While markets were seesawing over the past thirty days or so, our portfolios had their best performance of the year. During the period of August 8th to September 5th, every single position in our portfolio had a positive return as we made up for ground lost earlier in the year. Our biggest gains were about 7% in our gold position (GLD) and our largest bond positions, which were up between 0.9% to 1.2% while 10-year treasury yields fell from 2.29% to 2.06%. Major markets were down less than 1%, but the internals told a different story. Take a look at some popular blue chips and how they responded to the uncertainty.

<table>
<thead>
<tr>
<th>Stock</th>
<th>One Month Performance</th>
<th>Stock</th>
<th>One Month Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mattel</td>
<td>-16%</td>
<td>GE</td>
<td>-7%</td>
</tr>
<tr>
<td>Nike</td>
<td>-12%</td>
<td>Goldman Sachs</td>
<td>-6%</td>
</tr>
<tr>
<td>Macy’s</td>
<td>-9%</td>
<td>Tesla</td>
<td>-6%</td>
</tr>
<tr>
<td>Disney</td>
<td>-9%</td>
<td>Amazon</td>
<td>-2%</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>-7%</td>
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</tbody>
</table>

Our stock market exposure remains neutral, yet flexible, with the ongoing intent to take advantage of market declines and dislocations in ways that will add value and returns to your portfolio. At the same time, we are continuing to identify investments that with the potential to provide low volatility with good interest bearing characteristics.

As markets reach an overbought position, we may first see a brief period of relief and renewed stock buying resulting from the less catastrophic than anticipated economic fallout of Hurricane Irma coupled with a breather from the North Korean crisis. This will also take interest rates back up somewhat, as risk-on appetites reemerge temporarily. Our decades of experience have taught us that risk seldom disappears. It is usually simmering out of sight until it returns when least expected.

Over the last month we saw a multitude of risks arrive, seemingly disappear, and then reappear on the radar screen. The issues continue to be in play, including natural disasters, the North Korean missile crisis, debt ceiling concerns, U.S. policy implementation delays, central bank monetary policy and other global issues such as the beginning of U.K. Brexit talks, etc. The recent wrangling, threats, and temporary deals in both the political and central bank arenas simply look like version of “Can Kickers Anonymous.” The standoff between Congress and the President surrounding the debt ceiling has simply been put off for another three months. The European Central Bank decided to punt on reducing its extraordinary stimulus, delaying it for – you guessed it – another three months. And our own Federal Reserve has taken a remarkably softer tone on the topic of raising interest rates in the face of growing risks, lowering the chances for one more interest rate by the end of the year to 27%. Looking forward, December is shaping up to be a month when financial enabling converges or is again pushed off to a later date for someone else to contend with. The bottom line is that anyone can see why the world’s most powerful entities are tiptoeing around issues that surround monetary morphine and possibly reducing the
ongoing and massive credit binge, as these, not fundamental economics, are the primary reason for the stock markets meteoric rise. The guiding question that everyone should be asking is “what would the landscape look like without the ongoing financial enabling.” The real answer is the reason why no one wants to contend with these issues in a forthright and sober manner today. But, kicking the can further down the road has the potential to make the final reckoning that much worse in the long run.

Economic news this week will focus on inflation for producers and consumers, retail sales for August, industrial production, regional manufacturing reports (specifically the NY State Empire Index), soft data confidence reports (both the NFIB Small Business Optimism and Michigan Consumer Sentiment).

As always, we will continue posting articles that we believe to be of great informational value on our website, under the “Great Articles” tab, which is linked here:

http://summitplan.com/cgi-bin/htmlos.cgi/great_articles.html.

Additionally, the “Summit Planning Financial Hour” will be live this week on Radio 570-WSYR at 10AM on Saturday. Don’t forget to tune in for a recap of the week’s events. If you cannot tune in, check out our radio show archive on our website at http://summitplan.com/cgi-bin/htmlos.cgi/radio_shows.html.

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7. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.
8. The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors.
9. The Standard & Poor’s 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
10. The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index.

11. The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

12. CBOE Volatility Index is a measure of the implied volatility of S&P 500 index options, calculated and published by the Chicago Board Options Exchange (CBOE).

13. All indices are unmanaged and cannot be invested into directly.