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WHAT IS THE RIGHT ECONOMIC NARRATIVE FOR TODAY by Brett Langer

When my Dad and I started our firm together almost 20 years ago, we thought long and hard what to name it. After discussing what we wanted our firm to be, we made a conscious decision to name it, The Summit-Financial Strategies, LLC. My dad and I are very simple thinkers. We came up with "The Summit" because like a mountain climber, our goal and aspiration is to get to the top. Although I'm not a climber, I've watched a lot of movies about it and for most mountains, you don't climb straight up. For a mountain such as Meru, one needs to pay close attention to a lot of data points on how to get to the top safely as well as limiting the need to back track. This is how we feel about servicing your accounts; we need strategies to try and get to the top as efficiently and safely as possible. For some of you it's finding opportunity to get as much growth that we can. For others it's getting growth with lower volatility.

Over the past year, individual investors have been pulling money out of the stock market. Stocks continue to climb on this wall of worry, but investor confidence is almost as low as it was back in 2008. According to Bank of America, people have piled \$322 billion into money markets over the past 6 months. This is the fastest pace into money markets since the last half of 2008. For over a year now, I can think of several statements being made in the media to spook investors. 1) You and I will be paying for all of these new Tariffs that Trump has been instituting. 2) This trade war will cause either a global recession if not a depression. 3) Our economy has stagnated and our 10 year recovery is over. 4) The federal reserve raised rates too high last year and tightened the money supply, making it harder and more expensive to obtain a loan. All of these statements have been circulating for nearly two years, yet I'm noticing that none of them are really materializing.

While our firm pays attention to these statements and looks at them seriously, we take further steps and research data. Why is looking at data so important? Today, the news cycle seems to be more commentary in nature rather than reporting facts that back up their narrative. For example, CoreLogic recently reported that mortgage delinquency rates in July were at their lowest levels in 20 years. Immediately after seeing the CoreLogic report, I watched a national finance show in which an analyst said we were heading into 2008 again, but gave nothing to support his argument. If looking at low loan delinquencies and the fact that banks are very healthy with profit and large surpluses of cash, it is extremely unlikely that we are heading into the dire straits of 2008.

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WHAT I'VE LEARNED FROM BEING IN THE BUSINESS FOR ALMOST 20 YEARS

By: Brett Langer

It was May of 2010 when my Dad, Bill Langer, unexpectedly passed away. Even though this was sudden and came by surprise, Dad and I had created an office atmosphere that could withstand either of us being absent from work. Before we even had one client, we leased office space and hired a licensed administrative assistant. On day one of our newly formed office we had an administrative staff, plus Dad and I had each other for back up and to strategize with each other. Looking back, I'm finding out how important staffing is to an office and in serving you, as our client. To this day I feel the void of missing my Dad, however the office has continued to thrive, almost tripling in size since his passing, due to the infrastructure we committed ourselves to on the first day of opening our office.

Another vital part of our company when my dad passed away, was Carol Herron. She joined our firm as an Advisor in 2007. You never know what life brings and how quickly chaos can begin, but it was great being able to lean on someone who had been in the business for so many years, bringing wisdom and support to the office. With Carol in place, a full administrative staff, and myself involved in all aspects of the office, clients continued to be well served during that difficult time. I can absolutely say that to this day we are very thankful that she was a significant part of our firm prior to her retiring in 2012.

Today, our infrastructure is strong and gaining strength. First of all, in addition to advisors, we continue to have a very strong support staff in place to service your accounts as well as advisors. My wife Kim leads the team and knows how to get things done. We call her the "bull dog" because she doesn't take no for an answer and won't stop until a job is done to perfection. We are currently transitioning Kim to work mainly with my clients. Shelby, my sister, also works in the office to help with bookkeeping, phones, handwriting cards and additional administrative needs. Lastly, we hired Denise about a year ago. We added Denise due to our firm's growth and wanted to make sure all clients get the gold standard service they deserve.

This leads me to Advisor Keith Bandettini. Keith is "Mr. Dependable" to me. Like any business, we are not immune to ups and downs. Keith has always been there for me, the office, and more importantly to the clients he serves. Keith is not only a great advisor, he has also obtained his Certified Financial Planning Certificate and helps me immensely in the office. Keith has worked with investment strategy, processes, and planning, not to mention a great backup for me. Recently, Lisa Mesquit left our

firm. She was an asset to our company. Keith quickly picked up the slack where Lisa had left off. I have a great deal of confidence in Keith to always guide our clients in the right direction and know he would pick up the slack for me if I'm unable to make it into work due to illness or vacation time.

To round out our great team, we have been fortunate to obtain Paul Reimer. He retired at a young age but has offered his services to our firm. Paul has 30 years of experience in financial services and was a top leader in the field. He has a strong resume that's impressive, to say the least. Paul wore many hats, as he was in charge of technology for wealth management, all treasury systems, ran the international operations for loan, deposits, foreign exchange, and international money movement and investment products. He joins our firm with the heart to serve and help add value to our office and to you. The beautiful thing about having Paul here is that he's not coming to develop a career. Instead, he wants to use the skills he has developed from his 30 years of experience to just make us better. Paul has moved to the Pacific NW with his son Alex. I first got to know Paul on the golf course and he now has great balance in life. He gets to hang out with his son, play golf, and work in our office.

We continue to look for young talent too. Our son Harrison has worked in our office for the past few years while he's been in college. Harrison is a senior at Biola University with a major in Finance, a minor in Financial Planning and is Vice President of the school's investment club. While Harrison is in school, he is helping us monitor, evaluate, and analyze individual stocks for our clients. I don't know if Harrison will make our firm his long term career, but we are looking for the younger generation to join us.

I normally don't spend much time talking about our office and staff. I've felt like this was a good opportunity to confirm our commitment to you. Many firms today are trying to conserve on costs by laying off employees and automating phone systems. From day one, my Dad and I took the approach to have more staff, not less. My Dad and our families made the conscious decision to forgo vacations and many other things to start our business off in the right way. Today, I feel like it's paid off. As with any company, I believe there are two questions that need to be answered. One, can the business continue on if any one person, including the owner, for whatever reason, leaves the business or can't work? Secondly, will clients continue to be served with a great team with service and the advice that you deserve? I'm 50 years old and will, with God's help, continue to work, like my Dad before me, until I can't work any longer. If that day comes sooner than later, I can tell you our office would continue on with great service and advice going forward. Our goal is to get you the safety and security of a large firm, with fantastic service from an office who knows who you are and makes it a top priority to do good work for you.



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WHAT IS THE RIGHT ECONOMIC NARRATIVE FOR TODAY

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Tariffs, are we really paying for them and are they causing us to buy less goods? According to the data, after a year since many tariffs have been instituted, the answer is no for most things. In the past year since tariffs have been introduced, inflation has actually declined. China's exports have fallen by 20% year over year as supply chains are moving quickly out of China and into Vietnam, Indonesia, Mexico and the United States. Companies are finding it's cheaper to manufacture in other countries, simultaneously sliding around the tariffs. In some cases, manufacturers in China are lowering their prices to keep their business from leaving. However, some products we purchase are effected by the tariffs. Kim and I recently put a metal roof on our home, needless to say, the tariffs caused us to pay more.

Retail sales this past quarter have been very strong. Retail sales have been increasing at a rate of 3.3% year over year, according to the US Census Department. It's hard to understand why consumer confidence is so high due to the Impeachment inquiry, China struggles and the persistent news coverage of an impending recession. Once again, we look at the data and find out why consumer confidence is staying strong in the face of these negative events. Wages have increased 4% year over year. Unemployment is the lowest it's been in 50 years. Looking at demographics, the lower- and middle-income group have had the fastest rise in wages in over two decades. Breaking it down further, women, Latinos and African Americans have the lowest unemployment rates ever accompanied by the fastest wage increases ever.

After taking a few quarters off, stocks are now starting to rise as company profits are growing. As the data shows, this is due to the fact that we are not in a recession and most worker wages are increasing, which increases consumer confidence and spending.

In the coming 12 months, we believe the economy will grow somewhere between 2% and 3%. To get 3% growth, we will need resolutions to government investigations, inquiries, trade agreements signed off in congress, and for individuals and corporations to stay confident. We are guessing resolving all of these issues in an election year is unlikely. Therefore, we expect volatility to stay higher, but we expect investments over this next year to follow company profits. When we meet with our clients to review their portfolios, it is our goal to discuss today's investment environment and data facts, in order to come up with individual strategies. It will be an interesting year in light of the politics of an election year. We believe having a strategy is very important and thoroughly enjoy tailoring them specifically for our clients and their families.

The opinions voiced in this material are for general information only and are not intended to provide advice or recommendations to any individual.

To determine what is appropriate for you, consult your Financial Professional.



Paul Reimer



Keith and Brett



Denise, Kim,
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SWEET POTATO SOUP

by Carl & Leslie Thompson



Ingredients

2 TBSP Olive Oil
2 TBSP butter
2 peeled apples (chopped)
1 Acorn Squash
3 Yams – medium size
3 Sweet Potatoes – medium size
6 Carrots/peeled
3 Bay Leaves
½ tsp Cinnamon
¼ tsp Nutmeg
¼ cup Brown Sugar
8 cups Low Sodium Chicken Broth

Instructions

Microwave acorn squash until tender. Peel and cut up potatoes and carrots and microwave until tender. Saute apples in oil and butter in large pot. Add broth and bay leaves. Scoop out the squash and add to the pot along with potatoes and carrots. Cook until very tender. Remove bay leaves. Add spices and brown sugar. Remove pot from stove and place in sink. Let cool a little. Use handheld turbo blender or put in blender to puree. Adjust spices if needed. Enjoy!