



P E R S P E C T I V E S

Spring 2023 Newsletter

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WEBINAR - COMING IN JUNE

Love Your Heart:

Understanding your heart's health

With Dr. Brent Beadling, Dr. Ambar Patel and Dr. Ankit Shah

OUR DISCIPLINE. YOUR FREEDOM.™

Founding Partner's Letter

Dear Clients and Colleagues,

In this season of rebirth, I thought the following was worth sharing:

"We all have aspects of ourselves that sometimes get buried under the stresses of our busy lives. What has this winter taught us? What elements of our own lives do we hope to revive this spring?" – Anonymous

April is when Florida is already in full bloom, Georgia and South Carolina are successfully throwing off winter with new greenery and Dogwoods vibrantly bursting into white and pink. From a recent trip to the mountains of North Carolina, the valley is still devoid of life but if you notice the details, the tops of all the trees are splashed in just a bit of red and yellow color. Every location varies just a bit as this unfolds until we are all enveloped in the lushness of summer.

When I think about the past winter, I am saddened by the dear friends and clients who have passed away. Winter has taught me to be present, to be available, to slow down, and to hold family and friends close. This reminds me that I only have so many trips around the sun. Slowing down also gives me the time to think about the culture of our firm and what we DO for you, our clients. How do we continue to help you take care of your family, your business, your employees, your philanthropic interests? How do we help your adult children? What can we do to continue to support you by increasing services as your wealth and needs grow?

Winter to spring allows us to reframe our core role AND continue to communicate about its expansion. There is simply no firm better at doing what we do in core wealth management. We often communicate that as an elegant formula: Wealth Management is the sum of Investment Management, Advanced Planning, and the coordination of your professional relationships for your benefit.

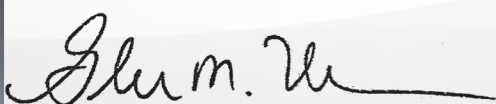
Just like spring starts with a few buds and blossoms from there, our firm's core has expanded to include the services of a Family Office. Family Offices were initially designed for super wealthy families to manage all aspects of wealth and to help grow and transfer wealth across generations. They were original to extremely wealthy families (think Gates, Buffet and Bezos). These families wanted a family-centric approach to managing their wealth.

We know that is what many of you need as well. You require core wealth management services PLUS additional capabilities including proactive tax forecasting, intergenerational wealth transfer, insurance and risk management, business cash solutions, education, legacy, and philanthropic planning. So, you are thinking, what does this mean to me? It means that there is practically no financial need that you have or think you have, for which we won't have a solution. Just like the change in seasons, we are proactively increasing family office capabilities to serve you. All are designed to take care of you, your extended family and community as greater wealth often escalates complexity and anxiety.

I hope this past winter has taught you something useful, and that from those lessons, you revive to new and wonderful experiences this year.



Sincerely,



Glenn Ullmann

Wealth Advisors' Corner



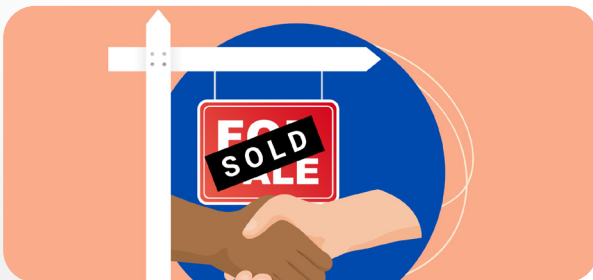
When you sell your home, you may be liable for capital gains tax if it has appreciated in value over your ownership period.



Married homeowners pay no tax on the first \$500,000 of profit on their home. (\$250,000 for single homeowners).



To qualify, you must meet both the ownership test and the use test. That means you've owned and used the house as your main home for at least two out of the last five years, before the sale. You can only use this exemption once every two years.



No losses are permitted for personal residences. However, if a personal residence is converted to a rental property, losses on the property will be deductible subject to certain additional guidelines.

Source: IRS.gov

The More You Know

An Introduction to AI Chatbots

What is an AI chatbot?

An AI chatbot is a computer program designed to simulate human conversation through text or voice interactions. Chatbots use artificial intelligence (AI) and natural language processing (NLP) to understand user queries and provide appropriate responses in a conversational manner. They can be used for a variety of purposes, such as customer service, sales, support, and entertainment. Some chatbots are rule-based, where they follow a pre-determined set of rules to respond to user inputs, while others are powered by machine learning algorithms that allow them to learn and improve their responses over time. *(Written by ChatGPT.)*

How do chatbots work?

Chatbots use a system called a “neural network” that teaches computers to process data in a way inspired by the human brain. The “neural network” is basically a mathematical system that learns by analyzing large amounts of data. The data comes from a variety of sources, including websites, databases, application program interfaces, social media, machine learning algorithms and user inputs. Combining these data sources allows chatbots to provide personalized recommendations and improve their performance over time.

Can I test this technology?

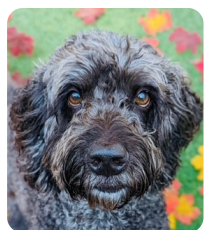
Yes. There are several AI chatbots available. Below is how you can access some of the more popular ones.

- ChatGPT: Visit openai.com and open an account. As of this writing, ChatGPT is free.
- Bing: Through Microsoft’s Edge platform, you can experiment with this chatbot by clicking on the Bing logo in the upper right-hand side of the browser window.
- Google Bard: Access is currently limited, but you can join the waitlist and get notified when it is your turn by visiting bard.google.com.

When testing these systems, it is important to remember that they are not perfect. Most of the responses to the submitted queries were pretty good although some seemed formulaic. For example, the word “overall” appeared at the beginning of the closing statement for almost every request tested in ChatGPT. This seems like an obvious giveaway to a teacher who might receive a homework assignment written by ChatGPT instead of a student.

Also, chatbots do not automatically select the most reliable sources for the information they provide so it is important to remember that the output can be inaccurate. Even the ChatGPT site mentions its limitations, including that it may occasionally produce harmful or biased content, and that their current system has limited knowledge of world events after 2021.

In closing, ChatGPT was asked to write a limerick about a brown Labradoodle named Buddy. This is what it returned:



*There once was a brown Labradoodle named Buddy
Who was known to be quite the little ruddy
He'd wag his tail all around
And roll on the grassy ground
Oh Buddy, you sure are one playful little cuddly!*

Chatbots can be helpful, but let's leave creative writing to humans for now.

Ask a Wealth Manager

In the wake of recent bank failures, we asked Brian James, Partner and Director of Investments, several questions about what clients should do with their cash accounts. Here is what he said.

Should clients move their money out of money market funds, CDs, etc.? If not, what are you telling them to reassure them? If so, where should they put their cash, and why?

With the information we have, we do not believe the situation with Silicon Valley Bank is systemic. We advise clients to keep any cash at banks at or below the FDIC limit. We also advise using a large institution with a solid reputation. Regarding money market funds, we are not recommending any change of action based on recent events. We can only speak to the money market funds we utilize in our portfolios.

How much cash do clients really need to have available anyway? What variables play into your answer – age, health, marital status, parental status, employment/retirement status, etc. – and how might the answer change over time?

Each client has their own specific need. The amount of cash available depends on short-term needs and having enough of a cushion to provide a psychological safety net. We advise all our clients to make sure all cash deposits in banks fall at or below the FDIC limit.

If clients have large amounts of cash, should they break it up into different accounts to stay under the FDIC limit? Or put some into short-term bonds or CDs, which can generate better yields now than they have in many years?

The short answer is yes or move excess cash to the money market account in their custodial account. We advise all clients to speak to us before they make any cash management decision, i.e. investing in CDs. Many times, the pickup in basis points is not worth the liquidity/timing risk.

Ullmann Wealth Updates



Book Recommendation

The Magnificent Lives of Marjorie Post by Allison Pataki



In The News

Pat Kilbane, Director of our Divorce Advisory Group, was recently quoted in Newsweek discussing the financial planning services we provide to those going through the dissolution of marriage process.

To read the article, visit ullmannwealthpartners.com/news.



Work Anniversary

Teri Blake
Seven years

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