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BERNSTEIN

## Pursuing Success at Every Stage

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Partnering with  
Business Owners



# More Than Money: A Family Office Built for Business Owners

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For more than 50 years, Bernstein Private Wealth Management has guided clients through their most important journeys. Today, with over \$140 billion under management, we stand as one of the industry's most respected research-driven investment managers—intentionally structured to avoid conflicts of interest. By steering clear of businesses that could compromise our objectivity, we ensure our interests are firmly aligned with those of our clients, while providing a depth of expertise that sets us apart.

Our extensive experience advising business owners and working with private companies gives us a differentiated view of the entrepreneurial path. It's helped us build a culture of creativity around supporting business owners' success.

Founders appreciate the distinct characteristics of our firm: the independence of our thinking, the rigor of our research, and the ability to access solutions tailored to their specific needs. Most importantly, we bring the full weight of Bernstein's resources—as well as our extensive external relationships—to bear for business owners. This allows us to add value in a number of ways, from helping navigate growth capital decisions, to structuring ownership transitions, to aligning wealth planning initiatives with long-term vision. It's this combination of independence, creativity, and connectivity that has made Bernstein a trusted partner to founders for generations.

# Built on Experience. Backed by Results

**\$25 billion**

transaction for sale of  
Western US-based  
**technology company**

**\$3.0 billion**

transaction for sale of  
Midwestern US-based  
**energy storage &  
transport company**

**\$1.5 billion**

transaction for sale of  
Northwestern US-based  
**data technology  
company**

**\$1.4 billion**

transaction for sale of  
Northwestern US-based  
**manufacturing  
company**

**\$600 million**

transaction for sale of  
Southeastern US-based  
**pet supplements  
company**

**\$375 million**

transaction for sale of  
Mid-Atlantic US-based  
**equipment  
maintenance company**

**\$360 million**

transaction for sale of  
Southeastern US-based  
**HVAC and plumbing  
company**

**\$330 million**

transaction for sale of  
Eastern US-based  
**cloud  
computing company**

**\$300 million**

transaction for sale of  
Central US-based  
**pharmaceutical  
company**

**\$250 million**

transaction for sale of  
Southwestern US-based  
**dental (DSO) company**

**\$200 million**

transaction for sale of  
Western US-based  
**personal care and  
beauty company**

**\$180 million**

transaction for sale of  
Northeastern US-based  
**i-banking biotech and  
pharma company**

**\$180 million**

transaction for sale of  
Midwestern US-based  
**digital health company**

**\$133 million**

transaction for sale of  
Midwestern US-based  
**general contracting and  
construction company**

**\$51 million**

transaction for sale of  
Northwestern US-based  
**office products supply  
company**

**\$50 million**

transaction for sale of  
Mid-Atlantic US-based  
**food manufacturing  
company**

For illustrative purposes only; not an advertisement and does not constitute an endorsement of any particular service provided by Bernstein. Bernstein does not provide legal or tax advice. Consult with competent professionals in these areas before making any decisions.

# Bernstein's Family Office Services for Business Owners

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## **Research and Money Management**

- Customized Business Owners' Fee Schedule
- Intellectual Capital (including stock, industry, and wealth management research)
- Cash Management (including balance sheet cash management)
- Tax-Loss Harvesting Seeking to Reduce Taxes
- Opportunity Zone Real Estate
- Risk Management
- Flexible and Integrated Investment Platform
- Deep Alternatives Platform
- Maximizing Yield

## **Sophisticated Planning Capabilities**

- Pre- and Post-Transaction Planning (strategics, private equity, ESOPs, recaps, IPOs)
- Income and Estate Tax Planning (QSBS, personal and family trusts, charitable giving)
- Corporate Services (401k, Cash Balance, Pension Assets, and Non-Qualified Deferred Compensation Plans)
- Public Stock Strategies (10b5-1 selling plans, hedging, exchange funds)
- Strategies for Managing Compensation Awards (restricted stock, employee stock options, deferred comp)
- Succession Planning

## **Legacy and Lifestyle Alignment**

- Philanthropic Advice and Structuring
- Family Engagement (governance, education)
- Personal Retirement Planning
- Legacy Planning

## **Extending Your Team**

- Helping Build Your Professional Team
  - Accounting
  - Legal
  - Lending
  - Insurance
  - Estate planning
  - M&A

## **Additional Services**

- Consolidated Reporting
- Financial Capital (access to Private Credit Team and private securities-based financing)
- Private Placement Life Insurance (PPLI)
- Banking
- Wealth Transfer
- Unique Forums and Summits Tailored to Founders

# A Holistic Approach

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While most firms only engage business owners when liquidity events appear imminent, we strive to add value across all stages of a business owner's lifecycle. Whether a founder is scaling a business, contemplating a sale, or gearing up for a generational transition, we serve as a long-term partner to deliver insight, access, and strategy—not just to manage capital.

For the founders we serve, we're more than an investment firm. We operate as a **modern family office**, built specifically around the realities of business ownership and the ambitions of those who create enduring value.

Every founder's journey is unique. Goals evolve, businesses mature, and families grow. That's why our dynamic approach seeks to deliver value **before, during, and after a liquidity event**. Simply put: we meet owners where they are to help them navigate their next chapter.

We begin by building relationships early to help founders assemble advisory teams, source key professionals, and cultivate supportive ecosystems of peers and experts. Our proprietary **Business Owner Forums** are a critical part of this effort—creating a platform where entrepreneurs glean actionable intelligence from leading industry voices while benefiting from one another's unique experiences.

We are also a powerful **source of capital**. Through our expansive \$50+ billion alternative credit platform—including private credit, real estate, and corporate debt capabilities—we offer access to liquidity that fuels business growth, facilitates acquisitions, and supports opportunistic investing. Our Capital Markets team also addresses other lending needs, from asset-backed loans to custom structures for liquidity and expansion campaigns.

When a business owner begins contemplating a transition—whether it's months or years away—we bring experience, clarity, and precision to the table. Our pre- and post-transaction planning capabilities help founders answer high-stakes questions, including:

- How much do I need from an exit to sustain the life I want?
- Which deal structure will maximize after-tax value?
- What tools will help reduce income and estate tax exposure?
- How can I pass wealth to my children or favorite causes with intention?

Whether a company is being sold or passed to the next generation, our thoughtfully executed plans protect wealth, minimize friction, and maximize long-term impact.

After a transaction, our role typically expands to serve the broader family. We help prepare the next generation to inherit responsibly, providing resources to ensure alignment of values, instill financial acumen, and pass down an intentional legacy. When the business remains in the family, we help guide and support successful implementation for **succession planning** to bring structure and clarity to an often emotionally complex turning point.

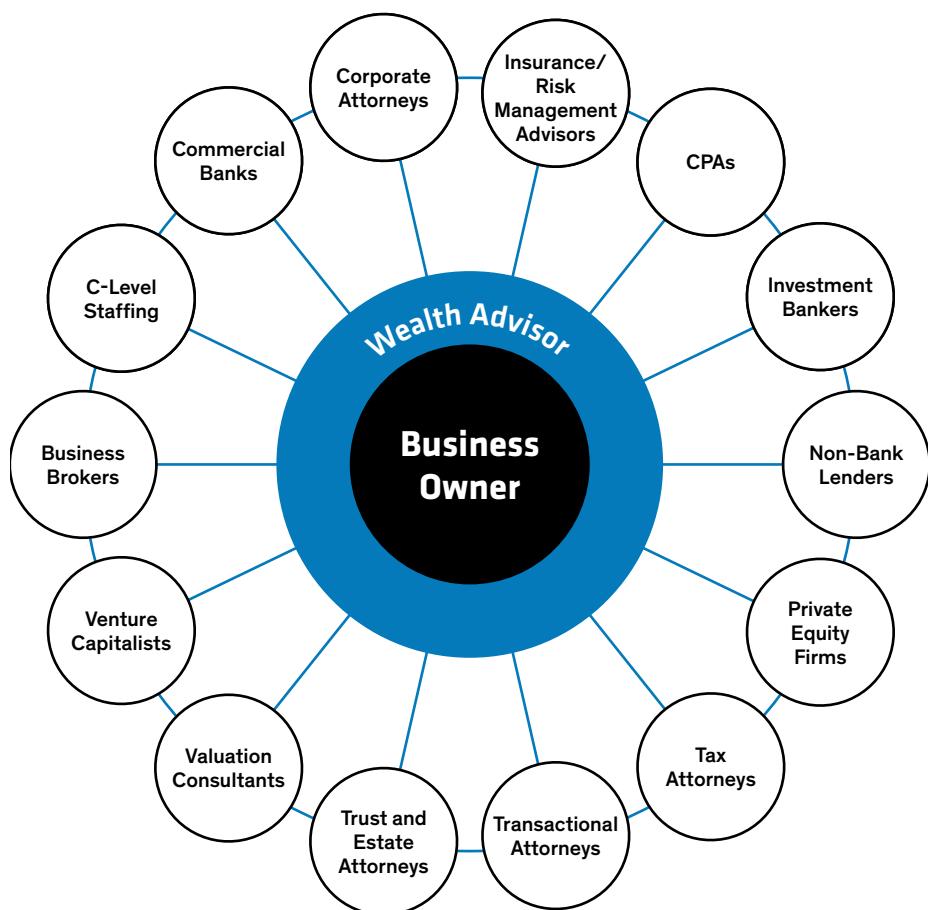
We also manage money differently for business owners. While most firms consider a handful of metrics like risk appetite and return expectations, Bernstein factors in operating company details to reflect a founder's liquidity constraints, exit structures, tax considerations, and personal goals.

The pages ahead share how we bring this model to life through capital access, planning, investment strategy, and family engagement. Together, we'll explore how we help business owners preserve their wealth while expanding their impact and navigating transitions with confidence.

For founders, we don't just manage money—**we build frameworks that amplify successful enterprises over the long haul.**

# Extending Your Team

## BUILDING TEAMS AROUND THE FOUNDER



Bernstein does not provide tax, legal, or accounting advice.

Even if a transaction stands years away, professional expertise can be an invaluable way to supplement internal resources and position for maximum value. But finding supportive partners with the business savvy you require can be time consuming.

We have a deep bench of seasoned, in-house professionals with expertise in key areas relevant to business owners, ranging from merger structures and evaluating earn-outs to trust and estates law and wealth transfer strategies.

Our wealth advisors are also respected members of their communities with extensive professional contacts. With firsthand knowledge of your needs, they'll tap into our vast network of internal and external resources to build the right team around you, including:

- corporate attorneys with creative structuring ideas;
- accountants who can suggest balance sheet enhancements;
- strategic consultants with experience in improving efficiency—and the bottom line;
- investment bankers who'll meet for exploratory discussions, or a mandate to sell your company.

Business owners are busy focusing on their company; we are trusted confidants who bring long-standing, independent expertise as needed.

# Research

## Harness Our Intellectual Capital

Many of our entrepreneurial clients look to us as a source of intellectual capital. While most experienced investment firms conduct research, the sheer breadth and scale of our effort is unmatched. Our Private Wealth business leverages Bernstein Research, providing a window into analysts' original thinking on industries and trends relevant to leaders of any business, regardless of size. Bernstein Research boasts some of the top-rated analysts in the world in industry verticals ranging from Consumer Products and Food and Beverage to Technology, Autos, and more.

## Research Capabilities: Turning Insight into Impact

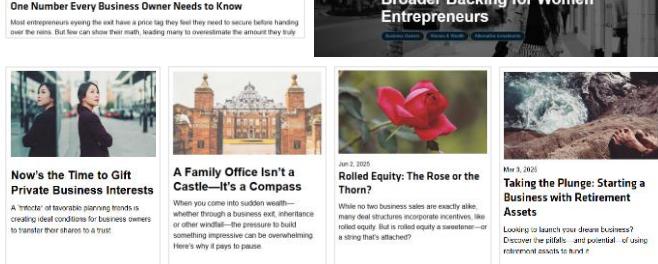
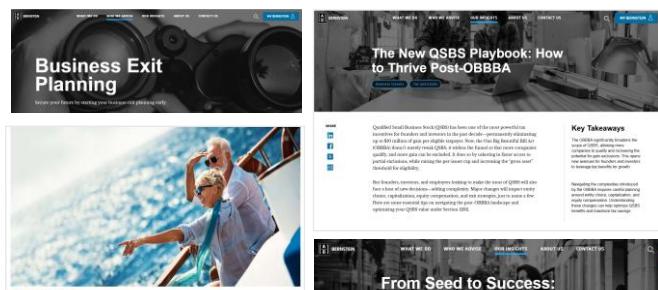
At Bernstein, research has always been at the heart of how we serve clients. Our research efforts are among the industry's largest, built on deep, fundamental analysis and supported by a team of analysts who have earned top accolades for producing comprehensive, respected insights across industries and sectors.

We publish extensively on themes shaping both public and private markets, including:

- the potential ramifications of artificial intelligence and other technological advances;
- the accelerating realities of climate change;
- breakthroughs in medicine and healthcare;
- shifts in consumer behavior;
- global macro forces that ripple through industries and economies.

Business owners find our economic research particularly valuable. By providing clarity on the trajectory of the US economy—while incorporating a global perspective—we help entrepreneurs, executives, and families make informed decisions in times of both uncertainty and opportunity.

What sets us apart is not just the research itself, but the way we translate insights into actionable strategies. We don't simply share perspectives; we integrate them into planning, investment strategy, and business-owner decision frameworks—ensuring that clients can anticipate change rather than react to it.



# Summits & Forums

## Where Visionary Founders Connect, Learn, and Elevate

Bernstein understands that building a business involves more than just focusing on the bottom line. That's why we've created a series of curated Business Owner Forums and Summits designed exclusively for founders, entrepreneurs, and wealth creators. These immersive experiences address the distinct challenges and opportunities that come with owning, scaling, and eventually transitioning a business. Our forums reflect the unique path of the founder to maximize value at every inflection point—whether you're in early growth mode, contemplating a liquidity event, managing intergenerational dynamics, or negotiating life after a sale.

## A Trusted Environment for Real Conversations

Unlike traditional conferences, our forums offer private, highly selective environments where business owners connect with peers who understand the weight of leadership. Through candid conversations, facilitated peer breakouts, and shared stories, attendees gain practical insights, fresh perspectives, and the reassurance that they're not alone in facing complex decisions.



## Why Business Owners Attend

### • Peer-to-Peer Learning

Join closed-door sessions with other successful founders navigating growth, succession, liquidity events, and personal legacy concerns. These connections often result in long-term relationships and ongoing collaboration.

### • Strategic Guidance

Gain access to Bernstein's thought leadership on market trends, capital markets, tax optimization, and advanced estate planning—all through a lens tailored to privately held business owners.

### • Lifelong Planning Support

Explore the softer—but no less critical—issues that affect founders at every stage: family dynamics, teaching values to children, defining a post-exit purpose, and preserving entrepreneurial spirit across generations.

### • Targeted Constituencies

By building ecosystems around business owners, our events cater to specific sectors and demographic groups like women, athletes, entertainers, and other segments of our wealth community. This siloed approach provides granular intelligence attendees can take with them long after events end.

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**Through candid conversations, facilitated peer breakouts, and shared stories, attendees gain practical insights, fresh perspectives, and the reassurance that they're not alone in facing complex decisions.”**

# Credit/Lending

At Bernstein, we've deliberately avoided structuring ourselves as a bank. This distinction reinforces our singular focus on investment research and wealth management while preserving our ability to remain conflict-free. At the same time, we recognize that business owners and founders face a wide range of sophisticated credit needs. These include fixed and variable lines of credit, accounts receivable factoring, margin lending, and real estate or acquisition financing. Working capital solutions are often critical as well.

To address these needs, we combine our internal expertise with a curated network of premier external partners and top-tier lending professionals, enabling us to deliver tailored credit strategies with access to preferential terms. One example is our SBLOC

(securities-based line of credit) offering, which provides a flexible liquidity solution beyond traditional margin lending, often with highly competitive pricing.

In parallel, we've built a significant private credit platform with nearly \$60 billion deployed across direct business lending, real estate financing, and broader corporate credit strategies. In this role, we serve as a secondary, non-bank lender, offering creative capital solutions where traditional institutions may be limited.

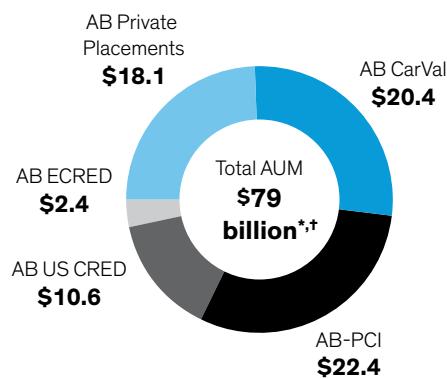
The result is true flexibility: clients gain access to both internal and external credit solutions, allowing us to match their needs with the best structure and pricing—without being tied to a single institution or constrained by one provider's products.

## AB PRIVATE ALTERNATIVES

Established Source of Liquidity

### Private Alternatives AUM\*

USD Billions



### AB Private Placements

- Investment grade private debt
- Secured and unsecured
- Corporate and infrastructure

### Commercial Real Estate Debt

#### US CRED      ECRED

- Directly originated real estate loans across property types and business plans

### AB CarVal

- Core Investment Capabilities
- Asset-based finance
- Aviation leasing
- Energy transition

### AB Private Credit Investors ("AB-PCI")

- Middle market corporate direct lending
- Net Asset Value (NAV) lending
- Minority private equity

### Primary business plans‡:

- Core/Core+
- Light Transitional
- Transitional
- Opportunistic

There can be no assurance that any alternative investment objectives will be achieved. Investments in alternative strategies can be speculative and involve a high degree of risk and volatility. Performance compensation may create an incentive to make riskier investments. Alternative investments may involve higher fees and limit transferability and liquidity. AB and its affiliates have relationships and may engage in activities that may pose conflicts of interest.

\*AUM includes leverage, where applicable, and is composed of fee-earning AUM and fee-eligible AUM. Fee-earning AUM includes those assets currently qualified to generate management fees. Fee-eligible AUM includes committed capital that is currently uncalled or recallable. The figure is preliminary and subject to change.

†Total AUM also includes AB Energy Opportunities, which is not shown in the pie chart. All dollar figures refer to US Dollars. Total may not sum due to rounding. When AB reports its AUM publicly, it excludes levered capital and does not include uncalled capital commitments. The above AUM figures only represent AB's Private Alternative strategies and not its Hedge Fund or FOF business.

‡Light Transitional and Transitional are sometimes referred to as Value Add.

See A Word About Risk and Important Information and Disclosures. | As of September 30, 2025 | **Source:** AB

# Planning

## EVERY CLIENT JOURNEY STARTS WITH OUR INNOVATIVE RESEARCH

Meet our wealth strategies specialists

### Access Talent from Across the Country

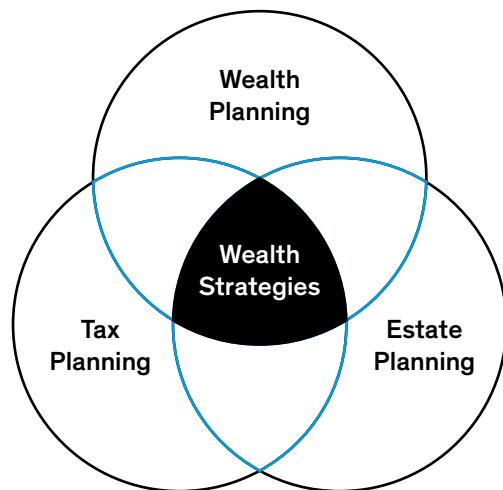


**30+** | Number of Professionals

#### Interdisciplinary Expertise

- Estate planning lawyers
- Tax professionals
- Certified Financial Planners®
- Chartered Financial Analysts

### Quantifying Strategies



Bernstein does not provide tax, legal, or accounting advice

For many founders, building a successful business is only part of the journey—the next step is deciding when and how to sell. This decision is often the most consequential of their lives, requiring careful planning to maximize both personal and financial outcomes. Yet too often, founders leave opportunities on the table. Why? They're absorbed in negotiating the sale, unaware of the breadth of strategies available, or hesitant to act given the irrevocable nature of some planning techniques.

That's where Bernstein comes in.

#### Depth of Expertise

We are fortunate to house one of the deepest planning groups in the industry. Our Wealth Strategies Group includes more than 30 professionals—former trust and estate attorneys, CPAs, tax specialists, and analysts—who focus exclusively on advanced planning for business owners and other wealth creators. This team:

- works collaboratively with deal teams, advisors, and families to uncover opportunities and avoid pitfalls;
- leverages state-of-the-art modeling and analytical tools to dimension possible outcomes;
- publishes original research on evolving tax, estate, and philanthropic issues;
- speaks nationally on the ever-changing intersection between estate tax, income tax, and charitable giving.

## Core and Surplus Framework

At the center of our process is a proprietary framework we call Core and Surplus Capital.

### • Core Capital

The amount required to endow your lifestyle with confidence and peace of mind. By focusing first on core needs, business owners shift away from obsessing over valuation alone and instead gain clarity on what it truly takes to secure their lives post-exit.

### • Surplus Capital

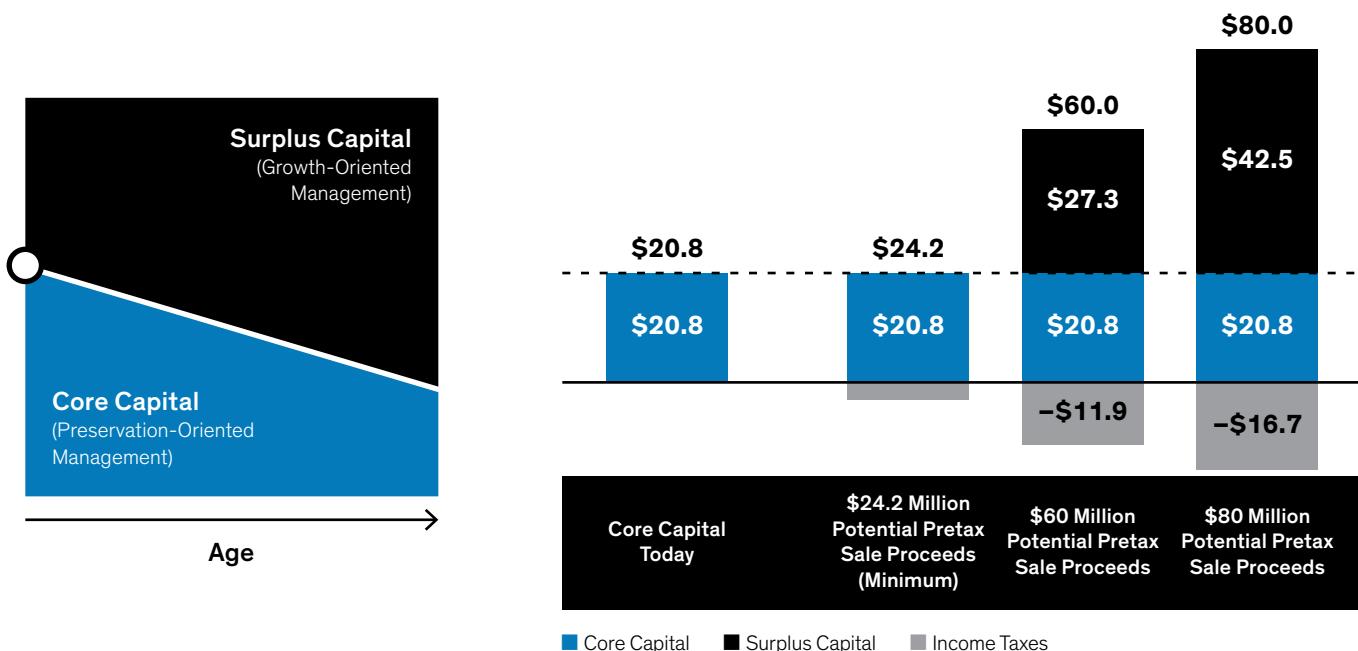
Everything above and beyond core needs. This represents flexibility—dollars that can be gifted, used for philanthropy, reinvested in new ventures, or allocated toward discretionary purchases.

This exercise empowers business owners to evaluate a deal through a different lens—one centered on lifestyle security and legacy rather than valuation alone. Just as importantly, it gives them the confidence to pursue irrevocable planning strategies that can create lasting impact for the people and organizations they care about most.



## HOW PLANNING CAN SOLVE FOR HOW MUCH AN OWNER ACTUALLY NEEDS

Your Core and Surplus Capital



Core Capital was calculated at a 90% level of confidence over a 55-year-old couple's joint life expectancy assuming annual spending of \$500,000, adjusted with inflation, and an asset allocation of 60% global stocks and 40% bonds. Surplus Capital was solved assuming a \$24.2 million, \$60 million, or \$80 million pretax sale where the business qualified for Section 1202 and was able to exclude \$10 million of gains from taxation. Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. Data do not represent past performance and are not a promise of actual future results or a range of future results. See Notes on Wealth Forecasting System for further details.

## Complex Income Tax Planning Strategies



| Before Sale | After Sale |
|-------------|------------|
|-------------|------------|

- **Qualified Small Business Stock (QSBS):**  
Stacking and packing strategies
- State income tax planning strategies:
  - Gift Stock to **NINGs, DINGs, WINGs**
  - Move to low-tax state
- Gift or installment sale of business interest to **Irrevocable Grantor Trust (IGT)** or **Spousal Lifetime Access Trust (SLAT)**
- Gift of business interest to **Charitable Remainder Unitrust (CRUT)**
- Gift of business interest to **Donor Advised Fund (DAF)**
- Using a **Tax Loss Harvesting (PaTH)** portfolio to “bank” losses
- Consider **Pass-through Entity Tax (PTET)**

- Contributing gains to a **Qualified Opportunity Fund (QOF)**
- Deferring taxes using **PPLI** and **PPVA**
- Gift of cash to **DAF** or **Private Foundation**
- Gift of rolled equity to **Irrevocable Grantor Trust (IGT)** or **Spousal Lifetime Access Trust (SLAT)**
- Gift of cash to **Charitable Lead Annuity Trust (CLAT)**
- Using **Tax Loss Harvesting (PaTH)** to generate losses
- Using a **Grantor Retained Annuity Trust (GRAT)** to transfer appreciation

Bernstein does not provide tax, legal, or accounting advice. In considering this material, you should discuss your individual circumstances with professionals in those areas before making any decisions.

### Planning Across the Transaction Lifecycle

Our planning process seeks to create cumulative benefits by addressing the full lifecycle of a transaction—before, during, and after. At each stage, we help founders not only understand the range of planning strategies available but also navigate the inherent complexity of deal structures. Rarely is a transaction a simple all-cash offer. More often, owners must evaluate:

- earn-outs tied to future performance;
- rollover equity that preserves a stake in the next phase of growth;
- secondary transactions that provide additional liquidity down the road;
- ESOPs (Employee Stock Ownership Plans) as a succession or liquidity strategy;
- going public, with all the considerations of liquidity, control, and governance;
- or combinations of these and more.

Each structure carries trade-offs around risk, timing, taxation, and flexibility. Our team models these scenarios in real time—stress-testing them under both optimistic and conservative assumptions—so founders can clearly see how each decision affects their long-term security, taxes, and legacy.

#### • Prior to a deal

We believe the greatest opportunities often come well before a sale. Many advanced tax and wealth-transfer strategies—those capable of shifting substantial wealth to heirs or charitable causes—must be implemented pre-transaction. Establishing these strategies early can save millions in taxes while enhancing legacy outcomes.

#### • During the process

Once a deal is in motion, execution becomes paramount. We evaluate the impact of various deal structures, weighing short-term liquidity against longer-term participation and future optionality. Our modeling provides clarity on which structures align best with an owner's financial goals, risk tolerance, and legacy aspirations.

#### • After the transaction

With liquidity in hand, the focus shifts to implementation. We help minimize ongoing tax exposure, secure lifestyle spending, and structure wealth transfers for family. For many clients, this is also the time to amplify their philanthropic vision—deploying capital to causes they care most about.

## Qualified Small Business Stock

Qualified Small Business Stock (“QSBS”) as defined under IRS Code Section 1202 has been one of the most powerful tax incentives for founders, employees, and investors of certain qualified companies, permanently eliminating a significant amount of federal taxes per eligible taxpayer. Depending on whether the stock was acquired prior to or after the passing of the One Big Beautiful Bill Act (“OBBA”),<sup>1</sup> the exclusion can be the greater of \$10 million or \$15 million, or 10× your cost basis. Many states also allow the exclusion, which can be attractive to certain holders subject to high state income taxes. Working with your other trusted advisors, Bernstein provides advice on how to navigate the complexities of QSBS.

### QSBS Benefits

- Allows sellers of business stock to keep more after-tax dollars
- Enhances a business owner’s ability to acquire and retain employees by offering stock awards potentially eligible for QSBS treatment
- Enables founders seeking growth capital to attract investors by issuing eligible QSBS

Then there’s QSBS “stacking,” a strategy that allocates shares across multiple eligible taxpayers—such as non-grantor trusts or family members—to multiply the \$10 million exclusion. With proper planning, this can result in \$30 million–\$100 million+ in total tax-free gains, especially in founder or investor exit scenarios.

### QSBS Eligibility Requirements

- Exclusion is the greater of \$10 million (for stock issued pre-7/4/25), \$15 million<sup>2</sup> (for stock issued post 7/4/25), or 10× the stock’s adjusted basis.
- Stock must be acquired directly from the company and not in a secondary transaction.
- Stock must be issued by a domestic C-corporation, which uses at least 80% of its assets in the operation of a qualified business<sup>3</sup> and is received by a non-corporate taxpayer (e.g., individuals, trusts, and pass-through entities)
- Up to and immediately after the time of issuance, the company must have maintained less than \$50 million (pre-7/4/25) or \$75 million<sup>1</sup> (post 7/4/25) in gross assets.
- Prior to sale, the stock must have been held for at least 5 years if issued prior to 7/4/25. The holding period and percentage of \$15 million that can be excluded for stock acquired after July 4, 2025 is<sup>4</sup>:
  - 3 Years (50% exclusion)
  - 4 Years (75% exclusion)
  - 5 Years (100% exclusion)

Bernstein does not provide tax, legal, or accounting advice.

<sup>1</sup> July 14, 2025

<sup>2</sup> Inflation-adjusted

<sup>3</sup> Business other than service business (e.g. health, legal, financial, farming/mining and hospitality), although technology companies that support such businesses may be eligible (list incomplete).

<sup>4</sup> A seller of stock that initially does not meet the QSBS holding period can potentially reach the requirement by rolling the gain into a QSBS eligible company under IRC Sec. 1045

# Case Study: Helping Owners Maximize Value Before, During, and After a Sale

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A 55-year-old couple, living in a no-income-tax state, was preparing to sell their business for between \$60 and \$80 million in the next 12 months. Their first concern? Could the proceeds support their \$500,000 annual lifestyle for life. Using our proprietary Wealth Forecasting Model, we determined the couple's core capital requirement was \$20.8 million—enough to secure their lifestyle—while any additional wealth became surplus capital for family or philanthropy (*Display, page 9*).

Because their stock qualified for Qualified Small Business Stock (QSBS) tax treatment, they could exclude \$10 million of gains from federal tax. But with our pre-transaction planning, they went further. By “stacking” QSBS, they gifted shares to their two children in trusts that each qualified for their own \$10 million exclusion. This move would reduce the couple's future tax bill by \$4.8 million, shifting more wealth to the next generation.

When the pair ultimately sold for \$80 million, consisting of \$60 million in cash and \$20 million rolled into private equity, we modeled outcomes for the rolled equity under multiple scenarios. Even if this “sweetener” went to zero, we projected their wealth could grow to \$62.1 million in 20 years. But with a successful second sale, it could reach \$145.1 million.

We then incorporated additional strategies:

- Transferring half of the rolled equity to a Spousal Lifetime Access Trust (SLAT) for estate efficiency
- Funding a \$6 million Donor Advised Fund (DAF) to meet charitable goals and capture a tax deduction

The results were striking. With advanced planning, the couple significantly reduced a projected estate tax bill, resulting in \$69 million of additional family and charitable wealth (*Display*).

This example highlights how Bernstein helps business owners before, during, and after a sale – minimizing taxes, securing lifestyles, and creating lasting legacies.

## HELPING OWNERS UNDERSTAND WHAT THEY MIGHT BE MISSING

Income and Estate Tax Strategies

**Median Wealth—Year 20\***: \$80 million initial sale with \$60 million received in cash up-front and \$20 million rolled into new entity that is later sold for 4×.



**Bernstein can uncover strategies an owner should consider to save both income and estate taxes and accomplish philanthropic goals...while also quantifying the benefit of those strategies over time.**

- Would you benefit from giving shares pre- or post-transaction to an irrevocable trust?
- Would a pre-transaction gift to a Donor Advised Fund (DAF) add value?
- Would you benefit from state income tax planning strategies like “incomplete” non-grantor (ING) trusts?
- Are you a C corporation, S Corporation, or an LLC?

\*Values are shown in year 20 and assume an \$80 million sale in year 1 where \$60 million is received in cash up-front and \$20 million is rolled pretax into a new entity where it will be sold for \$80 million (4×) in five years. In the No Planning scenario, it is assumed that the initial sale qualifies for IRC 1202 and can exclude \$10 million in gains and owners do no additional planning. In the Advanced Planning scenario, it is assumed that the owner had given 1/3 of their ownership to two non-grantor trusts (NGT) in advance of the initial sale that used \$10 million of their exclusion, such that when the initial sale happens, the proceeds the NGTs receive is not taxable as they qualify for their own 1202 benefit. After the initial sale, it is assumed the owner gives 50% of their remaining rollover shares to a SLAT and gives \$6 million in cash to a Donor Advised Fund (DAF). All values assume \$500,000 per year is spent from the portfolio, adjusted for inflation, and that the portfolio is invested with an asset allocation of 60% global stocks and 40% bonds. Estate taxes were calculated assuming the 2026 exemption of \$15 million per person adjusts with inflation. Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. Data do not represent past performance and are not a promise of actual future results or a range of future results. See Notes on Wealth Forecasting System for further details.

## A Key Resource Throughout the Journey

Our planning capabilities are not a “one-and-done” exercise. They serve as an ongoing resource to founders across the entire deal journey. By combining deep technical expertise with state-of-the-art modeling tools, we provide clarity, uncover opportunities, and help business owners move forward with conviction. For many founders, this holistic approach translates to millions of dollars of added benefit—and just as importantly, peace of mind at one of life’s most critical crossroads.

## Transition from Private to Public

For shareholders in certain private businesses, the next phase involves an Initial Public Offering (IPO). Yet as an exit strategy, IPOs bring their own challenges. First among them? Liquidity. Most IPO proceeds go into the company’s coffers, while “lock-up agreements” typically prevent existing shareholders and employees from selling or hedging for at least six months. Even when the lock-up expires, company employees and insiders can only trade shares during certain windows.

So how can insiders and employees monetize their shares? For many, the answer lies in a 10b5-1 plan—a prearranged, written selling plan that facilitates the sale of a specific amount of company stock over time despite blackout trading dates. Such plans have become popular because they also serve as an affirmative defense against insider trading claims and may reduce the market’s “signaling effect” when trades are disclosed in public filings.

We can help you create and execute a plan, advising which shares or options to include, while crafting trading instructions designed to meet your financial goals.

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**Our planning capabilities are not a ‘one-and-done’ exercise.”**

Bernstein does not provide tax, legal, or accounting advice.



# Family Engagement & Succession Planning

When a founder sells their business, the resulting wealth creates both opportunity and complexity—especially when it is intended to benefit future generations. Families often find themselves with children at different ages and levels of financial knowledge. That's why education is a central part of our process. We created **AB Lab**, a customized curriculum designed to educate and empower the next generation around financial literacy, stewardship, and responsibility.

Stewardship begins with the lens through which wealth creators want their children to view money—often rooted in values, not just value. Through interactive and dynamic family exercises, we help uncover key priorities, align on shared ideals, and develop a roadmap that ensures clarity and continuity across generations.

Governance becomes the blueprint that brings this to life, providing structure to support a family's mission, vision, and long-term legacy. The goal is to create a living document that guides principles and behaviors for years to come.

Many mid-market founders would rather keep the business in the family than sell it—but without a thoughtful, deliberate succession

plan, the transition often falls short. While nearly **70%** of family businesses intend to pass ownership to the next generation, only **30%** successfully do so.<sup>5</sup> By the third generation, that number drops to **12%**, and just **3%** survive into the fourth.

One of the biggest challenges is to develop the next generation as future partners and leaders. Too often, the founder struggles to relinquish control—sometimes out of habit, sometimes out of fear the successors aren't ready. This creates tension and frustration among rising family members, who may feel marginalized or uncertain of their role. We work closely with families to change that dynamic by building tailored succession plans: identifying talent, clarifying responsibilities, and gradually transferring leadership.

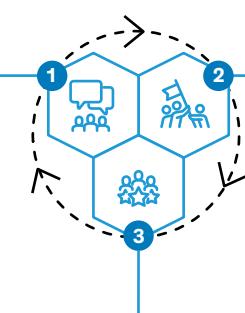
Through governance frameworks, leadership coaching, and structured family engagement, we help ensure successors are not just chosen—but prepared. The result is a smoother, more collaborative transition that preserves both family harmony and the long-term viability of the business.

## OUR FRAMEWORK FOR LEGACY BUILDING

A holistic approach to sustaining and growing family wealth across generations

### Engagement

- Create alignment between family members, business partners, and stakeholders
- Priorities and Values exercises
- Craft Mission statement that integrates business legacy and family purpose



### Governance

- Investment Alignment
- Personalized Philanthropy Plans
- Purposeful Estate Plan
- Succession Planning

### Stewardship

- Facilitate family and partner meetings to advance shared goals
- Reach a shared understanding of your family's values, goals, and concerns
- Help set a clear vision for transitioning the business
- Personalized education curriculums to enhance financial literacy and support the next generation

### Leadership Accelerator at Bernstein (LAB)

We educate rising generations to preserve and safeguard wealth. Curated, small, invitation-only classes constructed to encourage thoughtful, active dialogue across a broad range topics. Students are introduced to a cohort of peers and experts.

### Entrepreneur/ Starting a Business

Designed to equip rising generations with essential entrepreneurial skills to build, grow, and steward family wealth. Participants will learn business fundamentals, identify their core strengths, and foster innovation—all while understanding their role in sustaining and expanding the family legacy.

For illustrative purposes only.

<sup>5</sup> Source: Family Business Association, 2025; Harvard Business Review, as cited in Family Business Association, 2025

## Case Study: Putting Ideas into Practice

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Consider this real-life scenario of the Cavanaughhs—founders of a successful manufacturing business. Launched in the 1950s, the company is currently run by 75-year-old CEO Peter, the second-generation eldest son who bought out his siblings years ago. Among his three grown children and grandchildren, only his middle son, John (49), works at the company. But despite Peter's continued promises to cede control, he's reluctant to step down—even as he grapples with chronic health issues. Complicating matters: the current shareholder agreement dictates that if Peter should die, his 68-year-old retired social worker wife Beth would assume ownership and responsibilities. And, with no buy-sell agreement in place, Peter and Beth have gifted shares of the business to trusts benefiting their children over the years, who collectively own 40% of the company.

Amid John's growing frustration over Peter's retirement delays, coupled with the grandkids' uncertainty over their future roles, Bernstein helped the family cut through the noise and create a solid succession plan by:

- amending the shareholder policy to replace Beth with John, should Peter die before stepping down;
- identifying optimal funding amounts for family donor-advised funds (DAFs) to maximize tax savings;
- implementing an internship program for high school and college-aged grandchildren to stimulate their interest in the family business;
- instituting quarterly family meetings with the business board, inviting grandchildren aged 15 and up to attend summer sessions;
- spearheading a philanthropic initiative with a family “Day of Service” over a holiday weekend.

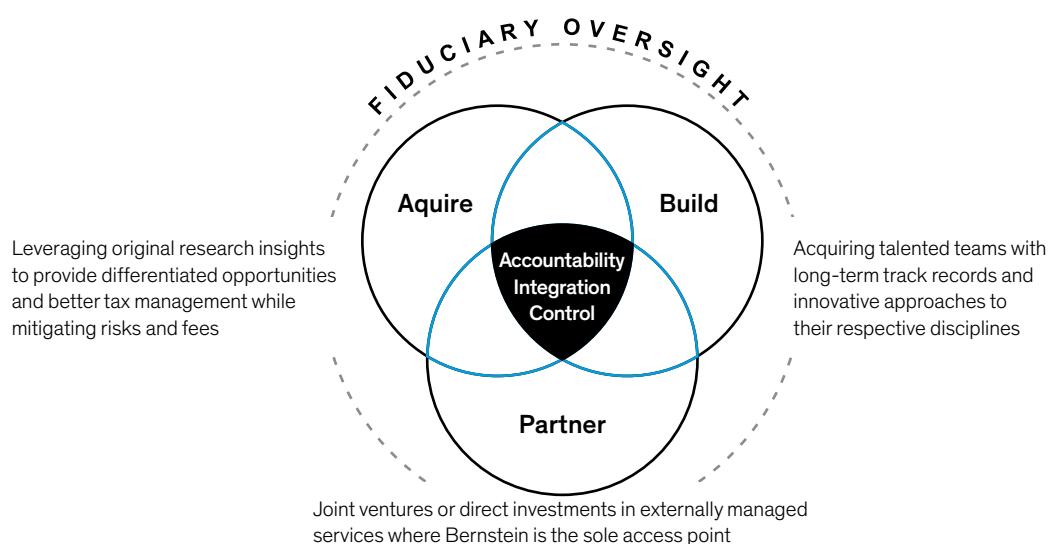
Not only do these measures help families manage expectations, but they also strengthen employee morale and enhance the company's growth prospects to benefit potential public shareholders.



# Investment Platform

## OUR FLEXIBLE PLATFORM IS OPTIMIZED FOR YOUR NEEDS

Uncommon access, unconstrained toolkit



Bernstein does not provide tax, legal, or accounting advice.

Our value-added investment platform is designed to navigate business owners' complex financial lives, managing concentrated wealth and delivering highly customized solutions that evolve with a founder's business and personal objectives.

When we manage money for business owners, robust planning serves as the foundation for any investment advice. A sound plan considers every dimension of your life—income, spending needs, aspirations for children and family, charitable goals, and the structure of a potential exit.

We go deeper by integrating the unique realities of the operating company itself, examining corporate structure, liquidity profile, real estate exposure, leverage, and interest rate sensitivity. And if a founder is approaching an exit, we carefully incorporate the implications of the deal structure, because transaction terms can be just as impactful as the price. This holistic approach aligns your personal wealth and business objectives by promoting favorable tax outcomes while minimizing risk.

Bernstein takes a holistic view when integrating the operating company, factoring in its corporate structure, liquidity profile, tax

exposure, and interest rate sensitivity. We also inventory assets like real estate ownership in the business, equipment, and other potentially income-producing holdings. This empowers us to align your investment strategy with the timing and structure of the deal and create asset allocation models that transcend stock and bond portfolios, consequently lowering market correlation and increasing return potential.

### Flexible Platforms Featuring Top Tier Talent

At Bernstein, our flexible platforms bolster the integration of talented investment teams with enviable track records of bringing distinct return sources and risk management capabilities to the table. Our Manager Research Group constantly monitors our roster of investment managers through robust due diligence around new ideas, and comprehensive internal and external databases provide attribution analysis and other underwriting tools to audit portfolio management teams. Our approach ensures all of our services sit under one umbrella to streamline fiduciary oversight and allow us to better coordinate for risk and tax management.

## Bernstein's 401K Platform

A well-designed retirement plan does more than meet compliance. It can strengthen your workforce and support your broader business goals. Bernstein partners with business owners to deliver a retirement experience that is both sophisticated and personalized.

With over \$140 billion in defined contribution assets, we offer flexible plan structures and design strategies tailored to simplify oversight, reduce complexity, and enhance employee engagement. Whether through traditional 401(k)s or pooled solutions like PEPs, we strive to align your plan with your business objectives and seek to deliver institutional-caliber benefits and investment menus with the high-touch attention your organization deserves. As a 3(21) co-fiduciary or 3(38) full fiduciary, we help sponsors manage their responsibilities with confidence and clarity.

Bernstein streamlines administration and aligns plan design with workforce needs. At the participant level, we provide coaching, digital tools, and strategic guidance to help employees make confident financial decisions.

Bernstein's high-touch service includes:

- **Institutional Access, Delivered Personally**

Business owners gain access to institutional strategies and pricing, paired with guidance from a Bernstein advisor who understands their goals.

- **Participant Engagement That Performs**

Our segmented model delivers content tailored to each workforce, driving stronger outcomes and deeper employee connection.

- **Partnership That Simplifies**

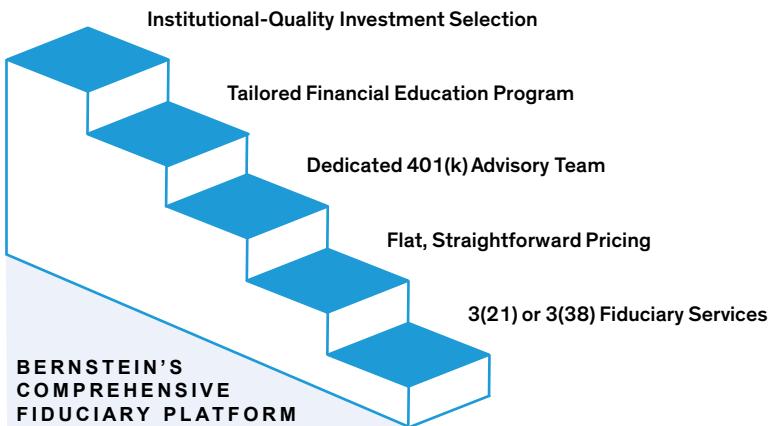
We coordinate recordkeepers, guide investment selection, and serve as an extension of your HR and leadership team. This streamlines oversight and elevates the experience.

- **Fiduciary Support That Fits**

Whether you prefer to delegate or stay hands-on, Bernstein helps sponsors manage their fiduciary responsibilities with confidence.

### SIMPLIFY RETIREMENT. STRENGTHEN YOUR BUSINESS.

401(k) solutions designed for growth-minded employers



#### Focus on your core business; leave the retirement plan management to Bernstein

We act as a co-fiduciary and extension of your team, helping reduce administrative burden, mitigate risk, and improve outcomes.

Your Bernstein advisor provides:

- strategic plan design, guidance, and oversight;
- independent, institutional investment selection;
- straightforward, flat-cost pricing;
- seamless integration with top recordkeepers;
- participant education and financial security support.

# Fees and Reporting

## A Different Approach to Fees

We recognize that some clients are comfortable with a transparent, annual management fee, while others prefer an incentive arrangement. We are agnostic and all fees are dependent upon the final asset allocation and exposure to specific services. Fees are inclusive of our cutting-edge tax management, risk management, planning, and analysis, and as a fiduciary and agent, we do not add any transaction fees to the bonds we manage.

In addition to our traditional fee schedule, we are uniquely positioned to offer performance-based fees where appropriate. This entails a passive-like, base management fee coupled with an additional performance fee that is dependent upon generating a premium relative to the benchmark. Our objective is to set our clients' equivalent of a full, active fee at a point where we are beating a particular benchmark by 2% before fees. In other words, to pay a full active fee, clients must receive 2% of alpha, or excess return. We consider this yet another example of the alignment of interests that is distinctive to our value proposition.

## Consolidated Reporting

Bernstein In-Sight is our comprehensive, consolidated reporting capability made possible by Addepar. The tool provides clients with aggregate-level reporting through industry-leading data-feed technology at no additional cost. With it, clients can coordinate complex asset allocation decisions among trusted advisors using customized portfolio analyses.

- **Real-Time Online Access**

Access a daily view of your consolidated investments directly through Bernstein.com.

- **Illiquid Reporting**

Catalog values, performance, commitments for alternative strategies, and illiquid investments.

- **Estate Planning**

Manage cash flows and holdings across various trusts and entities.

## SINGLE TRANSPARENT FEE STRUCTURE

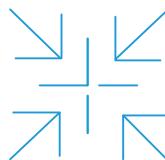
Holistic advice and investment management

### Industry Standard



- Management and advisory
- Front-end and back-end loads
- Placement
- Expense ratios
- Commissions
- Mark-ups

### Bernstein Standard



- Cutting-edge tax management, risk management, planning, and analysis
- No commissions
- No loads
- No transaction fees
- No mark-up on bonds
- Fee break for related entities

#### Fees are based on:

- The amount of assets we're managing
- How those assets are allocated

Please refer to our Schedule of Investment Management Fees along with each product's offering document or prospectus, which your Bernstein Advisor can provide to you upon request.

# Security

## Keeping Your Accounts Safeguarded

We know you've worked hard to grow your business and the resulting fruits of that labor. That's why we are staunchly committed to protecting those assets from firm bankruptcy. We employ multiple safeguards, enforcing strict regulatory standards through the Securities Investor Protection Corporation (SIPC), a federally mandated United States government corporation. In addition, Bernstein maintains a privately obtained "excess SIPC" insurance policy that increases this deficiency coverage by \$100,000,000 per account, of which up to \$1,900,000 could be for cash balances.

It's important to note that we're structured as an independent advisor—and not a bank. That means we're laser-focused on managing your investments, and not on using our balance sheet to profit. Simply put: we don't take unnecessary risks that might undermine our financial integrity.

## Protection Against Cyberthreats

At Bernstein, your security is our business. To that end, we have invested considerably in technological resources and infrastructure to guard against the growing threat of cyberattacks. Our team, which includes nearly 40 professionals dedicated to cybersecurity, helps protect clients through third-party testing, state-of-the-art antivirus software, and robust processes and protocols.

## Risk and Security Advisory Program

We've developed a rigorous due diligence process to select a few thoughtfully chosen partners, each a leader in their respective fields, who share our commitment to providing exceptional, personalized support. Among those partnerships is our Risk and Security Advisory program, offering access to a firm with 50 years of experience advising global organizations and families with discreet and comprehensive solutions. They provide customized risk assessments, cyber security support, crisis response, security training, close protection, investigative support, and more.



SIPC insurance is designed to protect the investor from firm bankruptcy and does not protect an account from an investment loss.

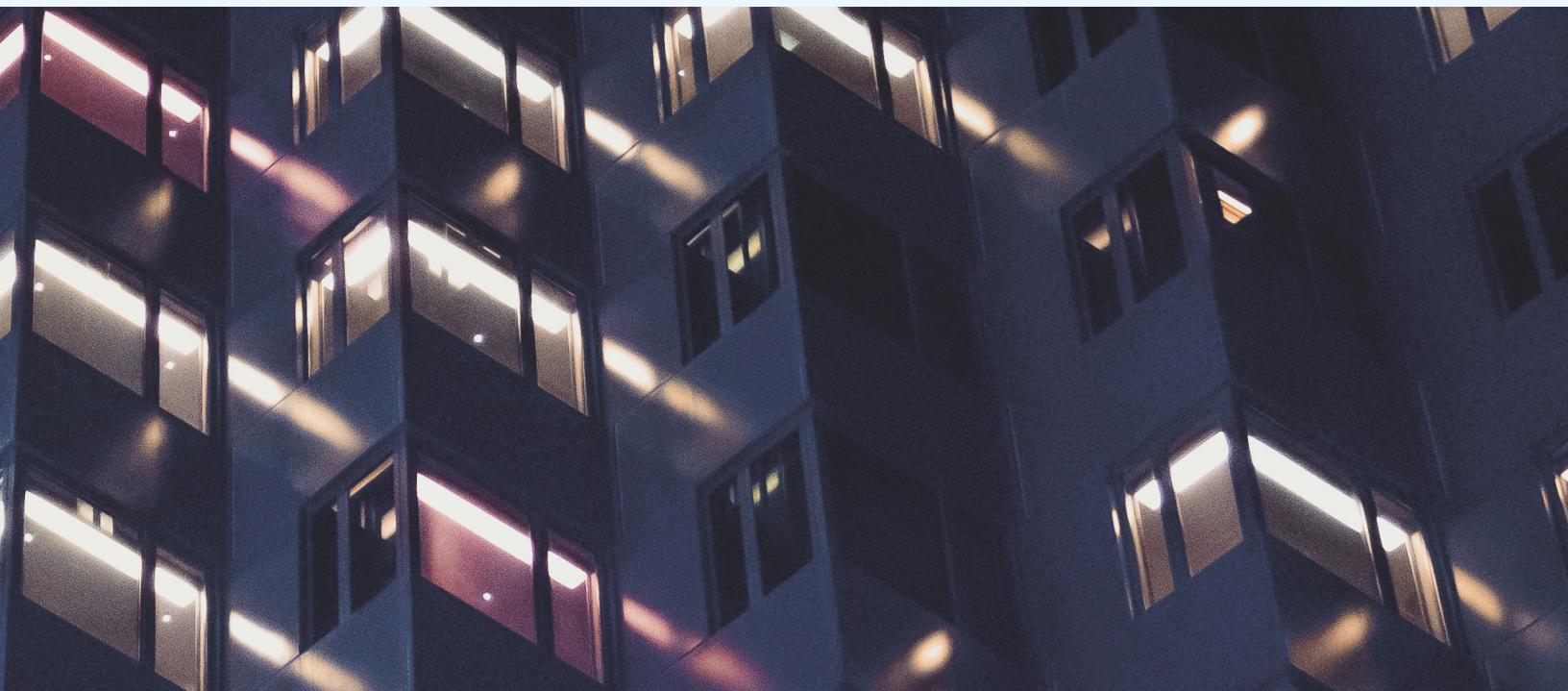


## **Beyond Wealth Management**

At every stage of growth and transition, business owners face critical decisions that can shape the future of their company, their wealth, and their legacy. While there are numerous strategies available to create value, the most important step is early engagement with a partner who understands the journey.

We are committed to being that resource. With a proven track record and the ability to meet businesses where they are—whether at the starting line, scaling rapidly, or preparing for a transformative event—we bring the insight, planning, and execution to help unlock opportunity and minimize risk.

Contact your Bernstein Advisor today to start the conversation. Together, we can build a roadmap tailored to your vision, ensuring you have the clarity and confidence to achieve **success at every stage.**



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**Notes on the Bernstein Wealth Forecasting System<sup>SM</sup>**

The Bernstein Wealth Forecasting System<sup>SM</sup> uses a Monte Carlo model that simulates 10,000 plausible paths of return for each asset class and inflation and produces a probability distribution of outcomes. The model does not draw randomly from a set of historical returns to produce estimates for the future. Instead, the forecasts: (1) are based on the building blocks of asset returns, such as inflation, yields, yield spreads, stock earnings and price multiples; (2) incorporate the linkages that exist among the returns of various asset classes; (3) take into account current market conditions at the beginning of the analysis; and (4) factor in a reasonable degree of randomness and unpredictability. Moreover, actual future results may not meet Bernstein's estimates of the range of market returns, as these results are subject to a variety of economic, market and other variables. Accordingly, the analysis should not be construed as a promise of actual future results, the actual range of future results, or the actual probability that these results will be realized.

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