

SUMMIT PERSPECTIVE

CHANGE AND UNCERTAINTY IN 2025

At the beginning of the year, we took a clear-eyed view of the markets: the economy was strong, corporate fundamentals were solid, and investors were enthusiastic. Maybe too enthusiastic. As always, when expectations run high, the market has a way of humbling those who get ahead of themselves. And so, here we are—concerns over tariffs, anxieties about the economy, and another bout of market volatility. This is not new. This is the market being the market.

Trade Tensions: Lots of Noise, Unknown Impacts

The headlines are filled with talk of tariffs, trade wars, and economic uncertainty. After much speculation, the “reciprocal tariffs” were announced, and were much steeper than most experts had predicted. Equity markets are selling off based on the surprise, and both countries and companies are scrambling to design their plan of attack. This substantial policy change means that there is little precedent for comparing these tariffs to those in history and questions abound. Will the trade war escalate with other countries causing inflation? Will the reduced purchases of imported goods cause an economic slowdown that tips into a recession? Will the current administration back off some of these tariff levels after concessions are made from trading partners? None of these answers are known, and as such, uncertainty is the theme of the moment.



The Economy: Slower, But Still Growing

Yes, growth has moderated. Yes, the first quarter was softer—blame the weather, the flu season, or whatever the talking heads want. But the fundamentals were still solid. Jobs were created, household wealth is near record highs, and inflation remains tame. The economy isn't sprinting, but it is still moving forward. The recent tariff announcements have put a damper on expectations, but no one knows whether current policy and economic forces will result in even a mild recession. Unfortunately, it is impossible to make investment policy out of uncertainty, but far more money has been lost trying to predict downturns than their actual occurrence!

The Federal Reserve: A Steady Hand

The Fed exists to ensure economic stability, not to cater to market or political tantrums. While the Fed and especially Federal Reserve Chair Jerome Powell take plenty of heat from politicians and pundits, they have done a solid job navigating troubled waters. They continue to state they will be data dependent and leave available all the tools at their disposal. Two cuts by year-end? Possibly, but the Fed is in a bit of a pickle. Do they lower rates due to slowing growth because of tariffs, or do they hold off because the trade war creates inflation which they are duty bound to fight? While it makes dramatic economic theater, monetary policy does not determine long-term investment success—your discipline and participation in companies that grow their earnings and profits over time is what does that!

Continued on page 2



INSIDE THIS EDITION

Feature Article:

Change and Uncertainty in 2025

Unlocking the Power of Non-Cash Donations:

A Guide to Tax-Efficient Giving

Summit Spirit Award:

Pranay and Swords to Plowshares

Summit University:

Smart Strategies for Navigating College Costs

Summit Spotlight:

Congratulations All Around!

Summit Trivia Challenge

“

Change is the only constant, yet the fundamental truths remain unaltered.

– Heraclitus

”

CHANGE AND UNCERTAINTY...

Continued from Page 1

Equities: Volatility Is the Toll You Pay for Growth

Coming off two great years in the U.S. equity markets it would be easy to forget that volatility is the price of admission for the long-term investor. Through much of that run volatility was virtually nonexistent. That is not normal. In fact, markets average a peak to trough decline of almost 14% every year. Using today's Dow Jones Industrial Average number of about 40,000 – that would mean we would EXPECT to drop over 5,600 points somewhere during the year – even on years where we ended positive!

Seeing the Dow move up or down 500 points daily shouldn't mean much, but it can weigh on the investor psyche. Try to keep in mind that the markets comprise some of the best managed and most profitable companies on earth – and they are not sitting around and hopelessly staring at their TV screens. They pivot, invent, and invest in serving their customers and growing their profits. The volatility of their stock price is a function of investor expectations in the short run, and investors can be emotional. But in the long run the fundamentals of earnings and profits win out. Currently, those exceedingly well-run companies are scrambling to determine their path forward and their earnings are a bit unclear. Thus, the market volatility. But bet against them at your peril ... markets have endured all manner of calamity over the years, and yet they have compounded at almost 10% over the long run.

Diversification Standing Tall

After a decade of outperformance, tech stocks have had a rough stretch and have brought the U.S. stock indices with them. They were due. Does that mean technology is a bad investment? No. It means valuations were stretched and the threat of policy and economic change brought some rationality to their stock price. Thankfully, diversification has stepped forward and done its job in 2025. Bonds are positive year to date, and international markets are beating their domestic brethren. Broadly diversified portfolios are experiencing far less volatility than tech heavy stock portfolios. Meanwhile, the AI revolution is real, and valuations have become far more reasonable in some of those high-flying sectors. The long-term investor who stays the course and rebalances their portfolio stands to gain over time.

The Bottom Line

Markets fluctuate. They always have, and they always will. That's not a flaw; it's how they work. This season of volatility is not unprecedented, but the newness of the tariff policies and the uncertainty they cause can understandably cause concern and anxiety for clients. The question is not whether volatility will occur, but how you'll respond when it does. Talk with your advisor and make sure your plan matches your portfolio design. Make plans for your cash flow needs, rebalance when volatility gives you the chance to purchase assets on sale, and don't fret the day-to-day movements of the market (as difficult as that sometimes can be). Over time, the market rewards those who do.

UNLOCKING THE POWER OF NON-CASH DONATIONS:

A GUIDE TO TAX-EFFICIENT GIVING

By Kim Damiani



When it comes to charitable giving, the phrase “cash is king” doesn't always hold true. Donating non-cash assets can be a more impactful and tax-efficient way to support the causes you care about. This includes a wide range of items such as stocks, mutual funds, bonds, company shares, and even personal property like art or collectibles.

Here are some key advantages:

1. **Avoiding Capital Gains Taxes:** When you donate appreciated assets like stocks, you can avoid paying capital gains taxes on the increase in value. This means that the charity receives the full fair market value of the asset, and you don't have to pay taxes on the appreciation.
2. **Fair Market Value Deduction:** You can generally deduct the fair market value of the donated asset from your taxable income, which can significantly reduce your tax liability. This deduction is typically available for assets held for more than one year.
3. **Reducing Taxable Estate:** Donating non-cash assets can also help reduce the size of your taxable estate, potentially lowering estate taxes. This is particularly beneficial for individuals with substantial assets who are looking to minimize their estate tax burden.

Generally, you can deduct charitable contributions of non-cash assets up to 30% of your adjusted gross income (AGI). However, this limit can vary depending on the type of asset and the organization receiving the donation.

If you have a donor-advised fund (DAF) or are considering establishing one, it can simplify the process of donating non-cash assets. DAFs allow you to transfer assets, receive an immediate tax deduction, and recommend grants to your favorite charities over time. A DAF can be a particularly useful tool to use during an especially high-income year.

Before making any donations, first be sure it aligns with the goals outlined in your financial plan. Your Summit advisor will collaborate with you and your tax advisor to ensure you optimize your charitable giving strategy. Whether you're donating stocks, mutual funds, or other non-cash assets, your generosity can make a meaningful difference in the world. We delight in helping our clients experience the joy of giving!

KUDOS!

Summit Spirit Award:

Each quarter, Summit recognizes one team member who receives 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 Trading Coordinator Pranay Mohan as the recipient of this quarter's Summit Spirit award!

Pranay: I am honored to donate my Summit Spirit Award to Swords to Plowshares.

Founded in 1974 by Vietnam-era veterans, this San Francisco-based nonprofit helps veterans transition to civilian life by helping them address their healthcare and wellness needs and helping them to find housing and employment.

Serving nearly 3,000 at-risk veterans annually, Swords to Plowshares has made a significant impact, operating six permanent supportive housing sites and two drop-in centers in San Francisco and Oakland. The organization also prioritizes Diversity, Equity, and Inclusion, offering staff training to better serve the diverse needs of veterans. Through these efforts, Swords to Plowshares continues to create lasting change, ensuring veterans receive the support they need to lead stable, fulfilling lives.



My best friend is currently serving in the Army's 75th Ranger Battalion, and my cousin served with the Marine Forces Special Operations Command. I support Swords to Plowshares because I'm committed to helping them—and all veterans—access the resources they need to successfully transition and thrive in life after the military.

To learn more, visit swords-to-plowshares.org.

SUMMIT UNIVERSITY



Upcoming Workshops

SMART STRATEGIES FOR NAVIGATING COLLEGE COSTS AND AVOIDING COSTLY MISTAKES

**Wednesday, April 30;
4:30 p.m. PST**



Join us for this educational webinar designed to help parents, guardians, and students make informed decisions about funding higher education. We will explore practical alternatives to borrowing and discuss how to balance educational goals with long-term financial stability. Together we will explore:

- The risks of student loans and co-signing and their potential impact on retirement savings and financial health.
- Alternative funding strategies such as scholarships, and work-study programs to reduce reliance on student loans.
- Realistic goals for college costs to balance education with financial stability.

Second Saturday Divorce Workshop

Are you considering divorce, or in the midst of a divorce? As you contemplate your next steps and possibly plan your next chapter, it is important to have the tools needed to evaluate the impact divorce can have on your personal and financial life.



This workshop run by an attorney, a therapist, and a financial advisor will touch on the legal, emotional, and financial topics involved with divorce. Discussions will include issues and challenges that everyone considering or going through a divorce should understand. Educate yourself and explore various options available to you as you work toward building a strategy for future emotional and financial success.

**Learn more and register for
classes through the Summit
University page on our website:**

[summitadvisors.com/
education/university/](https://summitadvisors.com/education/university/)

You may also scan the QR code.



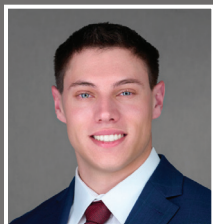


Vanessa Savage



Gina Morais

Congratulations to advisors **Vanessa Savage** and **Gina Morais** who have earned recognition on the Forbes/SHOOK Research® 2025 Top Women Wealth Advisors Best-In-State list. Their dedication to our clients and the industry raises the bar for excellence. We're proud to support their journey!



Another round of applause for Associate Advisor **Justin Ward**, who received his CERTIFIED FINANCIAL PLANNER® designation in March. Justin joins the majority of Summit advisors who have achieved this status.

CFP® professionals maintain their professional edge through ongoing education and training in addition to the rigorous requirements to represent a high level of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence when working with you.

How does working with a CFP® benefit you?

CERTIFIED FINANCIAL PLANNER® professionals are held to the utmost standards of ethics and professional responsibility, which prepares them for a career-long commitment to provide personalized services to meet your needs; all while maintaining high levels of financial planning and professionalism.

Finally, congratulations to **Jeffrey Lee**, who was recently promoted to Associate Advisor. Jeff earned his advisor status working alongside Summit Advisor Robert Avey, where he has played an integral part in his business operations since 2016. Jeff will continue to work with Robert in his practice.



Certified Financial Planner Board of Standards Center for Financial Planning, Inc. owns and licenses the certification marks CFP®, CERTIFIED FINANCIAL PLANNER®, and CFP® (with plaque design) in the United States to Certified Financial Planner Board of Standards, Inc., which authorizes individuals who successfully complete the organization's initial and ongoing certification requirements to use the certification marks.



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.

Ready? Here it is ...

Which Summit team members were among the STEER (Supporting Teams with Excellence, Education, and Resources) Top 100 Honorees?

Know the answer?

Email it to angela@summitadvisors.com by May 10th.

The Trivia Challenge winner will be notified via email.

CONTACT US



2000 Crow Canyon Place, Suite 450
San Ramon, CA 94583
Office: 925.866.7800

info@summitadvisors.com ■ summitadvisors.com

Raymond James is not affiliated with and does not endorse the opinions or services of any outside organizations mentioned. Every investor's situation is unique, and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation. The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Summit Financial Group and not necessarily those of Raymond James. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Diversification and asset allocation does not ensure a profit or protect against a loss. Holding investments for the long-term does not ensure a profitable outcome. The companies engaged in the technology industries are subject to fierce competition and their products and services may be subject to rapid obsolescence. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. Keep in mind that individuals cannot invest directly in any index. Past performance does not guarantee future results. Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a Donor-Advised Fund for federal and state tax purposes. The 2024 RJFS Top 100 ranking is an internal Raymond James recognition developed by the STEER Development Program. STEER is a calendar year program and Top 100 is achieved based on a point system. Points are accumulated via tenure, industry licensure, and educational course participation. Educational courses are focused on four main topics: Operational Excellence, Client Service & Engagement, Business Growth & Risk Management, Community & Career Development. This may not be representative of any one client's experience, it's not an endorsement, and is not indicative of future performance. While a fee was not paid in exchange for the award/rating, there is a tuition cost associated with the program. The Forbes ranking of Best-In-State Top Women Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative and quantitative data, rating thousands of wealth advisors with a minimum of seven years of experience and weighing factors like revenue trends, assets under management, compliance records, industry experience and best practices learned through telephone and in-person interviews. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. This ranking is based upon the period from 9/30/23 to 9/30/24 and was released on 02/11/2025. Research Summary (as of February 2025): 48,220 nominations were received and 2,436 women won. This ranking is not indicative of an advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Compensation provided for using the ranking. Raymond James is not affiliated with Forbes or Shook Research, LLC. Please visit <https://www.forbes.com/lists/best-in-state-women-advisors/?sh=64b505e81d11> for more info. Securities offered through Raymond James Financial Services, Inc., member FINRA /SIPC. Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Summit Financial Group, LLC is not a registered broker/dealer and is independent of Raymond James Financial Services.