BUILDING AND PRESERVING WEALTH

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Quarterly Update
April 2025

7 tips to help you weather volatile markets

1. Commit to a plan despite volatility
Feeling anxious when the stock market drops is a natural response to volatility. That's why it's important to stay committed to your long-term plan and resist making emotional investment decisions.

2. Seek guidance
Your financial advisor is here to listen and provide guidance. They can help you keep your emotions in check and your investments on course during the ups and downs of the market.

3. Tune out market noise
Market noise can persuade you to make changes that may negatively impact your long-term plan. That's why it's important to tune out the noise and stay focused on your long-term goals.

4. Don't try to time the market
Historically, markets are resilient, despite volatility. Trying to guess what's ahead isn't a sound investment strategy. When it comes to successful investing, it's about time in the market, not timing the market.

5. Don't take daily "stock" of investments
When you check your investments every day, it's hard not to focus on the short-term. Remember, your advisor performs regular due diligence and will alert you to any changes, so you can stay focused on your long-term goals.

6. Market predictions can be inaccurate
Markets are unpredictable. That's why it pays to focus on what matters most: that your portfolio is diversified, with quality investments.

7. Prepare for ups and downs
As an investor, it helps to understand that markets fluctuate. Remember, when you first met your advisor, you discussed your tolerance for volatility, and your advisor built your portfolio to reflect that.

Market Volatility—Ridin' Out The Storm

The stock market is inherently volatile, and past performance is not indicative of future results. From 1928 through January 2025, the market declined by 5% approximately 3.4 times annually. In that same period, it dropped by 10% just over once per year, while a 15% pullback occurred roughly every two years. A 20% decline has taken place about once every three years.

However, in today's 24-hour news cycle, it is difficult to disconnect from market movements and the financial headlines. Decisions on tariffs are unpredictable and new developments are occurring daily. Investors react in real-time to executive orders as they are signed, contributing to market volatility.

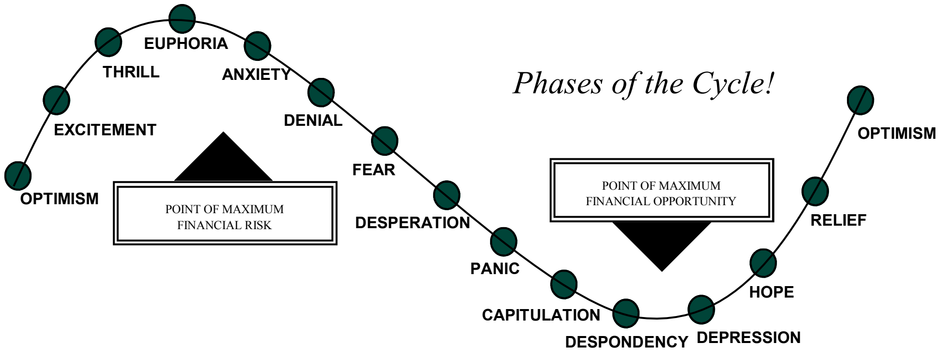
Every financial adviser will tell you, "Do not look at the market every day." But in reality — that's nearly impossible advice to follow. They monitor the market so you don't have to.

It's your money. You're emotionally invested because that money represents your future. It's the actions that you take during heightened emotions that define you as an investor.

Investors have been spoiled by the exceptional returns of the past two years, leading to a bias. Volatility is normal. Even during the historic bull market from March 2009 through February 2020, we experienced 5%, 10%, and 15% declines. Yet, the strong market performance of 2023 and 2024 has conditioned investors to believe the market should only go up.

One of the most common mistakes investors make is giving in to fear. However, investors must remember that it's not about when you buy—it's about when you sell. The fundamental value of the companies hasn't necessarily declined; the market is simply reflecting their current price. If you sell, you lock in the loss. But if you stay the course, your stocks have the potential to recover.

As we navigate the markets remember to stay the course, ride out the storm and stay invested for the long-term objectives.



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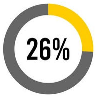
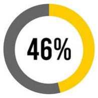
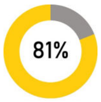
Estate Planning



of Americans 18-54 have estate documents in place



of Americans 55-71 have estate documents in place



of Americans 72+ have estate documents in place

Estate planning is crucial for people of **all ages and income statuses**. A basic estate plan involves **four documents** (or more, depending on your assets):

- A last will and testament
- A durable power of attorney
- A healthcare power of attorney
- An advance directive

There's no time like the present to take steps toward giving your family the ultimate peace of mind and know your family is taken care of no matter what the future holds.

Attention Snowbirds:

Be sure to call or email us with your summer address so you are able to receive your mail during the summer

Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over forty years, we have helped our clients achieve financial security.

Michael Bischoff, *CFP® & COO*
Gary Webb, *RFC® CKA® & CEO*
Dave Verbeke, *Financial Advisor*
Tim Greife, *Financial Advisor & CCO*
Brandon Bischoff, *Financial Advisor*
Michelle Brennan, *FPQP®*
Financial Paraplanner
Kristi Mattiuz, *Controller*
Taylor Fish, *Executive Assistant*

2025 RMD Planning

Michael Bischoff, CFP®

The deadline for most retirement account owners to take their 2025 required minimum distribution (RMD) is December 31, 2025. However, there are good reasons to take it now instead of waiting.

1. Avoid last minute mistakes which can be a recipe for trouble. The holiday season is busy and your RMD can get lost in the shuffle. Or, maybe you are charitably inclined and looking to satisfy your RMD by doing a qualified charitable distribution (QCD). This will require the custodian to send funds directly to charity who then must cash the check. These steps require some time and coordination.

2. Your IRAs are all seen as one by the IRS. The regulations confirm that when it comes to RMDs, your IRAs are aggregated. If you have multiple IRAs (including SEP and SIMPLE), you must take your 2025 RMDs from all of them before doing any rollovers.

3. A Roth conversion can be a smart move. However, if you are age 73 or older this year and doing a conversion, you will need to take your 2025 RMD from your IRA prior to the conversion. Why? The IRS says the first money out of your IRA is your RMD. It is subject to the rollover rules so cannot be converted.

New Rules for Inherited IRAs

Gary Webb, RFC®

There are recent updates to rules on Inherited Individual Retirement accounts (IRAs), particularly for non-spouse beneficiaries navigating the latest IRS regulations.

What has changed?

Under the SECURE Act of 2019, most non-spouse beneficiaries must withdraw the full balance of an Inherited IRA within 10 years. Initially, many assumed they could wait until the final year to take distributions.

What does this mean for 2025?

The IRS recently issued Notice 2024-35, providing relief for those who missed RMDs from 2021-2024. Key points:

- This applies to IRA owners who passed away in 2020 or later.
- If you inherited an IRA from someone who had already started RMDs, you were not penalized for missing withdrawals in 2021-2024.

The RMD rule is effective as of January 1, 2025, meaning waivers will not be available for this calendar year.

The SECURE Act withdrawal rule does not apply to:

- Surviving spouses
- Minor children (under 21) of the original account holder
- Individuals with eligible disabilities or chronic illness
- Non-designated beneficiaries (e.g., charities, estates)
- Accounts inherited before 2020

Since these rules are complex and evolving, we would be happy to review your situation and help ensure you're on track.

Webb Financial Group
Southtown Office Park
8120 Penn Avenue South, Suite 177
Bloomington, Minnesota 55431
www.webbfinancial.com • 952-837-3200 • info@webbfinancial.com
1-800-927-9322