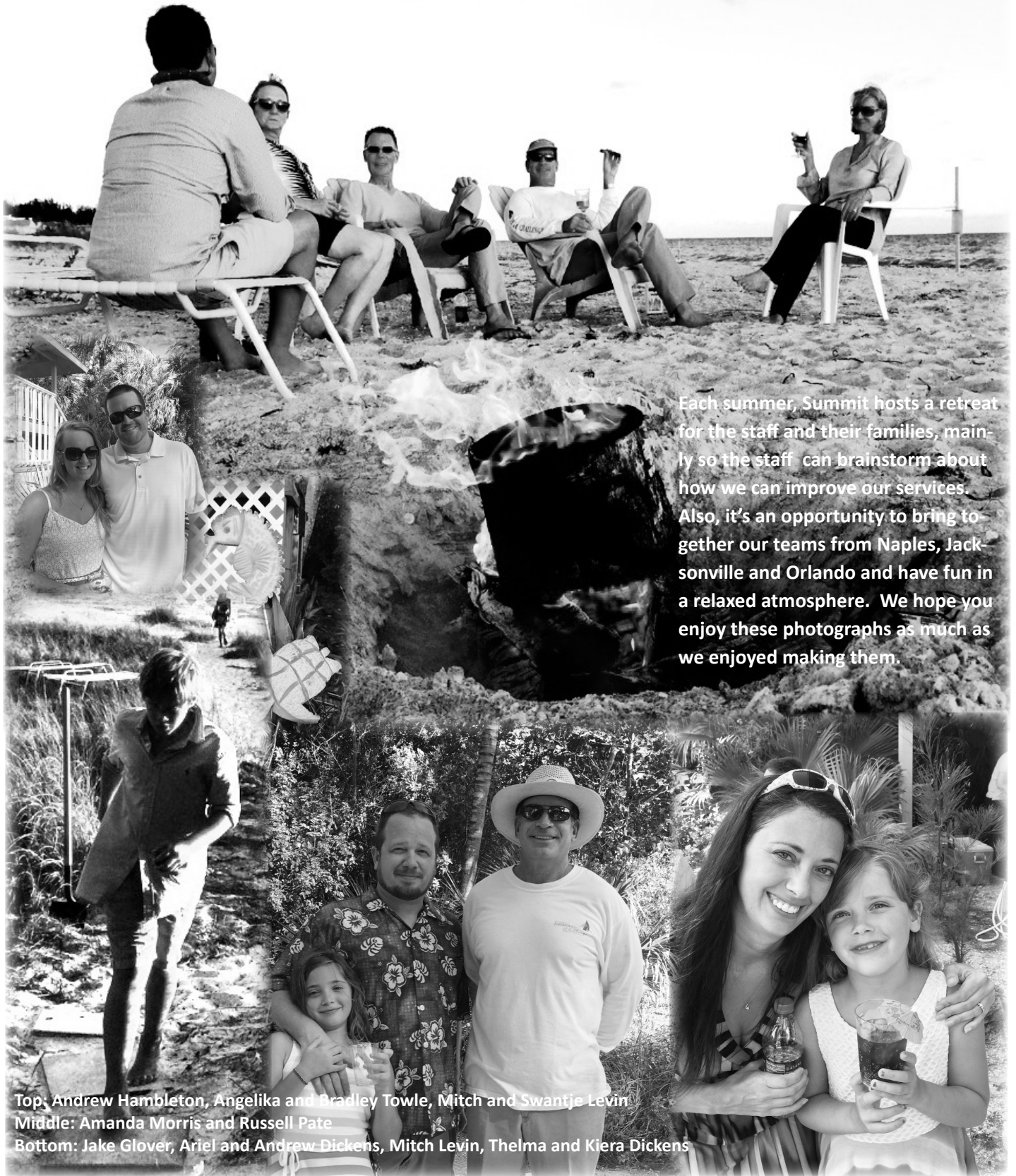
The day before the event was sign up day, when you pick up your race

packet, attend some question and answer events, and see presentations on the logistics, register your bike, etc. Surprisingly, there was quite a bit to do the day before the race. There were about 2,000 people who had signed up for the sprint triathlon. I chatted with a gentleman who was standing in front of me. He said that he competed in about 10 races a year. Also, he was competing in the Olympic distance, which is about twice the distance of my sprint triathlon, and he was, obviously, in terrific shape. He looked to be about 6'5" tall and similar percentage of body fat to LeBron James. He told me that he had won several of these events and was hoping to place in the top 2 or 3 in his age group, which happened to be my age group. I have no idea what his time was or when he finished, but, I would be willing to bet that he finished with a much faster time.

As a matter of fact, most people I talked to that day, had different goals, different focuses for what they were hoping to achieve. Some of them were competing to raise money for loved ones with cancer, others to celebrate a milestone birthday. I thought about all of them and how different and unique they were, as were their goals and inspirations. I learned that running a triathlon was not any different than

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SUMMIT'S 2014 STAFF RETREAT



Each summer, Summit hosts a retreat for the staff and their families, mainly so the staff can brainstorm about how we can improve our services. Also, it's an opportunity to bring together our teams from Naples, Jacksonville and Orlando and have fun in a relaxed atmosphere. We hope you enjoy these photographs as much as we enjoyed making them.

Top: Andrew Hambleton, Angelika and Bradley Towle, Mitch and Swantje Levin
Middle: Amanda Morris and Russell Pate
Bottom: Jake Glover, Ariel and Andrew Dickens, Mitch Levin, Thelma and Kiera Dickens



TOUGH CHOICES (Part One)

by Andrew Dickens, Wealth Advisor

The children of the greatest generation are retiring so rapidly and in numbers so great that it's putting pressure on all aspects of our social system. You've heard the media and politicians rambling on about "fixing social security and Medicare", but the greatest pressure will be felt in an area that is seldom discussed.

I'm talking about extended healthcare, and if you haven't been through it in your family, then you probably know someone who has. A parent with diminished capacity, a spouse recovering from a car accident, or a special needs child; all are examples that may require rehabilitation, assistance or supervision for extended periods of time. The majority of the pressure on the system

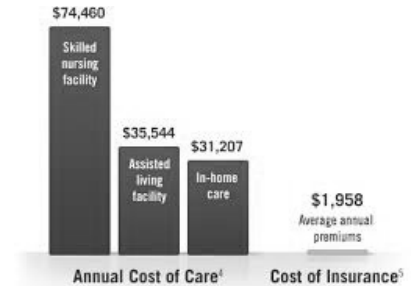
medicine are such that what used to kill us is now much more likely to make us chronically ill. And because of that, more people than ever before will live into their nineties. In fact, the U.S. Census recorded a ninety plus population that tripled in the last three decades and it is expected to quadruple again in just the next decade. This aging population is creating pressure on a healthcare system that is simply not prepared to handle it.

When an illness or injury strikes that results in an extended healthcare situation, more often than not, the dependent will want to stay at home. And sometimes staying at home may not be possible for any number of reasons. Once you know that care at home may prove to be unsustainable, you'll have some tough choices to make.

And this is where, in my experience, so much pain and anguish could be minimized if proper planning had been done ahead of time. The time to talk to mom about selling her home and going into an assisted living facility is when she's healthy and happy, not when she's sick and struggling. The time for you to make those decisions for yourself is now.

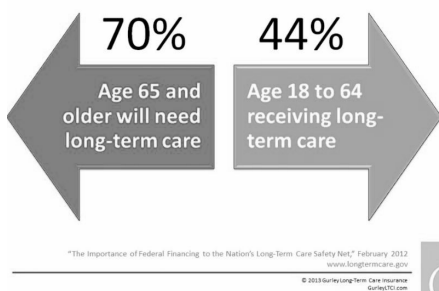
The decisions made for extended healthcare scenarios can be pain-

ful, divisive, and emotionally intense. I have experienced it personally, and heard countless stories with a familiar ring. The one lesson I've learned is how much better a properly planned and coordinated healthcare event can be. That's



why I became passionate about it; I saw how quickly a family unit can break down into a divisive, fractured entity with interference and indecision ruling the day. All of which could have been prevented, if only someone had helped us prepare for it.

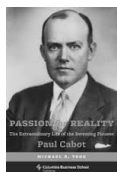
If you need help drafting a plan, or would like to learn more, please feel free to reach out to us here at Summit, we can help.



is coming from baby boomers who have been fortunate enough to live through a medical renaissance over the last century and are now living longer and in greater numbers than ever before. Simply put, advances in modern

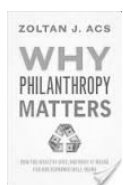
BOOKS; // THE NEWS AND ON THE GO

BOOKS WE'RE READING



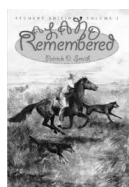
Passion for Reality: The Extraordinary Life of the Investing Pioneer Paul Cabot (Columbia Business School Publishing)

by Michael R. Yogg and John C. Bogle



Why Philanthropy Matters: How the Wealthy Give, and What It Means for Our Economic Well-Being (Princeton University Press)

by Zoltan J. Acs



A Land Remembered (Pineapple Press, Inc.)
by Patrick Smith

IN THE NEWS

THE WALL STREET JOURNAL.

The Wall Street Journal, May 14, 2014 published Mitch's letter to the editor in response to "Retirement Investors Flock Back to Stocks" (WSJ page one on May 2) that vividly demonstrates why most investors buy high and sell low.

"There is a reason why most investors under perform — their own

behavior. And investors are aided by certain misguided financial advisors, who don't know better or who are also emotional investors. Too bad investors and their advisors aren't encouraged to purchase evidence-based, rules-based, risk-adjusted portfolios that exist but lack sex appeal." — Mitch Levin, Orlando, FL

Barron's May 12, 2014 published Mitch Levin's letter to the editor and



used his comments as their tag line response to Robert Arnott's article.

"The 16 countries that have had markets over the past 240 years show that inflation has averaged close to 3.5%; bonds have returned 1% over inflation; real estate, 2% over inflation; and equities, 4% over inflation, with almost half of that return coming from dividends. (None of these numbers is net of fees, costs, and taxes.)

With current inflation at 2%, it is sensible to expect stocks to return about 6% over the next one to two generations. And since most portfolios have some bonds to mitigate short-term fluctuation in values, investors should expect something less than 6%. Any projected return

higher than that in a prudent portfolio is unrealistic." — Mitch Levin, Summit Wealth Partners, Inc., Orlando, FL

ON THE GO

iShares invited Chad Warrick to the opening bell ceremony at the NYSE,



October 15, 2013

And May 7, 2014 iShares invited Chad Warrick to the closing bell ceremony at the NYSE.

Mitch Levin was a guest speaker at the Marcus Evans Private Wealth Management Spring Summit at Amelia Island, FL, June 1-3

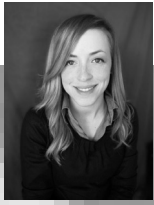


Mitch Levin attended the TD Ameritrade Elite Summit at Dana Hills, CA, June 10-12

Chad Warrick attended the ETF Managed Portfolio Summit at Chicago, IL, June 17-18

MY BROTHER: AN AMERICAN PATRIOT

by Jessica Feliciano, Client Service Specialist



I will never forget March 29, 1996, the day my baby brother was born.

It began chaotically at 1 o'clock in the morning, when my sister and I were awakened from our sleep and dropped off at Grandma and Grandpa's house.

Several hours later, we were taken to the hospital to meet our new baby brother Ivan. I was smitten from day one, but at eight years old, reluctant to admit it. Little did I know then how important he would become to me and how much I would grow to love him.

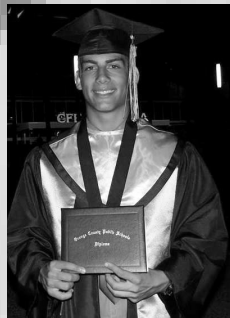
This June, Ivan graduated from University High School. Then on July 1st, he put on his soldier's uniform, strapped up his boots and left for Missouri's Fort Leonard Wood's, One Station Unit Training for Military Police.

Words cannot come close to describing the pride I feel, when I think of his bravery and devotion to his country. Never could I have imagined that my little blue-eyed baby brother would grow up to become such a fine handsome American patriot.

I will not see him, nor hear his voice for the next six months. Gone is my favorite Monopoly partner who was just a phone call away. To my little brother, I promise to do my best to refrain from crying. I will hold Mom's hand and support her while you are away.

Independence Day has a more personal meaning. For years, you looked up to me. Now, it is me who looks up to you. I admire you very much Ivan David Rodriguez! God speed.

Jessica



Ivan David Rodriguez



Summer Solstice continued from Page 2

could also cause the Treasury yields to rise relatively quickly, at least short-term. As always, our focus will remain on all risk factors, as we look for opportunities for solid growth, that is safely managed with trusted advice.

Thank you for being great clients and allowing us, here at Summit Wealth Partners, to serve and work for your financial freedom.

Chel

A Salute to all our Men and Women in Uniform
Thank You for Your Service!





Team Daddy: Eileen (Jason's Mom), Sydney, Jason, Joseph and Jamie Print

what we do every day at Summit Wealth Partners.

When it comes to investing, there will likely be some stock index that did better, or someone else's portfolio that did better over some short period of time. However, if you are able to accomplish what you set out to accomplish, shouldn't that be the ultimate definition of a successful financial plan? It's easy to get caught up in benchmarks and lose sight of what we are trying to accomplish. What matters is that you achieved your goals.

Did you accomplish what you set out to do, did you get to where you wanted to be, and do you have the money that you need? And do you have the time to spend on your passions, whether it's travelling or spending it with your grandchildren?

For me and the sprint triathlon, once I figured out where I wanted to be and what I needed to do to

get there, I didn't spend time worrying about where others would finish.

It didn't bother me that many people would finish way ahead. I remained focused on my race, my pace and what I thought I needed to do to swim a half mile, bike 20.8 miles and run the final four miles, with the last mile being the toughest running on sand.

It occurred to me that at Summit, we use exactly the same approach to help you and every client win their race for financial health.

Our goal is to help you achieve where you want to be, at your pace with your own risk. Our focus remains on you, our client, and what we, as a team, need to do to win.

FIN GLISH

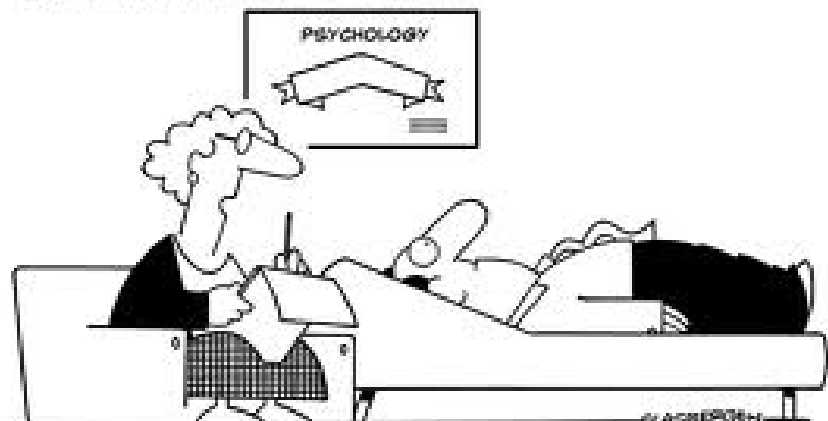
EXCHANGE-TRADED FUNDS

Securities representing Mutual Funds that are traded like stocks on the exchanges. Compared with open-end index funds, ETFs have a number of advantages: unlike mutual fund shares, which are priced at their net asset values at the end of each day, ETFs can be bought or sold anytime during the trading day at the market price.

STOCK OPTION

Right to purchase or sell a stock at a specified price within a stated period. OPTIONS are a popular investment medium, offering an opportunity to hedge positions in other securities, to speculate in stocks with relatively little investment, and to capitalize on changes in the MARKET VALUE of options contracts themselves through a variety of options strategies.

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"If you keep telling the economy that it is weak or 'bad,' then that's how it is going to behave.!"

overwhelming affect on the index performance. Thus the equal-weighters say that there should be more emphasis on the smaller of the large companies. So in effect, there is an “over-weighting” of



smaller companies in equal weight indexing.

Nobody knows which asset class will out-perform in any time period. No one can know therefore, which asset class to over-weight or to under-weight at any given time. Some may guess, and do so correctly — occasionally.

That would be a poor investment strategy — one that has cost inves-

tors far too much. This has been borne out by countless academic and commercial studies.

You may have seen what we casually call the “equity quilt” or the “periodic table of investing”. There is no discernible pattern. The US large companies have only been the number one asset class once in the last 20 years. This year to date, Bulgaria has had the highest returns.

That is why we, at Summit, believe you should have all asset classes properly proportioned. That is one of the reasons why our portfolios perform well. It is exactly the inequality of asset class presentation that we depend on to give our investment strategies their powerful performance.

We do not want everything to be equal. We do not want the day to be equal to night, nor bonds to be equal to stocks. We do not want tax free to be equal to taxable. We do not want low-return and high-return portfolios to have equal risks.



We do not want winter in Park City to be equal to summer in Florida.

Yet, not all inequality is good, either. We want equal opportunity, equal treatment under the law, and equal rights to pursue happiness. This does not give others the equal right to enjoy what we were able to produce and save. We also don't want an unequal return for the same risk we take in our investing.

I am unaware of any short-term investment that is also a good long-term investment. That is why we construct the portfolio models that we use, and why they are so successful over the long-term. And that inequality is one that we can appreciate. Enjoy the heat, have a wonderful summer, and as usual...

Make great decisions.

Keith



THE WALL STREET JOURNAL



National Ethics Association
ethics.net



BLACKROCK

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THE SVERIGES RIKSBANK PRIZE IN ECONOMIC SCIENCES IN MEMORY OF ALFRED NOBEL 2012



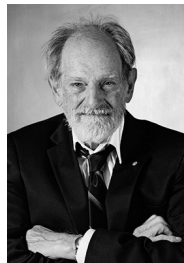
ALVIN E. ROTH
Born: 18 December 1951, New York, NY, USA

Affiliation at the time of the award: Harvard University, Cambridge, MA, USA, Harvard Business School, Boston, MA, USA

Prize motivation: “for the theory of stable allocations and the practice of market design”

Field: applied game theory

Prize share: 1/2



LLOYD S. SHAPLEY
Born: 2 June 1923, Cambridge, MA, USA

Affiliation at the time of the award: University of California, Los Angeles, CA, USA

Prize motivation: “for the theory of stable allocations and the practice of market design”

Field: game theory

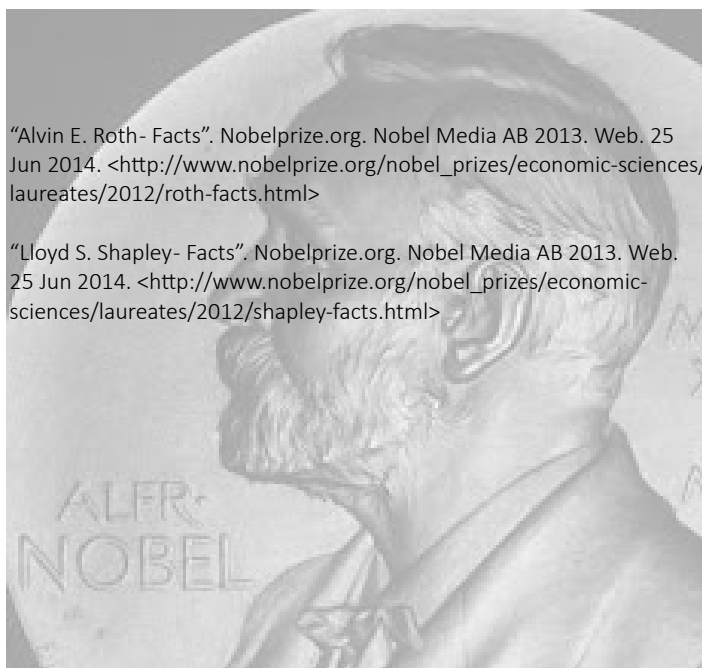
Prize share: 1/2

CONTRIBUTION: FINDING STABLE MATCHES

How to bring different players together in the best possible way is a key economic problem. Examples of situations where this problem arises include matching children with different schools, and kidneys or other organs with patients who require transplants. From the 1960s onward, Lloyd Shapley used what is known as Cooperative Game Theory to study different matching methods. Within the framework of this theory, it is especially important that a stable match is found. A stable match entails that there are no two agents who would prefer one another over their current counterparts. In collaboration with other researchers, Shapley has succeeded in identifying methods that achieve this stability.

Beginning in the 1980s, Alvin Roth used Shapley’s theoretical results to explain how markets function in practice. Through empirical studies and lab experiments, Roth and his colleagues demonstrated that stability

was critical to successful matching methods. Roth has also developed systems for matching doctors with hospitals, school pupils with schools, and organ donors with patients.



“Alvin E. Roth- Facts”. Nobelprize.org. Nobel Media AB 2013. Web. 25 Jun 2014. <http://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/2012/roth-facts.html>

“Lloyd S. Shapley- Facts”. Nobelprize.org. Nobel Media AB 2013. Web. 25 Jun 2014. <http://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/2012/shapley-facts.html>



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Special Double Issue

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"America will never be destroyed from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves." — Abraham Lincoln