SUMMIT WEALTH
— PARTNERS —

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The Rational Optimist™

The Age of Self Reliance

Who Is Really Going To Pay? *By Mitch Levin, MD, CWPP, CAPP*

Gone are the days of hefty pensions. We have seen (and experienced) a great shift of influence when it comes to securing our retirements and the importance of making sound, meaningful retirement planning decisions is perhaps greater than any time in history.

Along with this, we are forced to pay attention to climbing deficits, increasing tax rates, inflation threats, sluggish economic growth, and other real concerns. With so many driving forces, many of those who are not planning and preparing are stuttering into retirement with real worries. Further, it is a real wonder how our country will fund itself and repay its debts. Where will they get the money?

"These concerns are real, yet they do not have to affect you."

It is reasonable to believe that the government will get it from us--in a variety of forms, some obvious, some less so. Our Social Security payments are already taxable. Some of our deductions are going away. Additional taxes (not always called taxes) are imposed.

Already, the age to begin collecting on Social Security has climbed. Will there be a cap or limit on Medicare? Which coverage will be disallowed? How much might the government ask us to "contribute" in the years ahead? Will we be obligated to pay a portion of these costs for others, while not being able to fully access what we need for ourselves? Unfortunately, these are all valid questions.

If we are "of means," perhaps we should plan for the end of these services during our lifetimes. We must rely upon ourselves. That includes needs like long-term care. When more and more of the largest Long Term Care Insurance carriers are no longer offering this product, we must prepare to possibly bear this burden – a potentially major risk to our wealth – ourselves.

What are the alternatives?

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Chad Warrick, Suzanna Letchford, Jason Print, CFP® and Dr. Mitch Levin.

What's Inside This Issue:

Certified Financial Planner (CFP®)

Why Summit Clients Benefit

Jason Print, CFP®

Summit believes in the power of expertise. On your behalf, we employ the industry's finest, high-integrity professionals we can discover. A tremendous asset to Summit's advisory and leadership team are Naples' Senior Wealth Advisor, Jason Print, CFP®, and Jacksonville's Joseph M. "Jette" Browne, CFP®. Their distinction as Certified Financial Planners adds significant might to our collective client plannning and service platform - all to the benefit of Summit clients across the nation.

Here are a few key components to the CFP® Certification process, as taken from www.cfp.net, that we believe you should be aware of:

"Education

The first step to CFP® certification is to acquire the knowledge required to deliver professional, competent and ethical financial planning services to clients, as outlined in the major personal financial planning topic areas identified by CFP Board's most recent Job Analysis Study (See the list of Principal Topics). CFP Board's coursework component requires the completion of a college-level program of study in personal financial planning, or an accepted equivalent, including completion of a financial plan development (capstone) course registered with CFP Board. You must also have earned a bachelor's degree (or higher) from a regionally-accredited college or university in order to obtain CFP® certification.

Joseph M. "Jette" Browne, CFP®

The bachelor's degree requirement is a condition of initial certification; however, it is not a requirement to be eligible to take the CFP® Certification Examination and does not need to be met before registering for the examination. CFP Board does not grant equivalencies or exceptions to the bachelor's degree education requirement.

Examination

After you have successfully met the education coursework requirement, you will be eligible to register for the CFP® Certification Examination. The CFP® Certification Examination assesses your ability to apply your financial planning knowledge, in an integrated format, to financial planning situations (See the Job Task Domains). Combined with the education, experience, and ethics requirements, it assures the public that you have met a level of competency appropriate for professional practice.

Experience

Because CFP® certification indicates to the public your ability to provide financial planning without supervision, CFP Board requires you to have three years of

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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!

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
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Working Every Day To:

Discover Your Needs, Goals, and Aspirations

Develop You Prudent, Evidence-based Plan for Success

Deliver Meaningful, Specific and Long-term Results

The Summit Difference

The Age of Self Reliance

Who Is *Really* Going To Pay? *By Mitch Levin, MD, CWPP, CAPP*

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We could pay for it out of our pockets. How long will our money last if we have to spend an additional $6000, or $9000 or more per month (after tax)? For the truly affluent, who may need a cook, a nurse, a maid, a chauffeur, or a shopper; those costs are likely to exceed $25,000 per month. Not to mention the burdens of the accounting and the Department of Labor rules.

We could go on Medicaid. Who wants that? What do you have to be to go on Medicaid? That is correct – destitute. If you qualify, the government decides what and how much you get, and when, and where, and by whom.

There are alternatives. Very attractive, tax-advantaged alternatives exist. This is especially true since the Pension Protection Act of 2006, which allows certain accounts to have a Qualified Health Care Rider at no additional cost.

These concerns are real, yet they do not have to affect you. Providing solid growth, through safe management and trusted advice means offering comprehensive and holistic solutions for you. Addressing these concerns is what we do. Call us to discuss how we can help.

Make Great Decisions,

Mitch

Summit Wealth Partners
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Friday, April 26th, 2013 at the Winter Park Farmers Market. Featuring fun, food, live entertainment, dancing, blind wine tasting, silent auction and more. If you are looking for an opportunity to make a qualified charitable donation, this is a great opportunity.

For more information:
http://www.lighthousecentralflorida.org

Five Things To Know

About Protecting, Maintaining and Strengthening Your Wealth

Whether you are starting a young family, quickly approaching retirement, or well into enjoying it, a few key principles should always be in the back of your mind. Do you have a comprehensive and well-integrated financial plan? Have you saved enough to maintain your lifestyle into and through retirement? Do you have an effective tax minimization strategy in place? Are you positioned to distribute your wealth through retirement strategically?

These and many more questions are common among us. Here are five great considerations to make when pursuing a financial life free from worry (and regret):

1. **Savings and investing are two different things**. Savings are *always* liquid. They always grow, which means the risk of going backward is not there.

2. **Saving is priority**. Your retirement plan is *not* a savings plan, because the money you are putting in retirement plan remains in there and cannot (or should not) be used until you reach the age of retirement. **Putting money into your house is not a savings plan,** because you cannot get money from your house without selling or mortgaging it.

3. **Risk could be present, even if you are playing it safe**. Risk-free “investment” is nearly nonexistent. There are a number of risks, including principal risk, reinvestment risk, tax risk, expense risk, inflation risk, interest risk, and there may be little or no success *without* the risk of loss. Even if you are not making a decision, technically speaking you are actually making one. Risks are evident in all directions. By avoiding a risk, you may be taking on a different one. Principal protection is not necessarily “purchasing power preservation.”

4. **The cost of inproper attention to risks, taxes, expenses, costs and fees may not be obvious** when they detract a little at a time. However, they can lead to “financial apocalypse” when they come together at the same (and unfortunate) time.

5. **Have and maintain realistic expectations**. There is a difference between *average* return and *effective* return. Math should not be considered the same way as money. What was effective in the past does not necessarily mean it can also be effective in the future. **Diversification reduces risk, as well as upside potential**.

Yes, getting lucky happens from time to time, yet to rely on it is a mistake. What is needed is reliable strategy, derived from professional guidance, and driven by great, well-measured decisions.

CLIENT'S CORNER

How Are You Selecting Your News?

It's axiomatic, in the 24-hour cycle of financial "news" from a staggering variety of cable and web-based sources, that all of us get immeasurably more financial information and opinion than we can possibly process. Almost unconsciously, then, we may tend to home in on news and commentary that are consistent with the conclusions to which we're already temperamentally inclined. So the question becomes: what, if any, are the beliefs (or biases) that are dictating what gets through to us? In so many words, how are we selecting our news? And is it clear to us what that selection process is doing to our financial planning and investing decisions?

Most often, if we're honest with ourselves, we'll find that we're consistently selecting what we most want to be told: that the "news" has broken down, for us, into a process of bias confirmation. For whatever it may be worth, I freely acknowledge that I'm as prone to doing this as anyone, if not more so.

I'm a very long term investor, and my most important goals are to be able to draw a lifestyle-sustaining income from my investments for the balance of my and my wife's lifetimes, and then to pass my portfolio—which is intended to keep growing even as we withdraw from it—to our children and grandchildren. My investment perspective is therefore measured in decades, and my portfolio is driven not by the "news" but by my goals.

Given those goals and this time horizon, I'm most influenced in my decision-making by long-term economic and market history, and especially by that during my lifetime. I was born on a day during World War II when the Standard & Poor's stock index closed just under 12. This afternoon, it closed at 1,515, or about 125 times higher. The Consumer Price Index, meanwhile, is only up about 13 times, which gives me some insight into how effective equities have been, during my lifetime, at accreting real purchasing power.

But even that ignores dividends. The S&P Index's dividend, which was running around 60 cents a year when I was born, is now at an annual rate of $31.50, up a bit more than 50 times. Looked at another way, the Index's current annual dividend is more than two and a half times what the whole Index was worth when I came into the world. If you're interested—and if I were you I would be—the compound return (that is, with dividends reinvested) of the S&P Index in my lifetime is just over 11% per year.

Yet I assure you that my time on earth—starting with that inexpressibly violent world war itself—has been marked by a relentless series of crises, and continues to be so. But as an investor, I seem to have grown somewhat inured to crisis, perhaps because all my life experience suggests that the great companies in America and the world have—at least historically—found ways to absorb, adjust to, and ultimately overcome political, economic and financial crisis. Granted, this in no way assures anything about the future. Rather—and this is my whole point—it explains my biases.

Given my bias to believe in the resilience of great companies, I can only marvel at what a rich variety of negative "news" and market commentary I'm offered every day. Why, in just five business days this past month, for example, I was treated by my financial website of choice, Yahoo! Finance, to lead articles with the following headlines: "The Economy Is Much Worse Than The Data Show;" "Stocks Are Set for a Possible Repeat of 1987! Says Marc Faber;" "Dying Dollar: Why US Currency Is in Danger;" "Investors Must Lower Their Expectations of Returns: Arnott;" and my very favorite, "Shrewd 'Mystery Broker' Expects a Market Setback."

(The last of these featured the prognostication by an unnamed stockbroker of a 5% to 10% correction, which I confess I found somewhat analogous to a weatherman going way out on a limb to predict that it will rain sometime during April, since the average intra-year market decline since 1946 has been about 14%. And for the fun of it, google the title of Mr. Faber's article, and it will come up twice: once when he made this prediction this past month, and once when he made the very same prediction—quite wrongly, as it turned out—back in May 2012. Pundits of pessimism are allowed to do that, somehow. But I digress.)

I don't know why financial journalism seems so hell-bent on scaring me out of the market with stuff like this. But given my biases—that is, given my goals and time horizon—I completely tune these articles out. I tend to focus instead on recent news that America is projected to become the world's leading oil producing country by 2020; that General Motors—which sold ten cars in the U.S. in 2004 for every one it sold in China—is currently selling about as many cars there as it does here; and that just a few days ago Warren Buffett's Berkshire Hathaway and a partner bid $28 billion to acquire H. J. Heinz Company at a price 19% higher than the stock's previous all-time high. (I haven't much in common with Mr. Buffett, except perhaps that we both seem to be tuning out the same "news" and opinion that the market is overvalued.)

Please don't take these musings as any kind of prediction about the future. I would have no business making such a prediction, and couldn't support it—other than with past history, which in the end doesn't prove anything—if I did. I'm simply suggesting that you may want to avail yourself of the sympathetic ear of your financial advisor, as you talk through the very important question: ***how are you selecting your news?***

Certified Financial Planner (CFP®)

Why Summit Clients Benefit ...Continued from page 2

professional experience in the financial planning process, or two years of apprenticeship experience that meets additional requirements. Qualifying experience may be acquired through a variety of activities and professional settings including personal delivery, supervision, direct support or teaching.

Ethics

CFP® professionals agree to adhere to the high standards of ethics and practice outlined in CFP Board's Standards of Professional Conduct and to acknowledge CFP Board's right to enforce them through its Disciplinary Rules and Procedures.

When you have completed the education, examination and experience components of the CFP® certification process, you will be directed to complete a CFP® Certification Application on which you will be asked to disclose information about your background, including your involvement in any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry, bankruptcy, customer complaint, filing, termination/internal reviews conducted by your employer or firm.

CFP Board conducts a detailed background check for all candidates, including review of any disclosures made on the CFP® Certification Application. Matters that may or will bar you from obtaining certification are investigated in accordance with CFP Board's Disciplinary Rules and Procedures. Authorization to use the CFP® marks will not be approved until the background check and any investigation are concluded successfully."

Summit's method of planning, implementation, continual monitoring and service incorporates, in many aspects, a *team approach*. This means that having CFP®s on our team and at the table affords Chad Warrick, Brad Towle, Brad Doster, and our in-house advanced-planning expert Mitch Levin tremendous access to the depth and bredth of the Certified Financial Planner expertise. We like that.

We understand that your needs may require more than a single perspective, a solitary mind, so we rely upon each other to ensure no stone is left unturned. How else can we pledge to pursue solid growth, that is safely managed through trusted advice?

"Billy's opinions do not reflect the views of the Andersons, their affiliates or subsidiaries."

"Finglish" (n) Financial English

Intestacy - The condition of an estate of an individual who dies with property valued greater than outstanding debts, but in which there is not a valid will present. Intestacy may also exist if an existing will does not cover an entire estate. In common law systems, property of an estate in intestacy will typically first go to a spouse, then to children and descendants.

Qualified Charitable Organization - A nonprofit organization that qualifies for tax-exempt status according to the U.S. Treasury. Qualified charitable organizations must be operated exclusively for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to animals or children, or the development of amateur sports.

Federal Insurance Office (FIO) - A federal-level national office proposed by the Obama administration to address critical gaps in insurance regulation in 2009. The Federal Insurance Office (FIO) would be housed under the U.S. Treasury Department. It would not have regulatory authority, but it would monitor the industry and coordinate industry policy.

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