

Strategies Ensuring Life's Liquidity (SELL) Process

Entrepreneurs Group
Private Wealth Management



UBS

Helping you determine how much liquid wealth you need to live and pursue your goals.

What is SELL?

Simply put, our SELL process helps entrepreneurs and other individuals understand how much liquid wealth they may need, either in general or from a specific exit event, to fulfill their lifetime financial goals. Our objective is to provide you with the confidence necessary for your family to enjoy your wealth free from the fear of outlasting your wealth.

Why we created SELL?

Like most entrepreneurs, when we were founding and selling our own companies in the late 90's, we had no idea how much money we actually needed to secure and fund our lifetime financial aspirations. As is the case with many entrepreneurs we now meet, we too at the time depended on arbitrary figures and rules-of-thumb when we imagined what we would need to live the life we envisioned. We knew there had to be a better way. As a result, we are passionate about providing entrepreneurs the type of advice we couldn't find when we were in their shoes. This led us to utilize our financial planning tools to provide you a comprehensive process to help you determine the amount you will likely need.

How does SELL work?

Your lifetime financial goals are the foundation of our process. We want to understand you and your family's long-term financial goals, ongoing spending desires and your wealth transfer and charitable plans. We input this information into our financial planning tools generating various 'what-if' scenarios. From these scenarios we develop various strategies that we believe give you the highest probability of generating the liquidity you need to pursue your life goals. We review these different scenarios with you to determine which strategy provides you the highest probability of generating the liquidity you need for your life goals.

SELL and multi-generational planning.

We understand the connections between wealth and family. As a result, we match this analysis with a comprehensive wealth plan that considers all of the aspects of your family's financial life. We can help you better understand your personal assets & liabilities, your cash flows, your family's unique benchmark return required to meet your specific financial goals and appropriate strategies to optimize the transfer of your wealth.

Case Study

Our client sought to sell his wholly-owned business after failing to do so previously due to weak market conditions. A few years later when the seller decided to run a new process, his new M&A banker advised that they could sell his business for \$45 – \$50 million. Through our analysis, we determined that our client's lifetime financial goals could be met at a sale price below \$30 million.

The day the final bids from a number of acquirers were due, his industry sector had a sudden negative event that led to all buyers losing interest in proceeding. Fortunately, despite this event, one real buyer came in last minute submitting an offer which was substantially below the banker's targeted price yet above the \$30 million we had determined our client required.

We once again reviewed our analysis with the client and highlighted that this final bid could still allowed him to achieve his personal and financial goals. Wanting to avoid losing a deal a second time, he decided to sell and move forward securing the liquidity he needed to feel confident he could financially achieve his lifetime goals.

Expanded Case Study

Strategies Ensuring Life's Liquidity (SELL) Process

The situation

- In preparation to sell his business our client hired an M&A advisor. When a financial crisis suddenly struck his industry the transaction to sell his business collapsed.
- Three years later the client went to market again. This time his M&A advisor introduced us to help him consider planning options which could maximize his proceeds from the sale and help him determine how much he needed to meet his future financial goals and needs.

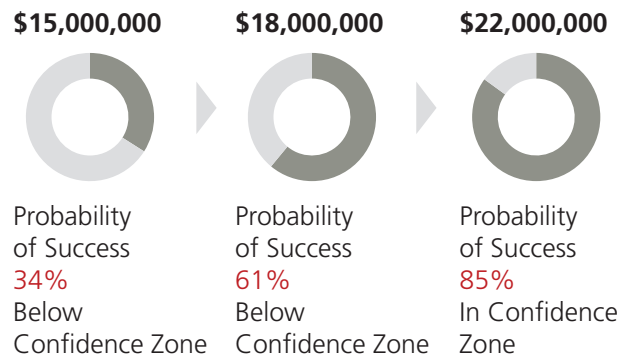
The strategy to help the client

Far in advance of our client engaging his new M&A advisor, we took our client through our SELL Process to determine a target sale price that would provide him a high confidence level that he could fund his lifetime goals. The multi-step components of our SELL Process include:

- We collaborated with our client to consider his future spending assumptions, long-term financial goals, charitable plans and wealth transfer objectives.
- We worked with a team of advisors including his CPA, Trust & Estate attorney and M&A advisor to assess different tax scenarios, trust planning options and potential sale values.

Basic assumptions:

Annual Spending : \$600,000
State of Residence : CA
Planning Age : 90



The outcome

The M&A advisor told our client he could sell the business for \$45 – 50 million. The day of final bids a leading internet company announced they would compete directly against his company. All but one bidder withdrew their offers leading to a price of \$35 million, substantially below the promised range from the M&A advisor.

We once again reviewed our analysis with the client and highlighted that this final bid could still allow him to achieve his personal and financial goals with a high level of confidence. The client accepted the offer. With the proceeds from the sale, our client has been able to pursue his passions of travel and bicycling with the confidence that he has secured the liquidity he needed to pursue his lifetime goals.

Entrepreneurs Group
UBS Financial Services Inc.
Private Wealth Management
299 Park Avenue
New York, NY 10171
212-821-2729

advisors.ubs.com/entrepreneursgroup

The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Investing involves risks and there is always the potential of losing money when you invest.

Informational purposes only and may not be representative of the experience of all clients. It is not intended to represent the performance of any specific investment or financial advisory program. Each client's circumstances may be different. There is no guarantee of the future success of any of the strategies discussed.

Neither UBS Financial Services Inc. nor its employees (including its Financial Advisors) provide tax or legal advice. You should consult with your legal counsel and/or your accountant or tax professional regarding the legal or tax implications of a particular suggestion, strategy or investment, including any estate planning strategies, before you invest or implement.

As a firm providing wealth management services to clients, UBS Financial Services Inc. offers investment advisory services in its capacity as an SEC-registered investment adviser and brokerage services in its capacity as an SEC-registered broker-dealer. Investment advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate arrangements. It is important that you understand the ways in which we conduct business, that you carefully read the agreements and disclosures that we provide to you about the products or services we offer. For more information, please review the client relationship summary provided at **ubs.com/relationshipsummary**, or ask your UBS Financial Advisor for a copy.

In providing financial planning services, we may act as a broker-dealer or investment adviser, depending on whether we charge a fee for the service. The nature and scope of the services are detailed in the documents and reports provided to clients as part of the service. Financial planning does not alter or modify in any way a client's existing account(s) or the terms and conditions of any account agreements they may have with UBS.

Private Wealth Management is a division within UBS Financial Services Inc., which is a subsidiary of UBS Group AG. © UBS 2024. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS Group AG. Member FINRA/SIPC. ED_05012024-1 Exp.: 05/31/2025