Summit Wealth Partners
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The Rational Optimist™

How Do You Know You Are Working With the Right People?

Four Tips to Finding the Right Advice Giver

By Mitch Levin, MD, CWPP, CAPP

Surveys consistently indicate investors are looking for help in addressing significant issues they face in their financial lives. Many are trying to understand and contend with changes in tax law; how to mitigate the risk of concentrated investment exposure; how to invest for retirement; how to distribute their wealth in tax-advantageous ways; how to protect their generational wealth; how to maintain their purchasing power in the face of looming inflation; and so much more.

"Your best opportunity is with high integrity, licensed professionals who use an evidence-based, comprehensive and integrated approach to wealth management."

Research shows a consistent and widespread desire for more reliable, unbiased, and evidence-based information and advice on how to address these issues. Yet too many wonder: "How do I know if I've got the right financial advice giver?" A leading wealth advisor will consistently engage you and any other authorized party pertinent to your financial success, such as your tax and legal advisors.

In addition to *listening to you* and proving their attention by the quality of their responses and suggestions, they should undertake a process of proper Discovery with you. This is the approach we find most beneficial to you – the individuals and families we serve.

During this process we gather data to help us understand your situation, your goals, desires, fears, and concerns. This enables us to develop solutions addressing taxes, risk management, and income planning, among others...

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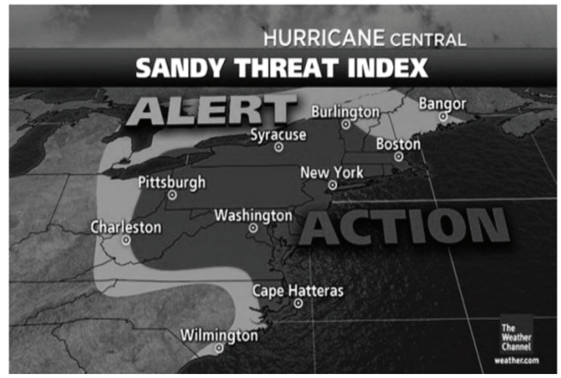
Partners Chad Warrick, Mitch Levin, and Jason Print

What's Inside This Issue:

Finding Ways to Help:
We Floridians Know a Thing or Two About Hurricanes

Many of us have family, friends, or colleagues affected by Hurricane Sandy. As we Floridians know all-too well, recovery from an event of this magnitude can take weeks, even months. With that in mind, we have pulled a few pointers regarding how to help the people you know – and perhaps some people you don't. Like you, we wish our fellow Americans in the northeast much needed relief and a speedy recovery.



For all things financial, you or your loved one should contact your trusted advisor to field questions or concerns relating to this or any other event. We stand by to assist and, hopefully, to relieve some of the burden natural disasters like this can cause.

FEMA offers this list of suggestions for people who want to help storm survivors and affected areas:

Cash is the most efficient method of donating. Cash offers voluntary agencies the most flexibility in obtaining the most-needed resources and pumps money into the local economy to help businesses recover. Remember, unsolicited donated goods such as used clothing, miscellaneous household items, and mixed or perishable foodstuffs require helping agencies to redirect valuable resources away from providing services to sort, package, transport, warehouse, and distribute items that may not meet the needs of disaster survivors.

At the national level, many voluntary, faith and community-based organizations are active in disasters, and are trusted ways to donate to disaster survivors. In addition to the national members, each state has its own list of voluntary organizations active in disasters. If you'd like to donate or volunteer to assist those affected by Sandy, these organizations are the best place to start.

Give blood. Numerous blood drives have been canceled as a result of the storm and the Red Cross has a need for blood donations. To schedule a blood donation or for more information about giving blood or platelets, visit redcrossblood.org or call 1-800-RED CROSS (1-800-733-2767).

Be patient. Recovery lasts a lot longer than the media attention. There will be volunteer needs for many months, often years, after the disaster - especially when the community enters the long-term recovery period.

From http://www.whitehouse.gov/blog/2012/10/31/how-help-victims-hurricane-sandy

WELCOME NEW SUMMIT CLIENTS!

Summit Wealth Partners has earned the trust and confidence of a number of great new clients and families in 2012.

As always, we look forward to furthering progress toward your financial goals. We are honored to be your single-call resource for any financial question.

Surveys of affluent Americans consistently tell us that their major frustration is that their advisors should be more proactive about future issues that could affect their financial well being. Summit Wealth keeps clients informed on changes and economic trends that may affect their financial future.

"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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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!

Advisor's Message:

What a Difference a Year Makes

As always, we hope this message finds you and yours well. Before we review the past quarter and discuss the developing markets and economic landscape, we should revisit the economic environment we were facing at the end of the 3rd quarter in 2011. We had the unexpected downgrade of the US credit rating, a heated bipartisan Congress debate on fiscal policy (debt ceiling), causing uncertainty and erosion of investor and consumer confidence, the European debt crisis, and several significant natural disasters worldwide. As a result, the investment community has been inundated by a continual stream of discouraging news.

Here are a few quotes from leading publications during that time, addressing the state of the economy last year. These are the types of reports that lead too many investors to impulsively abandon their disciplined investment strategy:

"Unless politicians act more boldly, the world economy will keep heading toward a black hole… At a time of enormous problems, the politicians seem Lilliputian. That's the real reason to be afraid."
"The World Economy: Be Afraid," Economist, October 1, 2011

"Over the past three months, investor uncertainty about the soundness of bank balance sheets, manifested in the daily volatility of stock prices, is back up to levels seen historically only in advance of two great crises… This dynamic has played out twice before in the past 85 years—in the Great Depression and the panic of 2008-09—with devastating consequences for the broader economy."
Andrew Atkeson and William E. Simon, Jr. "The Rising Fear in Bank Stock Prices,"
Wall Street Journal, November 28, 2011

"It is hard to avoid the conclusion that stock prices are levitating at over-inflated values, thanks to the herd-like behavior and collective fear of investment institutions."
Financial Times, December 30, 2011

The intention here is to identify how the media portrayed (and often magnified) the perceived headwinds and messages of doom that investors were exposed to during the past twelve months. In contrast, consider the latest US and Global Stock Markets' performance, as of September 2012. Did you know that the US Markets are at/near their highest levels – performance we haven't seen since 2007?

As the table below illustrates, had we listened to the news "experts," and stuck our head in the sand out of fear and faltered in our discipline, we would have missed out on a great deal of success.

	9/2011	**9/2009**	**9/2007**	**9/2002**
Asset Class	*1 Year*	*3 Years*	*5 Years*	*10 Years*
Large Cap	30.2	13.2	1.05	8.01
Small Cap	31.91	12.99	2.21	10.17
International Large Cap	13.76	2.5	-4.84	8.66
Emerging Markets	16.93	5.63	-1.28	17.00

Annualized ending 09/30/2012

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We must now ask ourselves: **"Where do we go from here?"** We know that the stock markets can only move in three directions – up, sideways, or down – and it is next to impossible to pick the "bottom" of a stock market, none the less a short-term pull back. For this reason, we remain focused on your risk tolerance, investment time horizon, and our active approach to rebalancing your well diversified and properly allocated portfolio(s).

With earnings season approaching, the presidential debates and election, and the possible "fiscal cliff" (a potential event that we wrote about in our last quarterly letter), one could speculate that market volatility will increase, or that market performance could turn negative. However, these events should not be a surprise to anyone.

The markets have reflected awareness of these events over the past few years. In fact, an efficient market theorist might say that these factors have already been priced into the markets. This is yet another validation of our disciplined approach. **We are not market timers and there is tremendous value in our process of rebalancing your portfolio(s) in times of triumph and trouble.**

Our financial planning philosophy affords you confidence through high-value, academically driven advice. The application of discipline, on your behalf and per the boundaries you help establish, empowers us to more consistently buy low and sell high. We understand that while the markets cannot be successfully timed, our proven process provides the highest probability of sustained success. It is a process that requires substantial research, prudent thinking, continual monitoring, and evidence-based action.

We have seen significant investment flows into the fixed income markets over the past five years. It is hard to image that these fixed income flows will be sustainable into the future. In fact, we believe this offers a strong affirmation to remain invested in your equity allocation, as we see evidence of the pendulum swinging into the equity markets.

"We believe investors will become increasingly aware of the future return potential of the equity markets, and, with large cash balances waiting on the sidelines, greater impatience will mount towards the historically low yields on cash and fixed income investments."

Looking forward, we do not see only rainbows and butterflies in the US economic future. We remain in a slow growth environment...

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Advisor's Message:
What a Difference a Year Makes

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Many economists and investment strategists are writing about the gradual climb up the wall of worry, a term Investopedia describes as:

"The financial markets' periodic tendency to surmount a host of negative factors and keep ascending. Wall of worry is generally used in connection with the stock markets, referring to their resilience when running into a temporary stumbling block, rather than a permanent impediment to a market advance"

Unemployment remains elevated and crude oil prices hover around $100 a barrel for the foreseeable future. Meanwhile, real inflation continues to squeeze consumer budgets (gas and groceries). The Federal Open Market Committee launched QE3, a new $40 billion bond-buying program representing the third round of quantitative easing designed to help stimulate the economy, and no time frame has been set for the purchases to end. The Fed also said it now anticipates keeping its target interest rate at its current low level until mid-2015, which could be helping the recovery of the housing market.

The financial media has not made this early recovery a top headline story in recent days. According to the National Association of Homebuilders, the builder's index rose to 40 in September, which, although still below the key level of 50, was the best reading since June of 2006. Additionally, housing starts rose 2.3%, indicating increasing confidence among the insiders in the housing industry; existing home sales rose 7.8%.

It is important to understand that Summit's principles and philosophy do not require a mysterious magic black box to provide trusted guidance and advice. Our commitment to maintaining an unbending client-first ethic, with evidence-based advice, and active, personal and detailed service is the driving force behind your financial protection and long-term investment success. This is an approach to investing that is based on the efforts of Nobel Prize Laureates, with more than 50 years of academic research and experience.

Fundamental Takeaways:

1. Remain focused on the big picture
2. Stay invested
3. Do not allow emotions (fear/greed) to influence your decision process
4. Understand and respect tolerance for risk
5. Be well diversified and diligently rebalanced
6. Clearly define financial goals and aspirations and pursue them with meaningful action

We have had a busy and exciting summer and, as we move forward as Summit Wealth Partners, you can expect us to continue working hard on your behalf. We are committed to advancing our investment platform, technology, and capabilities, while enhancing our service offering and team development.

It is an honor working with you, in service of your goals, and we thank you for the opportunity to do so. We stand by to assist you or anyone you send to us with questions, requests, or concerns.

SWP

Service Update:
Check Deposits

From the Summit Wealth Service Team

When depositing checks to your Individual, Retirement, Corporate, or Trust accounts, please make the check payable to the name on the account or to the custodian with your account number on the "Memo" line.

Examples for client "John Doe" and his "John Doe Trust"

Option 1 -	To name on account		
	Check Payable to:		John Doe Trust
Option 2 -	To name of custodian		
	A) Check Payable to:		TD Ameritrade
	Memo line:		(account number)
		OR	Charles Schwab
			(account number)
		OR	Fidelity
			(account number)

Please do not make checks you intend to deposit into your account payable to Summit Wealth Partners. In any event, we are only a phone call away - we can help!

Orlando 407-656-2252 I Naples 239-254-1878 I Jacksonville 904-273-4550

"Fiduciaries and other investors are confronted with potent evidence that the application of expertise, investigation, and diligence in effort to 'beat the market' ordinarily promises little or no payoff, or even a negative payoff, after taking account of research and transaction costs".

The American Law Institute
Third Restatement of the Law, Trust, Prudent Investor Rule

How Do You Know You Are Working With the Right People?

Four Tips to Finding the Right Advice Giver

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Here are four simple tips that can help affirm you have the right advice giver – or to the recognition that you don't:

Step 1: Avoid assuming your "guy or gal" is taking care of it

Surveys report investor frustration. People are getting investment results that are unexpected, unclear, and often disappointing. Why is this happening? This occurs because investors are making decisions with missing information, mis-information, and a lack of a truly logical decision making process.

Most assume that because their CPA has prepared their tax return, their financial situation is stable – if not optimized. This is not always the case! A proper Discovery Session with a comprehensive and integrated wealth management firm, such as Summit, will reveal hidden issues that might be plaguing your progress or threatening your financial success and security.

Step 2: You are not alone

The rules of retirement planning are rapidly changing. You deserve trusted advice from professionals focused on solutions, not opinions—with an emphasis on process, not products. These trusted advisors will not be found in the form of your favorite bank teller, your considerate and experienced neighbor, your brother-in-law, or friends at the country club.

Your best opportunity is with high-integrity, licensed professionals who use an evidence-based, comprehensive and integrated approach to wealth management.

Step 3: Only work with a "fee-based" fiduciary

Leading advisors will fix their compensation to their performance for you, not for some company or product. Our success is directly correlated to the success of our client.

Additionally, we individually and collectively take on the fiduciary obligation: to place clients interests ahead of any individual's and the firm's—always and everywhere. Fiduciaries are morally, legally, and ethically obligated to do what's right for you—you deserve that.

Step 4: If it sounds too good to be true, it probably is

Unfortunately, it is all too common today to hear someone proclaim that they're "buying into a great opportunity" or that they've heard a great stock rumor. Typically, when something sounds too good to be true, and there are no "strings attached," you should turn and run. All terrific financial tools have rules (i.e.: strings attached).

This is where a leading firm would provide you an easily understood description of your options, the possible outcomes, and alternatives to that choice. Always trust your best judgment and common sense.

Once you have the confidence that you are working with the right team, then it would be wise to begin with the **RITE** process: Assess your current and target **R**isk position, your **I**ncome (now and into your future) and **I**nvestments (efficiency and reliability) needs, your **T**ax situation and any **E**state Planning considerations.

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An effective discovery process aims to identify areas where financial losses may be occurring – unnecessarily and unknowingly (which means it is not your fault … and something can and should be done about it).

Working to reduce, eliminate, or avoid these losses all together means that you won't have to stretch for yield and take on more what? More risk.

Under many circumstances, stopping these "wealth erosions," in conjunction with your comprehensive wealth plan can provide extra return at no extra risk.

First we must be aware, and then we must take prudent and measured action.

Make great decisions,

Mitch

2012 Stock Market Holiday Schedules

All Major U.S. Stock Exchanges

Thanksgiving Day	Thursday, November 22, 2012
Christmas Day	Tuesday, December 25, 2012

Note: The NYSE, NYSE AMEX and NASDAQ will close trading early at 1:00 PM EST on:
Friday, November 23rd
Monday, December 24th

"Stan! How are you? How's your wife? Your family? Your battery of lawyers?

The Wallstreet Journal

"Finglish" (n) Financial English

Cash Flow - A revenue or expense stream that changes a cash account over a given period. Cash inflows usually arise from one of three activities - financing, operations or investing - although this also occurs as a result of donations or gifts in the case of personal finance. Cash outflows result from expenses or investments. This holds true for both business and personal finance.

Par Value - 1. The face value of a bond. 2. A dollar amount that is assigned to a security when representing the value contributed for each share in cash or goods.

Tax Deferred - Investment earnings such as interest, dividends or capital gains that accumulate tax free until the investor withdraws and takes possession of them. The most common types of tax-deferred investments include those in individual retirement accounts (IRAs) and deferred annuities.

CLIENT'S CORNER

Uncertainty: The Only Certainty

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I came to the investment advisory profession a beardless boy in 1967, so the presidential election which will take place in a few weeks will be my twelfth as a professional. In the run-up to each and every one, I've interacted with investors who said, "I have to liquidate my investments and get into cash because if (fill in the blank) gets (elected)(re-elected), the country will go to hell in a handbasket and the stock market will crash." I heard it on the Monday before my first Election Day in 1968 when the S&P 500 was 103. And by golly, wouldn't you know it? I heard it again this very morning, at S&P 1400.

And that was just this morning. This afternoon I heard the same song in a slightly different key: "Gotta get it all into cash before Taxmageddon engulfs us all. It's been on the news all day."

Election, fiscal cliff, a nuclear Iran, drought, Greece, Spain, subprime derivatives, terrorism, war—"all these uncertainties"—are the constant refrain to which we are exposed all day every day in the media. And if there's nothing going especially wrong on any given day, the media will go out and find some no-name "market strategist" who predicts that the equity market will go down 25% by Election Day. And they'll lead with that "story" all day.

So be it. The impulse to protect what we have is instinctive in us all, and the media live to terrorize us—to push the button of our aversion to uncertainty by trumpeting the current crop of known unknowns. That will never change, nor will we ever have any control over it. The only thing we can control is the one thing we must control, and that is our own emotional response to the constant stream of negativity that's being beamed at us all the time.

In that regard, uncertainty is the only constant. The future, by its very nature, is rife with uncertainty. And as investors—who are deploying our capital for some future use—we must bear that uncertainty in our decision-making. I would therefore characterize successful investing neither as prediction nor as timing the market (things neither we nor anyone else can consistently do) but rather as the discipline of practicing ***rationality under uncertainty.***

Uncertainty is the condition of observing something that may or may not happen, or whose outcome we don't yet know. Going completely to cash (and/or Treasury notes, and/or gold) because of one or more current economic/market uncertainties is actually a classic example of ***irrationality*** under uncertainty. That's because, in creating such a portfolio, one has responded to **uncertainty** by investing entirely in assets whose premise is the **certainty** of imminent economic and /or financial collapse. The irrationality lies in discounting the *possibility* of disaster (that is, the uncertainty of it) with a portfolio entirely based on the *certainty* of disaster.

Fear is not in and of itself irrational; indeed there are few if any of us who do not experience fear at moments when the markets are declining significantly amid shrill media catastrophism. But giving in to fear by abandoning one's long term retirement income strategy and adopting a disaster-certain portfolio stance most certainly is irrational. This is the critical distinction. Note that the irrationality lies not in *feeling* the fear, but in totally surrendering to it.

Reasonable investors may differ as to their personal definitions of ***rationality under uncertainty***. Mine is simply to let my lifetime portfolio strategy be dictated by the lessons of history. That is, I think the economy, and most particularly the fortunes of the great companies in America and the world, will tend over long periods of time to track something akin to the path of their progress in the past. More narrowly, I look for equity prices to continue to wax and wane around a rising trendline, which is what they've always done, as human nature cycles from too much euphoria to too much fear, and back again.

As jam-packed with multiple uncertainties as the current environment is, I note that corporate earnings and cash flows made new all-time highs in the quarter just past, and are still rising, albeit at a more subdued pace. I note further that companies' cash positions as a percentage of total corporate assets are at levels not seen since the Eisenhower era. I note finally that their dividends, which had been sharply reduced in the great panic of 2008–2009, have resumed their upward course, compounding since 1935 around 5.5% per year versus a 3% compound uptrend in the Consumer Price Index. I believe that in the long run it is these variables—and not the vagaries of the macroeconomy—to which equity values most consistently respond.

I don't minimize the uncertainties which, as an equity investor, I will have to

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deal with for the rest of my life. I would, however, quietly point out that a good many of today's uncertainties—economic growth in the developing world, product engineering at the molecular level, 3D printing and America's emergence as the Saudi Arabia of natural gas—are huge potential positives, however uncertain the trajectory of their development may be.

Nor am I in the least sanguine about the volatility of equities, which history suggests will never go away. Since the end of WWII, the equity market has *annually* declined more than ten percent on average (the average intra-year pullback is actually 14%). It's declined at least 15% an average of once every three years. And it's declined at least 20% an average of once every five years. (The average decline in those bear markets is close to 30%, and the last one was a howling 57%.) I personally don't see a rational basis upon which to conclude that the future will be much different.

And yet, running upward through all that volatility, I believe I see a clearly discernible trend. The S&P stock index was earning about a dollar at the beginning of 1946; this year it'll be over $100. The dividend was around seventy cents; this year it looks to be about $29. The index itself was 18; right now it's around 1400. (The cost of living over this period is up about twelve and a half times, so you can get a real sense of how effective quality equities have been at preserving and enhancing purchasing power.) If I regard these long term trends as likely to continue—and I confess that I personally do—then I will take all of the volatility around them that I have to.

(By the way, if 1946 is too much ancient history for you—or if you just fear that numbers going back that far might somehow be apples and oranges—how about we just look back thirty years, to September 1982. Earnings were tracking at about $14; the dividend was running just under $7. The index was 122—a lot less than one tenth of where it is now. And since then the CPI is up about two and a half times.)

There's always a rebuttal to this line of reasoning—indeed, a whole bouquet of rebuttals (election, fiscal cliff, debt/deficit. Iran, Spain, gridlock, and so on)—but they all come down, in their essence, to four words. Those are, in fact, the words which the legendary investor Sir John Templeton characterized as "among the four most dangerous words in investing." They are, of course: "It's different this time."

It might be, I suppose. But this isn't the first time anybody's said those four words. And history tells us that they haven't been right yet.

Dr. Levin speaking at Summit Symposium 2011

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LOOK INSIDE!

"Fiduciaries and other investors are confronted with potent evidence that the application of expertise, investigation, and diligence in effort to 'beat the market' ordinarily promises little or no payoff, or even a negative payoff, after taking account of research and transaction costs". (Page 4)

Special Double Issue

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