

SUMMIT PERSPECTIVES

SAGE INSIGHT

From the Oracle of Omaha

It's almost impossible to be an investor and not know about Warren Buffett. The Oracle of Omaha has put together perhaps the most impressive investment career in history under the umbrella of Berkshire Hathaway. As his notoriety as an investor has increased, Warren has embraced the role of de facto teacher for the American investing public. Each year, Warren pens the Berkshire Hathaway Letter to Shareholders which contains details about the companies Berkshire owns, their financial success, and his optimism for their future. While the explanation of the company financials is interesting, the true gems in the Berkshire letters are the vignettes where Warren describes the American economy and his philosophy on investing. It is can't-miss content each year for investors.

The recently released 2015 Berkshire letter is a shining example. The most striking thing is Warren's optimism despite 2015 being a very poor year for Berkshire's stock price. While the US stock market was basically flat in 2015, Berkshire Hathaway was down 12%! While some investment managers would be backpedaling and "explaining" all the reasons for the underperformance, Warren doesn't give it a second thought. Refreshingly, he is playing a very long investing game (despite being well into his 80s!). He cares about the underlying businesses and their profitability, and doesn't care whether the market recognizes that in the short term. Some of his



comments on the American economy are insightful:

... many Americans now believe that their children will not live as well as they themselves do. That view is dead wrong: The babies being born in America today are the luckiest crop in history.

Indeed, most of today's children are doing well. All families in my upper middle-class neighborhood regularly enjoy a living standard better than that achieved by John D. Rockefeller Sr. at the time of my birth. His unparalleled fortune couldn't buy what we now take for granted, whether the field is – to name just a few – transportation, entertainment, communication or medical services.

What? Did Warren Buffett just claim that America has a bright future and our children will do better than we will? This doesn't square at all with the writers/bloggers/talking-heads that proclaim impending doom

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For 240 years it's been a terrible mistake to bet against America, and now is no time to start.

- Warren Buffett

”

and celebrated the first couple months of 2016 as the worst start to the stock market in recorded history.

U.S. citizens are not intrinsically more intelligent today, nor do they work harder than did Americans in 1930. Rather, they work far more efficiently and thereby produce far more. This all-powerful trend is certain to continue: America's economic magic remains alive and well.

But what about our debt? What about our Congress and their inability to work together? What about China? Or ISIS? Or plummeting/skyrocketing energy costs? One has to admire Warren's ability to see through all the noise and invest in great businesses despite the apocalypse of the moment. Great companies continue to innovate and bring things to the market that people desire (or that they will desire soon and don't know it yet). Those companies will flourish in the years ahead, and it is important to remember that one invests in companies – not just "markets". The market (be it the Dow Jones Industrials, S&P 500, or any other index) is merely an index made up of businesses and it's their performance that ultimately drives the level of those markets. Some of those companies may flame out while others explode in value. In fact, many companies that at one time were a big part of the economy are now gone – replaced by

others with a better product or service. Warren's point, and ours, is that this phenomenon continues despite the economic headwinds that appear at times. Don't get lost in the hype of the moment. Pessimism isn't a solid long term investment plan. Warren states it plainly:

America's golden goose of commerce and innovation will continue to lay more and larger eggs.

The first quarter of 2016 served as a life-boat drill for the lifetime investor. The first month and a half was indeed a downdraft, giving investors an opportunity to bail out on their portfolios. However, the downdraft was followed by a solid recovery at the time of this writing. It didn't mean much of anything unless one failed to heed Warren's advice to remain confident about the long term prospects of the economy. Keep the perspective of Warren Buffett in mind the next time (yes, there will be a next time) the market throws a fit and goes through a downturn. Review your long term investing and income plan with your advisor and have confidence about your actions and behaviors through adversity. The exercise will help you stay on track and avoid the temptation to bet against the future.

Source: Berkshire Hathaway 2015 Shareholder Letter



SUMMIT UNIVERSITY PRESENTS Ignite Brilliance In Your Leadership

With AmyK Hutchens

We were so impressed with AmyK Hutchens at our Summit Symposium, we've invited her back for a presentation concentrating on business leadership. With a focus exclusively on the critical thinking skills and behaviors required for brilliant leadership, innovation, and self-actualization, this is a must see for anyone trying to be the best leader they can be.

You don't want to miss this opportunity to hear this business session and get a copy of AmyK's new book, *The Secrets Leaders Keep!*

WEDNESDAY, May 18, 2016

10:00 AM Registration
10:30 AM Presentation
12:00 PM Lunch

Fremont, Newark Double Tree Hotel

39900 Balentine Dr. | Newark, CA 94560

If You Need

- A more cohesive, energized and engaged culture?
- Stronger communication skills and healthier cross-functional interactions?
- More alignment and collaborative synergy for greater momentum?
- More thought-provoking (less boring) problem-solving meetings.
- Practical, cool tools to ignite more growth

Reserve Your Spot Today!

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SYMPOSIUM Wrap-up

Thank you to those of you who braved the rainy weather to join us at the Palm Event Center on Saturday, March 5th for the Summit Symposium. If the feedback we received is any indication, this year's edition was the best yet!

George Connolly, leader of the Wealth Management Group for Securian Financial Services, kicked off our day. After a few jabs at Bay Area sports teams, the Boston native reminded those in attendance about the power of perspective. His encouragement to be resilient both in life and as an investor was particularly memorable and timely.

Jeffrey Rosensweig lived up to his billing as our favorite economist as he shared his perspective on the global economy. Guests may not recall his graphs on world GDP, but they're still talking about Jeff's affinity for Coca Cola on stage (you had to be there!).

The Three Waiters shared their operatic talents during the lunch service, and the Summit partners were grateful not to be dragged on stage for any singing. Finally, internationally renowned speaker AmyK Hutchens captivated the audience as she shared her insights on how to ignite brilliance in our relationships and in life. We are still not sure how so much energy radiates from one person.

Symposium has truly become our favorite day to share with all of you. Thank you for spending time with us. We hope you left the event feeling educated, entertained and inspired! Plans are already in motion to make the 2017 edition even better!



What we heard!

"My sincerest appreciation to you and the entire Summit team for Saturday's educational symposium. This was my first time as we are new to Summit. Both my friend and I feel richer for the opportunity to listen to such phenomenal guest speakers. Summit's core values are clear and I truly admire this."

- Theresa Healy

SAVE THE DATE! 14th Annual Charity Golf Tournament



Monday, September 19th is the day to remember. Mark your calendar for Summit's 14th Annual Charity Golf Tournament. We will be returning to Ruby Hill Golf Club in Pleasanton.

The Summit Golf Charity Tournament is one of our proudest traditions. The Tournament allows us to give back and to help our community's very deserving charitable organizations. Our beneficiary this year is Canine Companions for Independence (CCI), a non-profit organization that enhances the lives of people with disabilities by providing highly trained assistance dogs and ongoing support to ensure quality partnerships. CCI trains dogs for service, hearing, facility, and companionship. The result is a life full of increased independence and loving companionship.

Check out our Facebook page for more information on this year's beneficiary!

March Was MADNESS



No, not tax season, the NCAA Tournament! This year's tournament really was madness, as some of the most exciting first round action in NCAA Tournament history took place. And thank you to those of you that participated in our Summit March Madness Bracket Challenge. Villanova took the Championship from North Carolina on a dramatic buzzer-beating shot.

Congratulations to our bracket winner, John Cohen, beating out John Henry by one point!

STAFF SPOTLIGHT

Meet The Newest Faces On The Summit Team!



Laurie Murthy

The Practice Team of Nathan Bennett and Cody Smith has added more muscle to their lineup, and are pleased to welcome Laurie Murthy to the team. She brings with her over 20 years of financial services industry experience and has worn many hats including client services, new business and compliance.

Laurie grew up on the East Coast and moved to San Francisco in 1987. She currently lives in Danville with her husband, Ajay, their two sons, Rohan and Sachin and their dog, Winston. Laurie is an avid hiker and loves roaming the east bay trails with her family. She is passionate about exploring foreign cultures and food. Her travels have taken her to several European and Asian countries. She enjoys cooking Indian food for her friends and family.



Tami Miceli

Tami Miceli joined Summit in August and is a Registered Representative of Securian Financial Services and team quarterback for Don Ledoux and Aaron Peabody. She brings two decades of experience in the financial advisory field, with specialties in client service, trading, operations, and accounting. Tami loves interacting with clients and helping them navigate their financial landscapes.

Tami graduated from San Jose State University with a degree in music performance. She's an accomplished musician, playing the oboe and flute in small ensembles and teaching. In her free time she cooks, hikes, camps, and spends time with family, fitting in time to run an occasional 5K. Tami married her high school sweetheart, Tony, and they live in Dublin with their three children, two dogs, and two cats.



Christy Navarro

As Summit's new Marketing Specialist, Christy enjoys a variety of roles - marketing, event planning, social media, PR, and customer service to name a few. Christy thrives in this environment that allows her to be creative and interact with clients and colleagues and help bring to life Summit's vision of helping others achieve their financial dreams while making a difference in the community both in education and in financial support for organizations.

In her personal life, she spends time creating visual content, illustrating, drawing, and painting. To her joy, her 11 year-old son seems to have the same abilities. She runs, hikes, and does the soccer mom thing when the season rolls around. She's an "any kind of rock music" lover and art junkie. There's nothing better for inspiration than art, music, and the outdoors, in her opinion.

CONTACT US



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