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Winter 2025 Newsletter

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Ullmann Wealth Updates

WEBINAR

**Navigating the Retirement Transition:
Psychological Insights & Strategies with
Dr. Justin D'Arienzo, Clinical Psychologist**

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OUR DISCIPLINE. YOUR FREEDOM.™

Founding Partner's Letter

Dear Clients, Professional Colleagues and Friends,

By any measure, 2024 was an extraordinary year. Most of our clients witnessed a dramatic increase in dividends and interest across their portfolios as the great companies and bonds of the world increased both profit distributions and interest payments to you. All major U.S. markets reached all-time highs at some point during the year. The presidential election cycle has concluded but not before many surprising twists and turns. For Ullmann Wealth Partners (UWP), it was a year of adding to our already deep talent in people, process, and expertise, broadening our deep trust relationships with all of you.

Jack Gunn joined us as a Director and Wealth Advisor. He brings almost twenty years of ultra-high-net-worth client experience to UWP. Jack continues to focus on the ultra-high-net-worth market and specializes in working with business owners and entrepreneurs who may utilize investments such as private equity and credit.

Now managing well over \$1 billion of client wealth, we have continued to expand your client service experience through new personnel. Miroslav Josic (MJ) also joined us last year. MJ understands client needs regarding money movement, trading, and solving problems from his five years at Fidelity (our custodian). As Emily Crowther begins her retirement at the end of the first quarter of 2025, MJ and Eric Burke will continue to lead our service to you, responding quickly and efficiently to your requests and solving problems expertly and with empathy.

Speaking of Emily, she was our first hire at UWP and has helped our clients for over two decades. Emily made it possible for me to be out of the office with full confidence that whatever challenges arose would be handled confidently and quickly. She has always been my alter ego—and the Mayor of UWP—as well as my editor and grammarian. We are all fortunate that she has been able to inculcate our new team members with the UWP culture to continue her legacy.

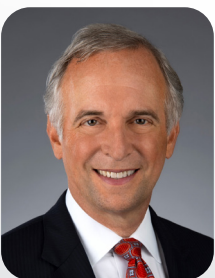
We intend to continue to add talented advisors and service personnel going forward so that our firm will be able to take care of you, your children and your grandchildren in perpetuity. This leads me to answer a question that more and more of you are asking. “How long are you going to keep working?” The answer is: “As long as I can continue to deliver value to you and to our team”.

You have always had two assigned advisors dedicated to your wealth plan. We haven't always done a great job of communicating that fact, so we are emphasizing this point and making introductions during your Progress Reviews. This is to ensure that you know the co-advisor, feel comfortable with that person and start to develop the same close relationship over time that you have developed with your primary advisor (whether me or any of our other advisors). I have long cultivated our culture of caring relationships, knowing full well that trust is not transferable in the short run. It must be earned in the long run.

My chief concern has always been to provide you with a plan to guide your financial future, the investment tools to implement it, and the continued service to keep that plan on track. All the while remembering my favorite quote by Maya Angelou, which says ***you might forget what we did*** (investment management to continue growing your dividends, interest and wealth; advanced planning; tax mitigation), ***you might forget what we said*** (calm counsel; reassurance in difficult times; wrapping expert guidance around you and your family) but ***you will never forget how we made you feel*** (confident; less anxious; valued and important so you can live your life abundantly).

We are grateful to be able to work with you and to continue to light the road ahead.

Sincerely,



A handwritten signature in black ink that reads "Glenn M. Ullmann". The signature is fluid and cursive, with a long horizontal flourish at the end.

Glenn Ullmann

Wealth Advisors' Corner

By Caitlin Frederick, CFP, CFA and Director of Financial Planning

Caitlin works with business owners who are considering selling their business.

What Steps can Business Owners Take to Boost Valuations?

A primary driver of higher valuations for small businesses is the ability to maintain recurring revenue streams. In business models with primarily one-off projects, the buyer is basically purchasing an existing pipeline, which may or may not be relatively short in terms of duration.

Consider a commercial landscaping business as an example. If the business annually services apartment and condominium complexes, a potential buyer can extrapolate estimated continued revenues from these relationships. However, if the same business is primarily focused on one-off installation work, there is little to no recurring revenue to forecast. Instead, the potential buyer will be largely reliant on his/her own sales capabilities. While the one-off installation work may bring in higher revenues and margins when compared to the recurring service revenues, this type of revenue is likely still less attractive to a potential buyer.



Similarly, high diversity in customer base and deep longevity of relationships is important. If the commercial landscaping business earned 80% of its revenues from one customer, the revenue stream would be considered risky. If that one customer had a change of heart, the entire business would suffer greatly. Similarly, if 80% of the revenues are from newly acquired customers within the last year, there is less assurance that those relationships will continue to be successful.

Analyzing the number of customers and the percentage of revenue per customer per year (to show longevity) is a helpful exercise for business owners to understand their current situation. Often, many business owners are unaware of the diversity of their customer base before this analysis. Further, an analysis of recurring versus one-off revenue streams is informative. From this starting point, business owners can see where adjustments can be made to enhance the attractiveness of their business to a potential buyer. Again, what may have been a profitable strategy during prime ownership years (one-off expensive installation work) may not be the most optimal when transitioning to a seller perspective.

The primary question for family business owners to consider is who are we selling to? Family or third party? Once established, business owners can fine tune their strategy to best meet their specific goals.

Ask A Wealth Manager

New Retirement Contribution Limits for 2025

The Internal Revenue Service (IRS) has released new limits for certain retirement accounts for the coming year.

Individual Retirement Accounts (IRAs)

Traditional IRA contribution limits will remain at \$7,000 for 2025. Catch-up contributions for those over the age of 50 also remain at \$1,000, bringing the total limit to \$8,000.

Once you reach age 73, you must begin taking the required minimum distributions from a Traditional IRA in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.



Roth IRAs

The income phase-out range for Roth IRA contributions increases to \$150,000-\$165,000 for single filers and heads of household, a \$4,000 increase. For married couples filing jointly, phase-out will be \$236,000-\$246,000, a \$6,000 increase. Married individuals filing separately see their phase-out range remain at \$0-10,000.

To qualify for the tax-free and penalty-free withdrawal of earnings, Roth 401(k) distributions must meet a five-year holding requirement and occur after age 59½. Tax-free and penalty-free withdrawals can also be taken under certain other circumstances, such as the owner's death.

Workplace Retirement Accounts

Those with 401(k), 403(b), 457 plans, and similar accounts will see a \$500 increase for 2025, the limit rising to \$23,500. Those aged 50 and older will continue to have the ability to contribute an extra \$7,500, bringing their total limit to \$31,000. Those between the ages of 60 and 63 will have additional catch-up contributions of up to \$11,250, bringing their total limit to \$34,750.

Once you reach age 73 you must begin taking required minimum distributions from your 401(k) or other defined-contribution plans in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.

SIMPLE Accounts

A \$500 increase in limits for 2025 gives individuals contributing to this incentive match plan a \$16,500 stoplight.

Much like a traditional IRA, once you reach age 73, you must begin taking the required minimum distributions from a SIMPLE account in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.

As a reminder, this article is for informational purposes only. Consult with an accounting or tax professional before making any changes to your 2025 tax strategy.

The More You Know

A Quick Guide to the Generations

Each generation has its own unique experiences, values, and ways of looking at the world. Here's a quick rundown of the major generations and what makes them stand out.

The Greatest Generation (1901–1927) – This generation experienced the Great Depression and World War II.

The Silent Generation (1928–1945) – Raised during times of hardship, this generation values discipline, hard work, and respect for authority. They are called “silent” because they are known for accepting government instead of speaking out against it.

Baby Boomers (1946–1964) – Known for their strong work ethic and ambition, Boomers played a major role in shaping modern culture. They value loyalty and personal achievement but have also embraced many digital advancements.

Generation X (1965–1980) – This generation is independent, resourceful, and adaptable. They were raised during the rise of personal computers and had an unparalleled emphasis on education.

Millennials (1981–1996) – As the first generation to grow up with the Internet, Millennials value work-life balance, experiences over material things, and social responsibility. They are known for their collaborative mindset and desire for meaningful connections.

Generation Z (1997–2012) – Digital natives from birth, Gen Z is highly tech-savvy, socially conscious, and values diversity and mental well-being. They are quick to embrace change and expect innovation in all aspects of life.

Generation Alpha (2013–2025) – This generation denotes a “new start” after Gen Z. They will most likely be categorized by more diverse families, higher racial diversity, and more economic inequality than previous generations.

Generation Beta (2025–2039) – This will be the first generation to be surrounded by automation and immersive virtual environments. Many in this generation will live to see the 22nd century. Pew research says that “Generational boundaries are not a hard science”. It is interesting, however, to note the common characteristics of each generation and recognize that each one has something valuable to offer.

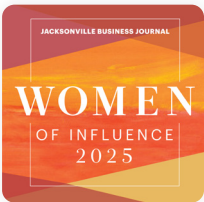
Source: Mcrindle.com, 2/3/25, Pewresearch.org, 2/3/25

Ullmann Wealth Updates



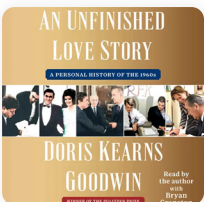
Retirement

Emily Crowther, Senior Client Service Manager, is retiring after 23 years with the firm. She has been a wonderful team member and friend. We will miss her, as will our clients and everyone who has had the privilege of working with her. Congratulations on your retirement, Emily!



In the News

Carrie King, Partner and Chief Compliance Officer has been selected as a 2025 Women of Influence honoree by the *Jacksonville Business Journal*. Carrie was selected from a pool of remarkable women who were nominated based on their professional success, community involvement, and impact on the Jacksonville area. Congratulations, Carrie!



Book Recommendation

An Unfinished Love Story
by Doris Kearns Goodwin

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