

THE Rational Optimist™

Charitable Gift Planning: Part Two

BY MITCH LEVIN, MD, CWPP, CAPP



Charitable gift planning comes in many varieties. Yes, you may get a tax incentive to gift; however, rarely is that incentive a way to increase your wealth. Usually it simply makes your gift more efficient. We can help your gift be more effective also. We have strategies and techniques that can help replace your family's wealth painlessly and efficiently after you have made the gifts.

In Part One, we discussed what forms of gifts and entities exist. Here we will help you articulate why you are gifting. Some plans include present or future or a combination of gifts. Some have great, little, or no restrictions. Some have specific or general usage by the entity.

how it sees best fit. If you would rather have it “designated” for a particular cause within the entity, you may or may not want to “restrict” at least part of your gift.

Here are some additional questions to consider: Do you want your gift in a lump sum where it can have great importance now or in sequence over time for greater sustainability, through an endowment or through continuous giving? And, are your gifts compatible with the needs of the entity?

Let's break it out by type of entity for easy illustration (ignoring the general funding category):

- 1 In designated gifting to religious organizations, you may provide for the building(s), outreach, missionary, or other funding;
- 2 In education, you may provide for books and equipment, buildings, scholarships, awards, or endowing a Chair;
- 3 In health care, you may provide for building(s), research, and equipment; though usually not for direct care subsidy, which is done through social services;
- 4 In social services, you may provide for building(s), furnishings, education and outreach, or direct subsidies;
- 5 In the arts, you may provide for furnishings, building(s), education and outreach, indirect subsidies for the audience, and direct subsidies for the artists.

Get specific with your vision, your mission, your values, and what you hope to achieve.

Questions to consider about your gift plan include:

- >> How, when, and by whom would you like your gift to be enjoyed?
- >> What is your mission?
- >> What are your values?
- >> How have you prepared your family?

First, get specific with your vision, your mission, your values, and what you hope to achieve. Gifting to the “general fund” may be exactly what you want. By gifting to the general fund, the entity gets to spend the money

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We've got a new look and some new additions in our newsletter. We can't wait to hear your feedback!

We Will Have Our Cake, and We Will Eat it too

BY CHAD WARRICK, CHIEF INVESTMENT OFFICER



Immediately following Brexit, many investors watched the markets plummet, with their hands tightly gripped on an armrest. Now, just two months later, heart rates have returned to a normal pace and the grips have loosened.

When we “zoom out” and look at how the markets have performed over the last few decades we realize, these market declines were short-lived down turns in an upward-trending environment. From this 10,000 foot view we realize two additional things: Fixed Income Markets (bonds) are a challenge, and Equity Markets are a challenge. Let’s dig a little deeper.

Over the last 30 years, the Fixed Income Market has enjoyed a return stream, not likely to be repeated. Overall, lower yields have created a challenge for investors. Traditional sources of high quality income may no longer be a sufficient method for meeting investor income needs.

Time in the markets, will always trump timing of the markets.

Meanwhile, the Equity markets are currently in their second longest U.S. bull market. Investors looking for high yields may be exposed to significant downside risks during this fragile equity environment.

Investors therefore find themselves stuck between a rock and a hard place, wondering if they are forced to choose between income and safety of principal.

Growing up, my parents always reminded me that I would be faced with difficult situations, which would require difficult decisions. “Chad, ‘You can’t have your cake and eat it too’”- This proverb literally means one cannot retain his cake in its entirety while also eating from it.

It seems like this is what the Markets are telling us also, as investors. It seems we cannot protect our principal, while also taking income from it.



I listened and accepted my parents advice as a child, but as a trusted advisor, I am compelled to find an alternative to this predicament. You deserve to have your income (eat your cake), and principal (have your cake) too.

It is my duty to protect your principal AND generate retirement income. So, you may ask, “Where do I put my money?” I cannot stress enough how important it is to first create a plan that realistically outlines the purpose of your money.

The primary factor for meeting your needs is often understanding the quality of life you want to live and

ensuring we plan accordingly to maintain your desired lifestyle, while also delivering comfortable returns. We also want to determine the time horizon of when funds will be needed and how long your assets should be exposed to risk or unwanted volatility.

Thankfully, we are not merely relying on the allocation between two asset classes: Fixed Income and Equities. As environments in the markets change, we revisit your investments and recommend changes according to your individual plan and objectives.

We have developed a time-tested global investment strategy that may allow for you to remain invested, while seeking protection from the inevitable and temporary large draw downs.

Our due diligence to you requires we be open to all investment strategies, with the understanding that we have yet to see the top of the market. From the 1930’s until now, we have seen that there really has been no ceiling to the global markets. Time *in* the markets, will trump timing *of* the markets.

We look forward to sitting down with you to review and update your risk tolerance, goals, and objectives.

Best Always,

A Different Type of Volatility

BY JESSICA FELICIANO, CLIENT RELATIONSHIP MANAGER



A majority of retirement planning is focused on the financial aspect of retirement. Decades of research has produced the tools and theories that compel pre-retirees to save. Financial Advisors and Financial Planners are equipped with the necessary knowledge, technologies, and platforms to develop investment strategies, financial plans, and even a retirement budget.

Insurance Brokers are standing by to help implement an additional layer of protection to your financial picture. Also, Accountants and Attorneys are often leveraged to assist with the tax planning and estate planning process. The pre-retiree has an endless supply of resources to thoroughly prepare for retirement, at least financially.

Retirement planning goes beyond financial preparation; it is an ongoing emotional adjustment.

It is no wonder the emotional preparation is sometimes overlooked, as one absorbs the magnitude of this life-changing event. As with any other life-changing event, retirement involves an ongoing process of emotional adjustment, particularly for the personality types that found a sense of identity and purpose within their profession.

The different stages of this transition can be broken down into four individual phases:

1 - PREPARATION: Retirement is a distant goal for many in this stage. The focus is on developing a career, buying a home, paying off debt, setting money aside, and putting children through college. You may be giving very little thought to what life will actually be like, once you reach your distant goal.

2 - PEAK: The retirement celebrations begin. Balloons, cakes, and a congratulatory party. You may dive head first into all of the things you have longed to do – but couldn't due to lack of time. There may be a wave of travelling, picking up old hobbies, learning new hobbies, socializing with other retirees and so forth.

This phase is filled with a sense of freedom and euphoria.

3 - TROUGH: The emotional high has worn off. The travelling has subsided. You may begin to experience a sense of lowness, boredom, and feelings of disillusionment. Perhaps the most difficult thought process during the trough phase is the inevitable stream of questions – “So, this is retirement?”, “Who am I, now?”, “What is my purpose?”, “Am I still useful in some capacity?”. Spending time discovering the new and unfamiliar answers to these questions will help guide you towards a satisfying perception of your retirement.

4 - RE-POSITIONING: A new identity, as a retiree, is in the process of being established. You will gradually find comfort during this final phase of the transition. Dreams and goals will be readjusted, yielding a new sense of purpose within you.



Retirement planning goes beyond financial preparation; it is an ongoing emotional adjustment. While the transition phases may differ amongst individuals, many retirees experience some form of this process after they stop working. Your ability to navigate through these uncertain moments, will determine your outlook on this much awaited life-changing event. We would be happy to recommend to you a few good reads related to the emotional transition into retirement.

All The Best,

Jessica

Why is Predicting the Stock Market so Difficult?

BY JASON PRINT, CFP®, SENIOR WEALTH ADVISOR



The statistics show quite strongly how the vast majority of those trying to beat the market fail to do so consistently over long periods of time. I believe human nature wants us to think there is some formula or way to predict what will happen next - not just in stocks but in everything.

We look for baseball players who show signs that they will be the next All-Star. Baseball teams now employ not only talent scouts, but thanks to Moneyball they employ many people who analyze statistics looking for signals as to those players who will outperform the averages.

Along the same lines, Sports Illustrated will write articles on the next Peyton Manning or Michael Jordan. Business magazines will write articles on the next Apple, Google, breakout sector and best mutual fund manager.



Stay invested for the long-term and focus on what we can control.

Occasionally, somebody gets it right. I was working in Ohio and remember when a co-worker gave me the Sports Illustrated issue with LeBron James on the cover (then a 17 year old junior in high school) and labeled him the “chosen one”. He certainly has lived up to the hype. But there are countless others who did not, just as there are many first round NFL quarterbacks that do not come close to Peyton Manning.

This does not make the scouts any less talented or mean journalists didn’t do enough research. It just means nobody has a crystal ball and the future is a very difficult thing to predict, particularly when you have a significant number of different variables. The

more possible outcomes and the more variables involved, the more difficult it is to predict.

Many people thought by now we would be able to determine earthquakes and predict when they would hit and how large they would be. It turns out however, that there are so many different variables and any slight change in any one variable can have a significant effect on whether an earthquake would occur.

The stock market also has a large number of variables, particularly in the short term. Economic news, military news, and political news, all can affect companies. And the shorter the window, the tougher it is to predict.

Even if you had a significant amount of information and news prior to it occurring, it may not be easy to predict the near term future of stock and bond prices. The reason: it doesn’t always make sense.

Sometimes stocks go up on bad news and down on good news. Sometimes interest rates on ten year treasury bonds go down even though the Federal Reserve announces they will be raising rates.

As of this writing, we are at the end of second quarter 2016 earnings announcements for the vast majority of S&P 500 companies. Earnings are actually on track for a 2.8% decline year-over-year. It is actually a contraction in earnings for five quarters running. So, stock prices have been going up, as earnings have come down. Stocks have actually rallied 20% since the earnings recession began, according to FactSet.

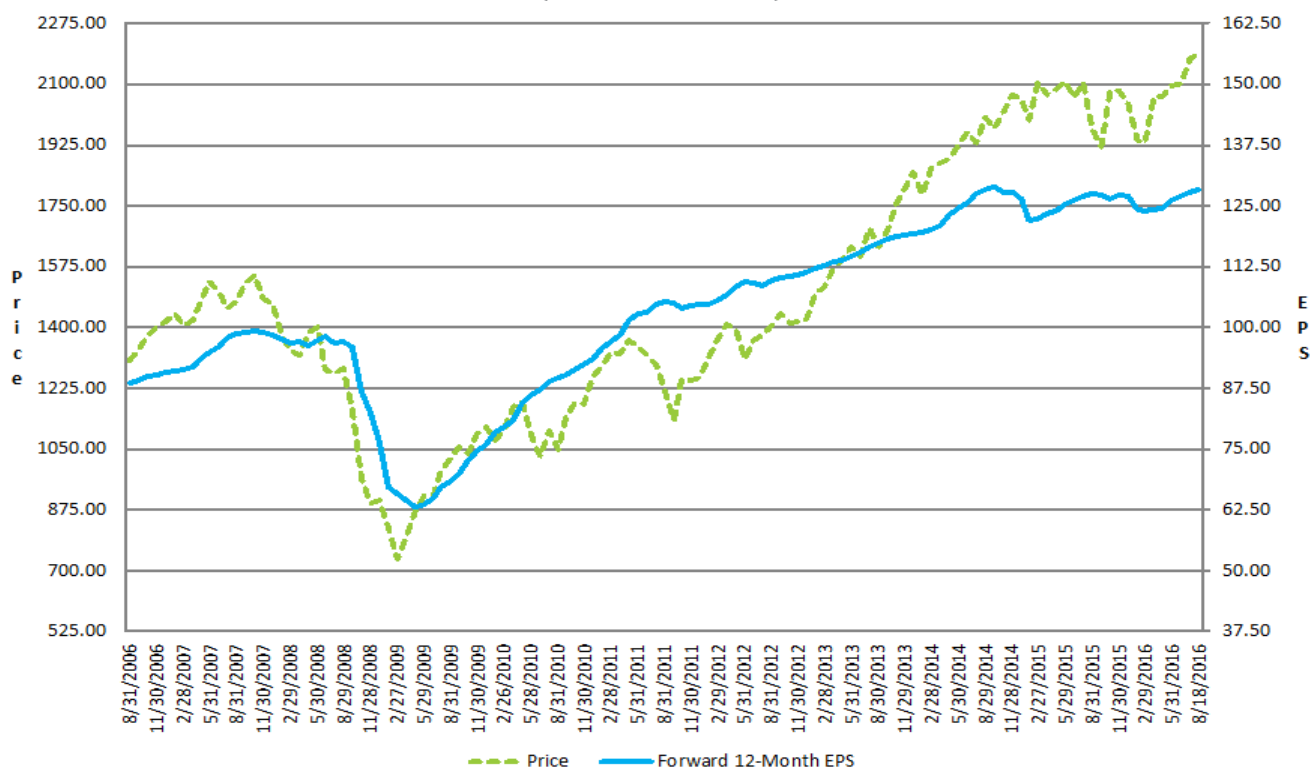
Bonds can create an equal conundrum. For the first time since 2007, the Federal Reserve board announced it was raising the short-term Federal



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.

S&P 500 Change in Forward 12-Month EPS vs. Change in Price: 10 Years

(Source: FactSet)



Funds rate in December 2015. Most thought this would lead to prices of bonds going down and interest rates increasing. Yet since then Treasuries have gone up in price and down in yield.

Nobody said the markets always had to make sense. Bonds and stocks tend to be uncorrelated over the long-term. But, they are not so far this year. Year to date both are up mid-single digits.

Over the long-term earnings will catch up to the market. The future is a difficult thing to predict - Stay invested for the long-term and focus on what we can control.

Regards,

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

Continued from page 1

There is a common theme. Typically your designated current gift, as well as your future gift, either goes to infrastructure or to operations. The choice is yours. Many like the “hard asset” gift of a building. It is tangible and real. The operations are spent and then they are gone. Nevertheless, they are real benefits. As mentioned in the Part One, there is no right or wrong. There is only to know how your gift will be used. We can help you achieve clarity and confidence in executing your gifting wishes.

Make great decisions.

Rich

Look for Part Three in our Holiday issue.

✓ Our offices will be closed
Monday, September 5th
in observance of
Labor Day.



[This month we recognize Labor Day on Monday, September 5th. Please remember to give thanks to all of us who labor to make our families secure, and our country great. Aside from being a long weekend for many of us, this forgotten date in history has had a profound impact on the way you live your life.

On September 5, 1774, the first meeting of the First Continental Congress was held in Philadelphia. This is a pinnacle date that led to a Free America. Some scholars feel this date is more important than July 4, 1776. Because, if this meeting had not occurred, there could not have been a signing of the Declaration Of Independence.

Source: history.com

[Astronomically, the September equinox marks the end of summer and the beginning of fall for the Northern Hemisphere. The term *Equinox* comes from the Latin words, *Aequus*, meaning equal, and *Nox*, meaning night. Most places on Earth experience close to equal parts of both day and night on this date. Equinoxes and Solstices occur twice a year, with each marking the beginning of a new season. The autumnal equinox occurs on Thursday, September 22nd this year.

Source: timeanddate.com

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

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).

COLA: Acronym for cost-of-living adjustment. An adjustment made to Social Security and Supplemental Security Income to counteract the effects of inflation. COLAs are generally equal to the percentage increase in the consumer price index (CPI) for urban wage earners and clerical workers (CPI-W) for a specific period.

Socially Responsible Funds: This group includes any fund that invests according to noneconomic guidelines. Funds may make investments based on such issues as environmental responsibility, human rights, or religious views.

Source: Investopedia.com

SUMMIT SPOTLIGHT

A LOOK INTO THE LIVES OF THE SUMMIT TEAM

BACK TO SCHOOL



Julien
Kindergarten



Anna
4th Grade



Liam
Kindergarten

Aiden
5th Grade

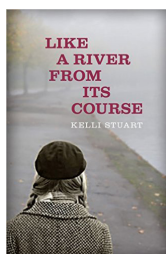
The proud parents of the Summit team are excited to be sending their children back to school!

2016 is a big year here. Chad, Jason and Jessica all have kids starting Kindergarten. Meet the future investors of America!



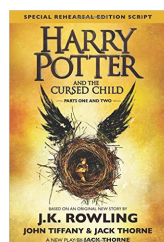
Sydney
Kindergarten

BOOKS WE'RE READING



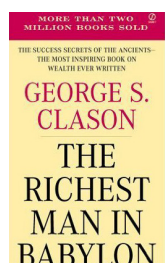
Like A River From Its Course

An epic novel exposing the ugliness of war and the beauty of hope
by Kelli Stuart
Stuart takes the reader on a captivating journey into the little-known history of Ukraine's tragedies through the eyes of four compelling characters who experience the same story from different perspectives.



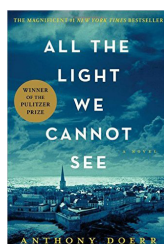
Harry Potter and the Cursed Child

Parts 1 & 2, Special Rehearsal Edition Script
by J.K. Rowling
Based on an original new story by J.K. Rowling, Jack Thorne and John Tiffany, a new play Thorne, Harry Potter and the Cursed Child is the eighth story in the Harry Potter series and the first official Harry Potter story to be presented on stage.



The Richest Man in Babylon

The Success Secrets of the Ancients—An Assured Road to Happiness and Prosperity
by George S. Clason
This timeless classic holds the key to all you desire and everything you wish to accomplish. This is the book that reveals the secret to personal wealth.



All the Light We Cannot See

PULITZER PRIZE WINNER
by Anthony Doerr
A New York Times bestseller about a blind French girl and a German boy whose paths collide in occupied France as both try to survive the devastation of World War II.

Cover Images & Summaries: amazon.com

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SUMMIT WEALTH

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INSIDE THE RATIONAL OPTIMIST:

- ➔ *How to keep your values alive*
- ➔ *Have your cake and eat it too?*
- ➔ *Making life after work more enjoyable*
- ➔ *"Carnac the Magnificent" Seer of all...?"*
- ➔ *The Power of You*
- ➔ *Getting Personal with Our Team*

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