

SUMMIT PERSPECTIVE

SELL IN MAY AND GO AWAY?

There's an adage on Wall Street admonishing traders to "Sell in May and Go Away." Apparently, the phrase originated in England where merchants and bankers would head to the countryside during the hot summers to relax and watch horse racing. America's version of this is Wall Street tycoons vacationing in the Hamptons during the summer months in lieu of manning their offices in Manhattan.

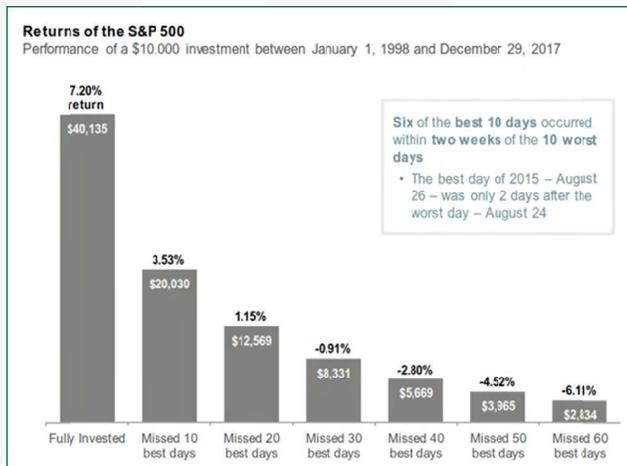
Just for fun, we decided to examine the data from 2000-2017 to see how stocks really fared in the summer months of June, July, and August. As we suspected, the data told us nothing that could be relied upon as an investment thesis. In the 17 years since the turn of the century, the S&P 500 had a positive average return nine times, and a negative average return eight times during the summer months.¹



Understandably, the summers with negative returns often correlated with larger stories that had nothing to do with the season. Years 2001 and 2002 had the worst summer performance of the period (-3.22% and -4.75% respectively)¹, as the Tech Wreck neared its bottom, but the remainder of those years were no picnic either. Not surprisingly, 2008 registered a healthy decline of -2.61% during the summer months, but that was the least of the market worries as the financial crisis spread globally resulting in the S&P 500 falling over 38% during the calendar year.

The year 2011 offered the closest example to a "summer swoon" during the period analyzed. That year saw the debt ceiling crisis where Standard & Poor's downgraded the credit rating of the United States touching off a 19% decline in the equity markets¹. That episode had worked itself out by year end but much of it occurred during the summer months.

There is a strong case to be made against "Sell in May and Go Away" (or any other tactical



¹JP Morgan Guide to the Markets US Q1 2018 as of March 21, 2018

Source: J.P. Morgan Asset Management analysis using data from Bloomberg. Returns are based on the S&P 500 Total Return Index, an unmanaged, capitalization-weighted index that measures the performance of 500 large capitalization domestic stocks representing all major industries. Indices do not include fees or operating expenses and are not available for actual investment. The hypothetical performance calculations are shown for illustrative purposes only and are not meant to be representative of actual results while investing over the time periods shown. The hypothetical performance calculations for the respective strategies are shown gross of fees. If fees were included returns would be lower. Hypothetical performance returns reflect the reinvestment of all dividends. The hypothetical performance results have certain inherent limitations. Unlike an actual performance record, they do not reflect actual trading, liquidity constraints, fees and other costs. Also, since the trades have not actually been executed, the results may have under- or overcompensated for the impact of certain market factors such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. Returns will fluctuate and an investment upon redemption may be worth more or less than its original value. Past performance is not indicative of future returns. An individual cannot invest directly in an index. Data as of December 29, 2017.

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All Proceeds to Benefit
Lazarex Cancer
Foundation

**Our Sweetest
Summiteer:**
Meet Baby Charlotte!



Someone is sitting in the shade today because someone planted a tree a long time ago.

– Warren Buffet



KUDOS!

Breanne Powers

Each quarter, Summit recognizes one team member who receives the most kudos from their peers and managers for going the extra mile. The winner receives \$1,000 to donate to the charity of his or her choice. Congratulations to Breanne, the recipient of this quarter's Kudos award!



Breanne, who is our Accounting and Front Office Lead, has chosen to award her donation to UCSF Benioff Children's Hospital Oakland, which is part of one of the largest health networks focused on treating children.

Here's why: When I was 9 years old I was diagnosed with Leukemia. I was treated at Oakland Children's Hospital. We were so lucky to have access to the amazing team of doctors and nurses there. The level of care I received from this hospital will never be forgotten. My family still occasionally talks about a few nurses there, and we share memorable stories.

To learn more about this organization, visit childrenshospitaloakland.org.

— Breanne Powers

SUMMIT UNIVERSITY

Here's what's coming up ...

SECOND SATURDAY DIVORCE WORKSHOPS

Contemplating or going through a divorce? Come to this monthly session led by an attorney, therapist and financial advisor and develop a strategy for future emotional and financial success.



TEENS & MONEY: SETTING THE STAGE FOR FINANCIAL SUCCESS



Back by popular demand! Chances are your kids first learned about saving money from a piggy bank. As they grew, they traded in those piggies for a savings account. Now it's time to look ahead. Learning how to become financially independent adults is vital for their future success. This comprehensive class covers budgeting, setting financial goals, money management, investments, credit card spending and more! **Join us in San Ramon on August 2 or in Pleasanton on August 9, 3 p.m. - 4:30 p.m.**

TRANSFORMING SOCIAL SECURITY INTO A WINNING RETIREMENT STRATEGY



Two of the top questions we hear from clients nearing retirement are:

When do I start collecting Social Security, and how do I maximize what is available to me? Join us as Michael Wade, a Vice President from BlackRock®, discusses the ins and outs of Social Security. Summit advisors Brendan Noonan and Michael Schomaker will be available to answer questions about Social Security planning and any other financial planning questions you may have. **August 29th at the San Ramon Community Center, 6:30 p.m. to 7:30 p.m.**

Get more information and sign up for classes through the Summit University page on our website: summitadvisors.com/education/university/ OR call 925-866-7800.

MANAGING MONEY WHEN YOU MARRY: FINANCIAL TIPS FOR NEWLYWEDS

Summer is here, which means wedding season has officially begun. Getting married is an exciting time for a couple. However, along with this excitement come many challenges. One such challenge is how to manage your finances together. The key to success is to communicate with your partner and come up with a financial plan that you both agree on, since the financial decisions you make now can have a lasting impact on your finances in the future.

♥ Map out your financial future together

Your first step should be to discuss your common financial goals. Where do you see yourself next year? What about five years from now? Together, make a list of your short- and long-term financial goals. Short-term goals are ones that can be achieved in less than five years (e.g., saving for a down payment on a home or new car). Long-term goals usually take more than five years to achieve (e.g., paying off college loans, saving for retirement). Next, determine which financial goals are most important to both of you so together you can focus your energy on them.

♥ Prepare a budget

A budget is an important part of managing your finances. Knowing exactly how you are spending your money each month can set you on a clear path to pursue your financial goals. Start by listing your current monthly income. In addition to your regular salary and wages, be sure to include other types of income, such as dividends and interest. Next, add up your expenses. It helps to divide expenses into two categories: fixed (e.g., housing, food, transportation, student loan payments) and discretionary (e.g., entertainment, vacations). Ideally, you should be spending less than you earn. If not, you need to review your expenses and look for ways to cut down on your spending.

♥ Consider combining bank accounts

You'll also need to decide whether you and your spouse should combine bank accounts or keep them separate. While maintaining a joint account does have its advantages (e.g., easier record keeping and

lower maintenance fees), it is sometimes difficult to keep track of the flow of money when two individuals have access to a single account. Fortunately, online banking makes it easier to know exactly what is in your account. If you choose to keep separate accounts, you might consider opening a joint checking account to pay for common household expenses.

♥ Resolve outstanding credit/debt issues

Having good credit is an important part of any sound financial plan, so this would be a good time to identify any potential credit or debt problems you or your spouse may have and try to resolve them now rather than later. Order copies of your credit reports and review them together. You are entitled to a free copy of your credit report from each of the three major credit reporting agencies once every 12 months (visit

annualcreditreport.com for more information). For the most part, you are not responsible for your spouse's past credit problems, but they can prevent you from getting credit together as a married couple. Even if you've always had good credit, you may be turned down for credit cards or loans that you apply for together if your spouse has a bad credit

history. As a result, if one of you had credit issues, you might consider keeping your credit separate until your credit situation improves.

♥ Evaluate your employee and retirement benefits

If you and your spouse have separate health insurance coverage through an employer, you'll want to do a cost-benefit analysis of each plan to determine whether you should keep your health coverage separate. Compare each plan's deductible, copayment, and benefits as well as the premium for one family plan against the cost of two single plans. In addition, if you and your spouse participate in an employer-sponsored retirement plan, you should be aware of each plan's investment options, matching contributions, and loan provisions. Review each plan carefully and determine which one provides the better benefits. If you can afford to, contribute the maximum amount possible to your respective plans.



SELL IN MAY AND GO AWAY?

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timing mechanism for that matter). An investor missing merely the best 60 days for the S&P 500 over the last 20 years saw an average compound annual return of 6.11% vs. the +7.2% return for the investor who left things alone¹. Moreover, six of the best 10 days in that 20-year span occurred within two weeks of the 10 worst days! How is anyone going to navigate in and out of the markets in that timeframe? Also worth noting is that the best and worst day in 2015 occurred only two days apart. Ironically this was in August (the 24th being the worst and the 26th being the best)¹.

Our conclusion? "Sell in May and Go Away" isn't applicable to the long-term investor. The rhyming phrase makes a nice soundbite for financial television, but it can't be relied upon for investment success. So, go enjoy your summer vacation and leave the portfolio alone to do its work. You'll have more fun at the beach not thinking about how the markets are acting!



Summit Just Got a Little Sweeter

Announcing the arrival of Charlotte Ellebrecht Smith, daughter of Advisor Cody Smith and his wife, Erica. Charlotte was born on April 25th at 2 a.m., weighing 7lbs, 13 oz. and measuring 21.5 inches.

Welcome, Sweet Charlotte!

16TH ANNUAL GOLF TOURNAMENT

All Proceeds to Benefit Lazarex Cancer Foundation



This year our tournament will support **Lazarex Cancer Foundation**. We all know someone who has been touched by the cruel hand of cancer. This Danville-based organization provides services to advanced-stage cancer patients (all types of cancer) locally and nationwide who have been told

they are out of treatment options but aren't ready to give up fighting to live. Lazarex offers hope and a second chance at life by helping patients access tomorrow's cures today through FDA clinical trials.

Lazarex also provides financial assistance for costs associated with clinical trial participation (such as airfare, lodging and ground transportation). In addition, the organization pays for a travel companion so patients can keep their support network close when they are away from home.



We invite you to help prolong or save the life of someone battling cancer. Grab your clubs and a friend or loved one and join us in raising money for this very worthy cause. Please use the enclosed flier to register for or sponsor this event.

Donate an Auction Item

Our silent auction has the potential to make a HUGE difference in the amount we raise for Lazarex. Do you own sports tickets or memorabilia? A vacation property or a business? We need your help! If you would like to donate an auction item, please contact **Breanne Powers**, breanne@summitadvisors.com. All donations are tax deductible as allowed by law. We look forward to hearing from you!

CONTACT US



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16th Annual Summit Financial Group Charity Golf Tournament

Monday, September 17, 2018
Ruby Hill Golf Club
3400 W Ruby Hill Dr, Pleasanton, CA 94566

ABOUT THE TOURNAMENT

The Summit Charity Golf Tournament is our greatest source of pride!

This year our tournament will support **Lazarex Cancer Foundation**. We all know someone who has been touched by the cruel hand of cancer. This Danville-based organization provides services to advanced-stage cancer patients (all types of cancer) locally and nationwide who have been told they are out of treatment options but aren't ready to give up fighting to live. Lazarex offers hope and a second chance at life by helping patients access tomorrow's cures today through FDA clinical trials.

Lazarex also provides financial assistance for costs associated with clinical trial participation (such as airfare, lodging and ground transportation). In addition, the organization pays for a travel companion so patients can keep their support network close when they are away from home.

We invite you to help prolong or save the life of someone battling cancer. Grab your clubs and a friend or loved one and join us in raising money for this very worthy cause.



Jessica Mariott is 7-years cancer free thanks to the support of Lazarex and the UCSF clinical trial that saved her life.

All Proceeds Benefit



Tax ID: #20-2562494

EVENT DETAILS

10:00 AM Registration Opens
12:00 PM Shotgun Start
5:00 PM Auction
6:00 PM Dinner and Awards

FORMAT

Scramble Format: All golfers receive refreshments, lunch, and dinner. Other prizes will be awarded. Raffle drawing and awards program following tournament play.

Not a golfer?

Join the Summit Team for dinner, silent auction and raffle as we learn more about the people whose lives depend on Lazarex Cancer Foundation. Please use this form to register for the event or visit our website for more details.

Summit has raised more than \$350,000 for various charities over the past 15 years. The tradition continues with your help!

Have questions?

Contact Angela King,
Marketing Specialist
angela@summitadvisors.com
925-866-7800



Ruby Hill dress code requests no
jeans or tank tops.



SUMMIT
FINANCIAL GROUP, LLC

SPONSORSHIP OPPORTUNITIES

Your generous sponsorship will provide much needed support for Lazarex. Please join with us as a valued sponsor or donor.

ALBATROSS SPONSOR

12 additional golfers
12 additional dinner guests
Main listing in event program

EAGLE SPONSOR

4 additional golfers
4 additional dinner guests
Listing in event program

BIRDIE SPONSOR

2 additional golfers
2 additional dinner guests
Listing in event program

PAR SPONSOR

1 additional golfer
1 additional dinner guest
Acknowledgement in program

HOLE-IN-ONE

Tee signage at all Hole-In-One
Contest holes

BOGIE SPONSOR

Tee signage

DON'T FORGET SUPER TICKETS!
\$50 GETS YOU:

Mulligans
Raffle Tickets
A chance to win a vacation
A chance to win a \$100,000 shot

Summit Charity Golf Tournament

September 17, 2018

GOLF CHOICE	AMT.	QTY.
<input type="radio"/> Albatross	\$5,000	_____
<input type="radio"/> Eagle	\$2,000	_____
<input type="radio"/> Birdie	\$1,250	_____
<input type="radio"/> Par	\$750	_____
<input type="radio"/> Hole-in-One	\$750	_____
<input type="radio"/> Bogey	\$300	_____
<input type="radio"/> Foursome	\$1100	_____
<input type="radio"/> Golf For One	\$300	_____
<input type="radio"/> Super Ticket	\$50	_____
<input type="radio"/> Dinner and Auction Only	\$100	_____

I can not attend, but please accept my donation of:

\$ _____

Contact: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Email: _____

FOURSOME MEMBERS:

Name: _____

Name: _____

Name: _____

Name: _____

Payment enclosed (Checks should be made payable to:
Lazarex Cancer Foundation TAX ID #20-2562494)

Pay by credit card: Visa, Mastercard, American Express
or Discover

Name on Card: _____

Billing Address: _____

Amt.: \$ _____ Exp.: _____

Card#: _____ CID#: _____

Amex VISA MC DSC

Signature: _____

Mail form with payment to:
Angela King, c/o Summit Financial Group, LLC
2000 Crow Canyon Place, Suite 450
San Ramon, CA 94583

Or email this form to: angela@summitadvisors.com

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