

SUMMIT PERSPECTIVE

THE BEAT GOES ON

The previous edition of the *Summit Perspective* was composed at the end of 2018 amid a market swoon with U.S. stock indices dipping 20 percent from their autumn highs.¹ We took the opportunity to perform a lifeboat drill on how to navigate bear markets and market volatility. It was good advice, and we earnestly wanted to share it with you—and then the world failed to end! One could sense things were a bit overblown on Christmas Eve as the U.S. stocks hit what turned out to be the recent bottom given the solid fundamentals in earnings and profits. However, the speed of the recovery that has occurred in the first few months of 2019 surprised many market watchers.

As in preceding downturns, this most recent version melted away and the capital markets resumed their forward progress. However, this time the downturn happened to coincide with the calendar, just in time for investors to receive their report card via their annual statement. If the investing public wasn't spooked out



of their portfolios by Christmas Eve as the market bottomed, many saw the first meaningful annual losses in years on their statements and began to worry.

As the chart below shows, there have been six declines in the S&P 500 of greater than 10 percent since the Great Recession ended in 2009. However, until last year, the final tally for the years in question had been positive. In 2018 U.S. equities finished in the red after one of those corrections for the first time in nearly a decade. As a result, even diversified portfolios stood a good chance of being negative in 2018.

Downturns of 10%+ in the S&P 500 Since the Great Recession			
Year	Market Downturn	% Decline	Calendar Year Return
2010	Flash Crash	-15.6%	15.06%
2011	Debt Ceiling Crisis	-18.6%	2.11%
2015	China Slowdown	-12.0%	1.38%
2016	Oil Patch Crisis	-13.0%	11.96%
2018	Trade War	-10.1%	-
2018	Trade War/Fed Rate Hikes	-19.4%	-4.68%

Data from Capital Ideas – Capital Group 1/16/2019
S&P 500 Calendar Year Returns - YCharts

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SUMMIT
FINANCIAL GROUP, LLC

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The drum of capitalism keeps beating despite political wrangling, world events, and technological disruption.

– Nathan Bennett



SUMMIT SPIRIT AWARD

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. This quarter it was a tie! Congratulations to Advisor Laura Steinbeck and New Business Coordinator Pamela Harris.



Laura chose to give her donation to *West Coast Boxer Rescue*. Her reason: "I rescued my Boxer, Barney, in 2009 and fell in love with the breed. I'm excited

to help this organization that works tirelessly to rescue boxers and find them forever homes!"

To learn more about this charity, visit westcoastboxerrescue.org.



Pamela selected *Family Giving Tree* as her donation recipient. "I love that they provide back-to-school supplies and holiday gifts to children whose family may not be able to afford those items," said Pam. Over the last 27 years the organization has served more than 1,400,000 children throughout the Bay Area.

You can visit familygivingtree.org to find out how you can help.

SUMMIT UNIVERSITY

Upcoming Events ...



RETIREMENT PLANNING TODAY

This course addresses financial issues that pertain to the self-employed as well as employees of corporations and government agencies. Whether you plan to retire 20 years from now or have just recently retired, the information you'll learn in this class can deliver rewards throughout your lifetime. Classes run through May in San Ramon, Danville, and Pleasanton.

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.



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

STAFF SPOTLIGHT



Janine Keeperman, CFP®, CRPC®
Planning Associate

Janine joined the Summit Financial Planning team in 2019 with 15 years of experience in the industry. She is passionate about helping our clients establish a solid financial foundation so they can achieve their financial goals and focus on the things in life that matter most.

Janine has a bachelor's degree in finance and holds her CERTIFIED FINANCIAL PLANNER™ certification. She also holds the Series 7 and 66, and the Chartered Retirement Planning CounselorSM (CRPC®) designation from the College of Financial Planning.

She grew up in Southern California but has called the Bay Area her home for more than 20 years. Janine resides in Walnut Creek with her family. She and her husband, Matt, spend most of their time running around with their three young children. They love sports, and are there to watch, cheer on, and coach their kids in their activities: soccer, baseball, flag football ... you name it, they have tried it! They also love to travel and have toured Spain, Italy, Greece, and areas of the Midwest and East Coast.

KEEP OR TOSS? YOUR A-Z GUIDE TO DOCUMENT RETENTION

Are your files bulging at the seam? Are you drowning in a sea of paperwork? If whittling down the number of documents you possess is part of your spring-cleaning plan, but you are feeling unsure of which papers to shred and which to hold onto, we've got you covered. Here is our A-Z guide to help you decide:

ADOPTION PAPERS Keep forever.²

BANK STATEMENTS Keep up to 3 years if tax-related (Most banks provide online documents that can be printed, though, so shredding these is safe.)³

BIRTH CERTIFICATES Keep forever.²

CONTRACTS Keep while active.⁴

CREDIT CARD STATEMENTS Shred after payment or keep 7 years if tax-return related.³

DEATH CERTIFICATES Keep forever.²

DIVORCE DECREE Keep forever.²

HOME IMPROVEMENT RECORDS Keep up to 6 years after you sell your home.³

INSURANCE DOCUMENTS Keep while active. Once expired, you should shred these documents.⁴

INVESTMENT AND REAL ESTATE RECORDS Keep for 3-7 years to prove capital gains tax if audited by the IRS.⁴

MARRIAGE LICENSE Keep forever.²

MEDICAL BILLS Keep for 1 year unless there is an insurance dispute.¹

PAID MORTGAGE RECORDS Keep indefinitely.³

PAY STUBS Keep for a year until you can compare them to your W-2 and annual Social Security statements.¹

PROPERTY LEASE It is OK to shred the lease agreement once you've moved out and the landlord has refunded your security deposit.³

RECEIPTS Up to 7 years if you might itemize them on your tax return, otherwise shred after reconciling them with your credit card or bank statement.⁴

STOCK CERTIFICATES Keep while active.⁴

TAX RETURNS The IRS recommends from 3-7 years depending on your tax situation.²

UTILITY BILLS Keep until paid ... or for 3-7 years if you are claiming a home office tax deduction.⁴

Sifting through those piles may seem like a daunting task but feeling organized and protecting yourself from possible identity theft will be well worth the effort!



SPRING CLEANING PAPER SHREDDING

Springtime is the perfect time to cut back on clutter. Do you feel the urge to purge? Bring your paper stacks to us to shred during this free event. Summit advisors and staff will be on hand.

Stop by with your piles of paper, enjoy some conversation and a snack, and leave feeling a little lighter than when you arrived.

When: Saturday, April 27th • 1 p.m. to 4 p.m.

Where: Summit Financial Group Parking Lot
Please RSVP to angela@summitadvisors.com by April 25th.



Meet the newest member of the Summit team: Zayn Ameen Slack

Born on March 6 at 3:28 p.m. to Advisor Jeneen Slack and her husband, Eric, Zayn is the perfect addition to the Slack family. Weighing in at 7 lbs. 5 oz., he is adored by his parents and three siblings.



SAVE THE DATE!

Join us for our 17th Annual
Charity Golf Tournament
benefitting George Mark
Children's House

Tuesday, September 24th, 2019
Blackhawk Country Club, Danville

¹ A Pack Rat's Guide to Shredding; 5/1/15; Lisa Weintraub Schifferle; www.consumer.ftc.gov/blog/2015/05/pack-rats-guide-shredding

² How Long Should I Keep Records; IRS; 1/23/18; www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records

³ Save or Shred: How Long You Should Keep Financial Documents; FINRA; 1/27/17; www.finra.org/investors/save-or-shred-how-long-you-should-keep-financial-documents

⁴ When to Keep and When to Throw Away Financial Documents; HER Money; Jean Chatzky; 10/29/18; www.hermoney.com/earn/taxes/when-to-throw-away-financial-documents/

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Due to this outcome, we felt it was time to remind clients that bear markets happen, and that their behavior while navigating downturns is critical. After all, a large part of investing results is a function of how one behaves when the world is either too euphoric or when it is panic-stricken. Either emotion can spur poor decision-making, which can be hazardous to your portfolio. Lost in the noise of those downturns is the long-term truth: The S&P 500 bottomed out at 676 at the close of trading on March 9, 2009.² As we write this article, 10 years later, that same S&P 500 sits at approximately 2,800 (four times higher than the bottom)³. In our opinion, it is not a stretch to assume that anyone would tolerate a half dozen declines in order to have that sort of growth.

In hindsight, investors rarely recall the reasons for market downturns. Truth be told, we had to do a little digging ourselves to recall the “issues” at the root of the last six market corrections. More importantly, the specific reasons for the market slides end up being irrelevant to the long-term investor. The drum of capitalism keeps beating despite political wrangling, world events, and technological disruption.

This is not to insinuate that we see nothing but blue skies ahead. An investing lifeboat drill is still an appropriate exercise for clients to consider. A downturn could appear at any time. You should know what your cash needs are for the next few years, you should be opportunistic with both

expenses and investments when the market slides, and you should keep talking with your advisor about your plan. Most importantly you should remind yourself to stay long-term in your thinking even when every media outlet on earth is shouting at you about the “right now.” The most likely version of “right now” is going to be some narrative about a slowing global economy, a yield curve inverting, or a looming U.S. economic recession. They will either be right or they won’t; in any case it shouldn’t change your long-term strategy.

Famed investor Warren Buffett wrote the following in his Berkshire Hathaway 1989 shareholder letter: “*We do not have, never have had, and never will have an opinion about where the stock market, interest rates, or business activity will be a year from now.*” Investors would do well to take heed of that statement. There have been plenty of bad moments in the 30 years since Warren penned those words. But there has generally been a whole lot more growth and productivity as well. May it always be so!

¹ Ycharts S&P Financial Statistics as of 12/24/18

² Ycharts S&P Financial Statistics as of 3/9/09

³ Ycharts S&P Financial Statistics as of 3/25/19

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding any funds or stocks in particular, nor should it be construed as a recommendation to purchase or sell a security. Past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested.

The S&P 500 Index is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. Please note an investor cannot invest directly in an index.

SUMMIT TRIVIA CHALLENGE



The answer to this quarter’s question can be found on the Summit Facebook page (facebook.com/summitfinancialgroup/). Each person submitting the correct response will be entered to win a \$25 Starbucks gift card.

Congratulations to last quarter’s winner, Jeff Jarvis!

Ready? Here it is ...

Which famous baseball pitcher spoke at our 7th Annual Summit Symposium?

Know the answer? Email it to angela@summitadvisors.com by May 1. The Trivia Challenge winner will be notified via email.

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