NEWSLETTER
APRIL 2017

The Summit Financial Strategies, Inc.

In this issue

WHEN IS THIS TRUMP BOUNCE GOING TO SLUMP?

by Brett Langer

We are hearing this question and concern, from many of you, on a daily basis. Keep in mind, it’s normal to see two sell offs in the market, of 10-15%, every year. This is not only normal, it is also healthy and even occurred twice last year. Many of us are watching the market go up and up assuming it is due to Trump, or perhaps just having a different coach in office. However, if that is the only reason why stocks are reaching new highs, then they will go down if they are not substantiated by real economic growth.

The real question should be: Do we, and will we have, higher economic growth to at least keep this rally where it is, if not continue higher? We need to look at real economic facts to answer this question and this is where I think the news agencies have let us all down. This includes financial networks. They all seem consumed by Trumps Tweets of the day.
So, let’s dig into some economic facts that don't seem to be getting any attention today. First of all, consumer confidence, business confidence, and investor confidence are at 15 year highs. Why is this important? Everyone needs confidence to spend money on cars, homes, and consumer goods. Business's need confidence to give out pay increases, build new factories, hire, and create the newest gizmos. Higher confidence keeps the momentum of spending and investing growing. That said, the economy also needs action for money to accelerate through all parts of the economy.

2016 was an interesting year. We watched as company earnings actually went into a corporate profit recession. For the last four or five years, the first quarter slowed down to a crawl if not even showing negative growth. In the middle 2016 there was a meaningful uptick in this stale economy. Suddenly corporate profits sprung almost 7% higher than the previous year. Even though we don't have all the data for the 4th quarter, it's looking the same as well. We are seeing higher manufacturing data, increasing small business sentiment, increasing steel production, and amazingly enough higher mining production. We would have to go back over a decade to see this type of activity working in unity as we are seeing it work right now. Over the past few years, a few sectors would have some spurts but others would be struggling. The following year, the areas that were doing well would now be struggling. It is encouraging to see more areas of the economy finally doing well at the same time.

continued on page 3

Contact us

The Summit Financial Strategies
1905 NW 169th Place, Suite 201
Beaverton, Oregon 97006
Phone 503 466 1989
Fax 503 466 2128
www.summit-fs.com

SPRING BRINGS SMARTVESTOR PRO TO THE SUMMIT

by Lisa Mesquit

March has brought a little something new, besides spring, to The Summit Financial Strategies. Some of you may have heard about or even benefitted from the work of Dave Ramsey. He is a radio personality that teaches conservative financial principles. "… like your grandmother used to teach you, but we keep our teeth in," he often quips. He has written five New York Times bestselling books, hosted live events, helped millions of people get out of debt and hosts a daily radio program with over twelve million weekly listeners.

Dave Ramsey teaches common sense principles that living without debt produces peace and freedom. Living debt free also frees up your income to be your biggest wealth building tool. He encourages listeners at all levels of financial well-being to live on a budget, because it puts you in charge of where your money goes. What is the purpose behind all this? Peace in the present and generosity in the future. He says that now you "live like no one else, so that later you can live and give like no one else."

Obviously, along all our journeys of financial well-being there is nuance related to our individual circumstances. One of the services Mr. Ramsey provides for his listeners is a referral to his preferred or approved providers of various services, such as accounting, real estate, insurance and mortgage lending. In the case of investment advisors and financial planners, he has established a program called Smartvestor Pro to introduce his listeners to investment professionals whom he has vetted who can absorb the details of an individual's circumstance and provide customized advice.

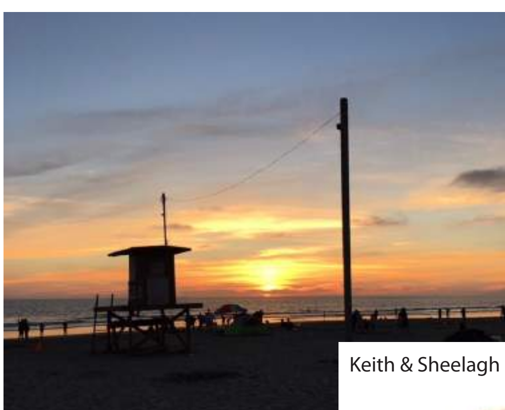
Earlier in 2017, his organization interviewed us at The Summit and chose us to be one of the select Smartvestor Pros for Portland! (You may have seen this announcement on Facebook.) Specifically, I (Lisa) am managing this business. Over the last ten years, I have gained a healthy respect for the work of the Dave Ramsey organization in teaching prudent financial principles.

One of the criteria for being selected is a mature and successful client base. We have you to thank for this honor and opportunity to serve more people on their path to financial well-being. So, thank you!

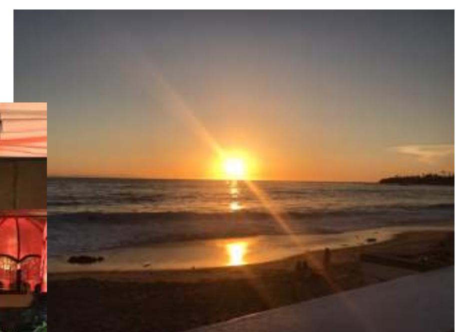
Do you have any friends, family, colleagues, or even your own kids that might benefit from this aspect of our services? If so, send them our way. We take joy in working with our clients wherever they might be in their financial journey.

What is going to change? Nothing, other than you might notice the Smartvestor logo on our website or other signage. We are still the same Summit Financial Strategies. However, we are happy to welcome Dave Ramsey listeners and others who are looking for personalized investment management and financial planning to our practice.

THE SUMMIT FAMILY PICTURES


Newport Beach (CA) Sunset

Mesquit Kids Triplets Birthday Celebration



Laguna Beach (CA) Sunset


Keith & Sheelagh in California


Shelby & Jay at Mt Bachelor

The Summit Financial Strategies
1905 NW 169th Place, Suite 201
Beaverton, Oregon 97006
Phone 503 466 1989
Fax 503 466 2128
www.summit-fs.com

FOLLOW US ON FACEBOOK @
THE SUMMIT FINANCIAL STRATEGIES

WHEN IS THIS TRUMP BOUNCE GOING TO SLUMP?

continued from page 1

The employment picture is starting to look encouraging to me. We've had three issues in our employment picture that have been a concern since 2008. First, many of the jobs created were of the part time sort. Secondly, this created flat incomes. Lastly, our labor participation rate was the worst it's been in over 30 years. The unemployment rate sits under 5%, but it doesn't account for everyone that stopped looking for work. In the first couple of months of 2017, this has started to change. While the number of new hires isn't accelerating, the jobs are becoming more full time. As a result, incomes are starting to rise. Lastly, our unemployment number actually increased a little in January. Looking deeper into this, it's due to more people entering the work force again. My hope is that this trend continues going forward, beyond two or three months.

Personally, I would not call this a Trump rally. It really has all the makings of economic growth that began in June of 2016. During the first half of last year many people thought we were in or heading into a recession. In reality, the economy was gearing itself towards more growth. If confidence stays high, consumers continue to spend, and companies start competing to hire and retain more employees, then it's very possible for this rally to continue (not counting short term sell offs that we get from time to time).

The last thing worth noting, is currently average individual and pension funds are under allocated in stocks. Historically, pension funds have allocated up to 45% in stocks. As of January 2017, this number was closer to 25%. Many individuals and advisors have been scared into bonds over the past couple of years. Several factors contributed to this including fear that China might crash, that oil was signaling a recession, and that it had been 10 years since the previous recession and so it must be time again. In our business there is a saying, "stocks climb a wall of worry". Worry in investing is sometimes a good thing. It means the masses aren't wildly over speculating into the market. With interest rates starting to creep forward, more money has a tendency to flow into stocks. What we need going forward is for this trend of higher economic numbers to continue to accelerate which will substantiate this great run we've been in.

Brett and Harrison Biola LAX

DEPARTMENT OF LABOR'S NEW FIDUCIARY RULE

By Brett Langer

Over the course of this next year, heavy new rules and regulations are planned to be phased into our industry. There is some uncertainty under the Trump administration as to when it will become fully effective and to what degree. At our firm, we are progressing as if this law will become effective in its current version and time frame.

The law, as it's written today, is still somewhat ambiguous. While some firms aren't addressing it, others are going so far as to limit the clientele they will work with along with increasing their fees. The nuts and bolts of the law all stem around Advisors being required to be Fiduciaries in regards to their client's Retirement Accounts. While the financial industry is still waiting on the exact definition of the word Fiduciary, our firm thinks there is a simplistic way to view this term. Fiduciary in its very simplest form means we are to do what we think is in the Client's best interest and not our own.

Therefore, in the coming months, you can expect to see different mailings in regards to this new rule. At our firm, we are already acting in this capacity. While we are expecting the need to spend more time and money to stay in compliance, we want you to know our office is already equipped to comply with these new rules. Lastly, it's my commitment that our fees stay at the levels they are today. We have always been mindful of running the most efficient office as possible so that our commitments to you, as our valued client, stay the same.

Brett Langer, CFP
Branch Manager & Financial Advisor

Keith Bandettini
Financial Advisor

Lisa Mesquit, CFA
Chartered Financial Analyst

Kim Langer
Administrative Assistant

Shelby Boden
Administrative Assistant

FAVORITE RECIPES

Spinach Artichoke Bombs
by Kim Langer

Ingredients:

- 1 box of frozen spinach thawed and juices drained
- 1 (15 oz.) can of artichoke hears drained and chopped
- 2 cups of Ricotta cheese
- 1 tsp. garlic powder
- 1/4 cup of grated Parmesan cheese
- 1 package of mozzarella cheese
- 4 tubes of Crescent roll dough
- 1/4 tsp. salt (optional)

Directions:

Preheat oven to 375 degrees.

Make the Spinach Artichoke Filling: in a medium bowl, combine spinach, artichoke, Ricotta, Parmesan and garlic powder and set aside.

Unwrap string cheese, cutting each one into thirds and set aside.

Make the Stuffed Crescent Rolls: spread out each package of Crescent roll dough, separating the triangles. Slather each triangle of dough with the spinach-artichoke filling. Place a piece of mozzarella on the wide end of the dough, rolling it up like you would a traditional crescent roll. Tuck the ends under, so the cheese filling can't ooze out, and place the Crescent Roll seam-side-down on a parchment-lined baking sheet so it's less likely to unravel as it bakes.

Repeat with each package of Crescent roll dough.

Bake until the dough has puffed up and is lightly golden, 15 to 17 minutes.

Sprinkle with salt before serving, if so desired.

The Summit Financial Strategies
1905 NW 169th Place, Suite 201
Beaverton, Oregon 97006