This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.
Exit Planning Institute State of Readiness Survey

- 66% of the current American business market is owned by Baby Boomers
- Set to transition over the next ten years.
- Only 20 to 30% of businesses that go to market actually sell
- Up to 70 to 80% of those without solid options to harvest their wealth and ensure economic continuity into the next generation
- An owner who is “ready” with an attractive business greatly increases the odds that the business will survive a transition of hands.

Source: Exit Planning Institute (http://exit-planning-institute.org/state-of-owner-readiness/)
Challenges facing an aging owner population

- Planning for retirement in a turbulent economy
- Monetizing your business
- From control to no control
- Personal life after retirement
- Replicating cash flow
- Running out of money
- Cost of healthcare
- Unsolicited offers
Challenges of wealth management

- Asset allocation – picking the right mix of investments
- Sequencing Risks – timing cash flow
- Behavior mistakes – letting emotions dictate moves
Bull & Bear Markets since 1926

- Average **Bull Market** last 9.0 years with average cumulative return of 480%
- Average **Bear Market** lasts 1.4 years with average cumulative loss of -41%

Based on historical performance of the S&P 500 Index throughout the U.S. Bull and Bear Markets from 1926 through 2017. Although past performance is no guarantee of future results, we believe looking at the history of the market’s expansions and recessions helps to gain a fresh perspective on the benefits of investing for the long-term.


The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future. Past performance is no guarantee of future results. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.
Time in the market not timing the market

Extreme market moves such as we’ve seen recently tempt anxious investors to respond with their own sudden shifts. This is rarely a good idea. Too often investors only end up getting whipsawed—catching the downside and missing the upside. As you can see below, missing just the 20 best days in a 20-year period can reduce investment returns by two-thirds ($32,421 vs. $10,167).

**STAYING INVESTED IS THE BEST LONG-TERM STRATEGY**

<table>
<thead>
<tr>
<th></th>
<th>Fully Invested</th>
<th>Missed 5 Best Days</th>
<th>Missed 10 Best Days</th>
<th>Missed 15 Best Days</th>
<th>Missed 20 Best Days</th>
<th>Missed 30 Best Days</th>
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Source: Morningstar. Data ranges from 1/1/99 through 12/31/19. Performance data quoted represents past performance, which is no guarantee of future results. The S&P 500 Index is generally considered representative of the U.S. stock market.
Expanding the focus

From…

Investments and Performance

To…

You
What’s important to you?

My business  Giving back
The collection  Family
Education  Retirement
My health  Travel
The beach house  Friends
Enjoying life now  The vineyard
Our dogs  My yacht
My legacy  My ranch
Five simple questions

- How do you **plan** to achieve your life’s vision?
- Who are the **people** that matter most to you?
- What are your main **concerns**?
- What do you want to accomplish in your **life**?
- What do you want your **legacy** to be?
UBS Wealth Way

Three key strategies

**Liquidity**
To help provide cash flow for short-term expenses to help maintain your lifestyle

**Longevity**
For longer-term needs to help improve your lifestyle

**Legacy**
For needs that go beyond your own to help improve the lives of others

UBS Wealth Way is an approach incorporating Liquidity. Longevity. Legacy. strategies that UBS Financial Services Inc. and our Financial Advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different timeframes. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.
To help maintain your lifestyle

Liquidity

- The next three years

  Entertainment and travel

  Taxes

  Purchasing a home*

Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.

* Borrowing is subject to credit or collateral approval.
To help improve your lifestyle

Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.
To help improve the lives of others

Legacy

Now – beyond your lifetime

Giving to family

Philanthropy

Wealth transfer over generations

Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.
UBS Wealth Way: At different stages of life

Early career (single)

Later career (with adult children)

Retired (with adult children and grandchildren)

Liquidity | Longevity | Legacy

Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.

For illustrative purposes only.
Why UBS Wealth Way can work…

For you

Financial blueprint

Take the emotion out of investing

Manage risk

Today, tomorrow and generations to come

Working together

Focus on long-term goals
How to create a financial plan

- Assess who / what's important to you
- Create a holistic balance sheet
- Scenario planning
- Integration with trusts estate and philanthropy
- Financial analysis
  - Capital Markets Assumptions
- Execution, adjusting
Are *you* ready?

- **Your exit options**
  - Your time horizon
  - Your financial plan
  - Life plan after exit

- Transition to family members
- Sell to strategic buyer
- Sell to private equity
- Sell to employees (ESOP)
- Sell to management
- Cash sale
- Carry note
- Earn out
- Sell business, retain real estate
- Stock roll-up
- other
Are you ready?

- Your exit options
- **Your time horizon**
  - Your financial plan
  - Life plan after exit
  - Within 1 year
  - 3 – 5 years
  - More than 5 years
Are *you* ready?

- Your exit options
- Your time horizon

**Your financial plan**
- Life plan after exit

- Personal assessment of goals and objectives
- Holistic balance sheet
- Cash flow projections
- Stress testing of sequencing risk
- Integrated tax plan*
- Integrated estate plan*
- Wealth preservation
- Re-evaluating and adjusting

*Neither UBS Financial Services Inc. nor any of its employees provide tax or legal advice. You should consult with your personal tax or legal advisor regarding your personal circumstances.*
Are *you* ready?

- Your exit options
- Your time horizon
- Your financial plan

**Life plan after exit**

- Family, community
- Plan for relevance
Is your business ready?

- **Business valuation**
  - Business readiness
  - Business attractiveness

- What is the business worth?
- Valuation methods
- Is value sufficient to support owner's needs?
Is *your business* ready?

- Business valuation
- **Business readiness**
- Business attractiveness

- Processes
- Legal
- Financials
- Markets
- Production
- Management
Is *your business* ready?

- Business valuation
- Business readiness

**Business attractiveness**

- Desirable industry
- Market penetration
- Competitive advantage
- Access to workforce
- Favorable regulatory environment
How we can help

- Financial goal assessment
- Business readiness / attractiveness assessment
- Wealth management strategy
- Integration with
  - Business valuation
  - Wealth preservation
  - Wealth transfer (estate planning strategy)
  - Tax strategy
One relationship. Many resources for business owners.

Access the valuable resources and expertise of UBS

**Wealth Planning, philanthropic services and trust solutions** to help understand and strategize the pursuit of you and your business’s goals for the people and causes you care about.

**Insurance solutions** to help protect you and your business from unexpected events.

**Family advisory** to help manage transitioning the business and wealth between generations.

**Banking and lending services**

**Family office** services to help you access institutional capabilities across all UBS divisions.

**Investment banking** advisors (within UBS and our external network of boutique IBs) to lead the transaction, helping you realize the full potential of your business.

**ESOP advisory** services offers business owners a viable liquidity alternative, as opposed to typical M&A processes, for those who may wish to give back to their employees while accessing tax-favored benefits.

**Retirement plan** services supports you in managing your 401(k) plan in critical areas such as fiduciary governance, prudent investment processes and helps reward and retain your business’s best talent.

**Portfolio advisory** services to help create an investment strategy that aligns with your goals and objectives.
Steven is a Senior Vice President Wealth Management for UBS Financial Services, Inc. He is the team lead for the Young Business Transition Consultants based in Indianapolis, IN. Although based in Indianapolis, his team works with clients across the country.

Steven’s primary role is to provide comprehensive wealth advisory and wealth management for owners of closely held companies. Services include pre- and post-exit transaction planning, advanced personal wealth planning and portfolio construction consistent with client-focused objectives.

Steven has been in the financial services industry since 1986. He joined UBS in 2014. He has received the designation of Portfolio Manager and Wealth Advisor.

"We help business owners create, manage, and maximize personal wealth through the complete life cycle of their companies – start up, operating and transitioning their ownership."
Advice you can trust starts with a conversation

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