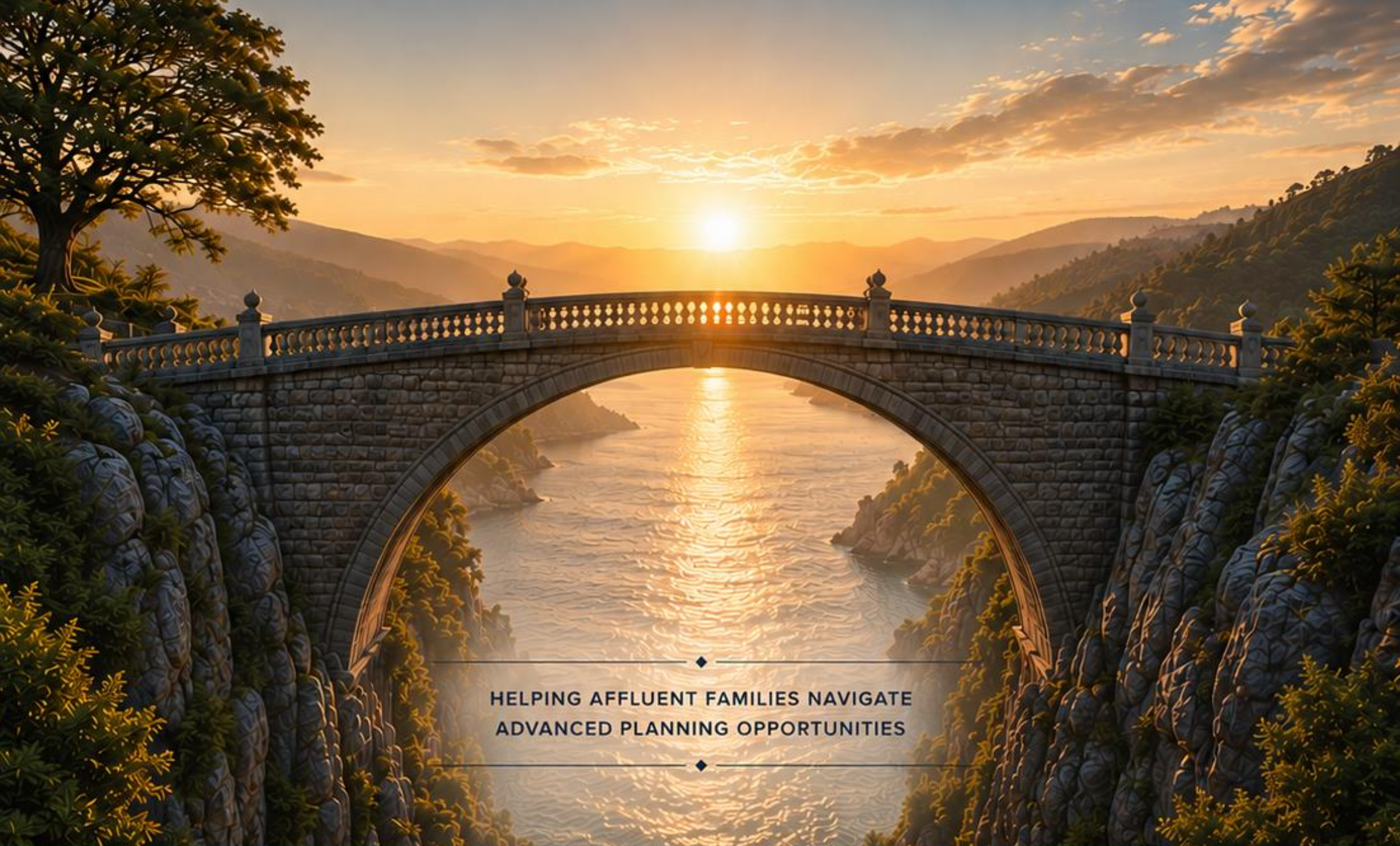
Understanding Charitable Remainder Unitrusts

A GUIDE TO TAX-EFFICIENT WEALTH TRANSFER, LIFETIME INCOME & CHARITABLE PLANNING



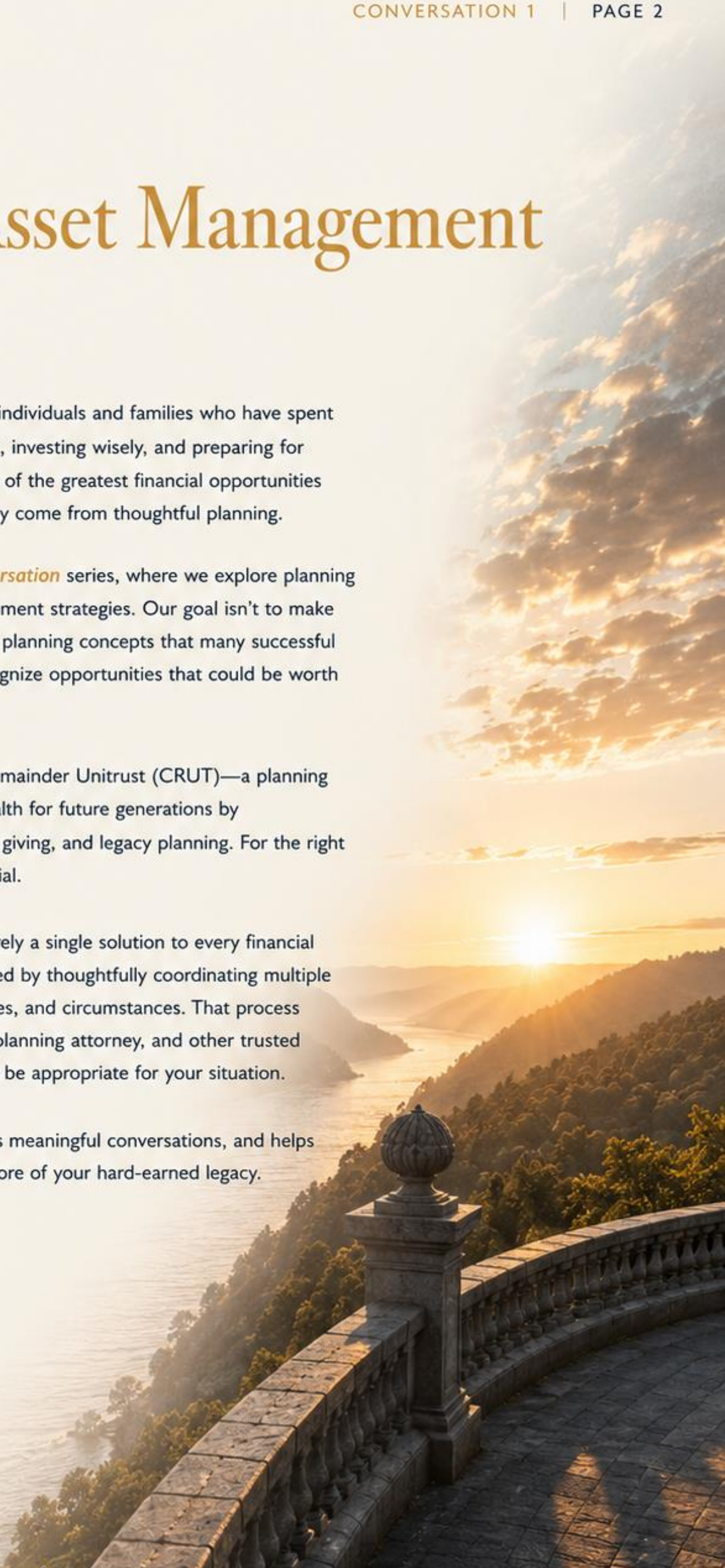
HELPING AFFLUENT FAMILIES NAVIGATE ADVANCED PLANNING OPPORTUNITIES

OTHER SIDE
ASSET MANAGEMENT

2026

ADVANCED PLANNING SERIES

A Letter from
Other Side Asset Management



Dear Reader,

Over the years, we've had the privilege of working with individuals and families who have spent decades building successful careers, growing businesses, investing wisely, and preparing for retirement. Yet many are surprised to discover that some of the greatest financial opportunities don't come from earning higher investment returns—they come from thoughtful planning.

This publication is part of *The Other Side of the Conversation* series, where we explore planning opportunities that often extend beyond traditional retirement strategies. Our goal isn't to make you an expert on every strategy. Rather, it's to introduce planning concepts that many successful families may never have encountered and help you recognize opportunities that could be worth exploring.

In this first conversation, we'll explore the Charitable Remainder Unitrust (CRUT)—a planning strategy that has the potential to preserve significant wealth for future generations by coordinating retirement income, tax efficiency, charitable giving, and legacy planning. For the right individual or family, the financial impact can be substantial.

At Other Side Asset Management, we believe there is rarely a single solution to every financial challenge. Instead, successful outcomes are often achieved by thoughtfully coordinating multiple strategies that align with your family's unique goals, values, and circumstances. That process frequently involves working alongside your CPA, estate planning attorney, and other trusted professionals to help determine which opportunities may be appropriate for your situation.

We hope this guide provides valuable insight, encourages meaningful conversations, and helps you discover planning opportunities that may preserve more of your hard-earned legacy.

Thank you for allowing us to be part of your journey.

Mitchel Krause
President
Other Side Asset Management

A Different Conversation

LOOKING BEYOND TRADITIONAL RETIREMENT STRATEGIES

Most retirement strategies focus on the obvious—helping people build wealth through disciplined saving, investing, and the financial markets.

As wealth grows, however, so do the opportunities—and the complexity.

The conversation naturally begins to expand beyond investment performance to preserving wealth, minimizing unnecessary taxes, protecting your hard-earned legacy, and transferring it as efficiently as possible to the people and causes you care about most.

Many of these opportunities require thoughtful coordination and, in some cases, must be implemented well before retirement, the sale of a business, or other significant life events. Waiting too long may mean certain planning opportunities are no longer available.

If you've ever asked yourself one or more of the following questions, this conversation was written with you in mind.

- Have you accumulated a substantial IRA or 401(k) over your lifetime?
- Would you like to reduce unnecessary taxes whenever legally possible?
- Would you like to pass more of your hard-earned legacy to your children and grandchildren?
- Do you own highly appreciated stock, investment real estate, or a privately held business?
- Is charitable giving an important part of your family's legacy?
- Have you ever wondered whether there are sophisticated planning opportunities you simply haven't been introduced to?

> "The greatest financial opportunities often come from **planning,** not just performance."

Introducing...
The Charitable Remainder Unitrust

The Charitable Remainder Unitrust (CRUT) is one of the most versatile planning strategies available for families seeking to coordinate retirement income, tax efficiency, charitable giving, and long-term legacy planning.

Rather than attempting to solve one planning objective at a time, a properly designed CRUT may help address several simultaneously.

DEPENDING UPON YOUR FAMILY'S CIRCUMSTANCES, THOSE OBJECTIVES MAY INCLUDE:

- Potentially extending the distribution period of inherited qualified retirement accounts.
- Potentially reducing the long-term tax impact on future generations.
- Creating a retirement income stream for one or more beneficiaries.
- Diversifying highly appreciated assets.
- Supporting charitable organizations that are important to your family.
- Enhancing long-term legacy planning.

What If...?

What if one planning strategy could help address several financial objectives simultaneously—instead of trying to solve each one individually?

The following pages explain how a Charitable Remainder Unitrust works and why it may deserve consideration as part of a broader retirement, tax, and legacy strategy.

PLANNING OPPORTUNITY ONE

The Large Retirement Account

You spent decades doing exactly what you were supposed to do.

- You saved diligently.
- You invested consistently.
- You built a future.

Today, you've accumulated a substantial balance in one or more qualified retirement accounts—whether through a Traditional IRA, Rollover IRA, SEP IRA, or 401(k).

Most people would consider that a tremendous success.

> "It's not about how much you keep for yourself—it's about how much more you can preserve for the people and causes you care about most."

WHAT IF...?

a planning strategy existed that could potentially **double the distribution period of your IRA assets?**

10 YEARS	→	20 YEARS

Allowing those retirement assets to continue growing while distributing smaller amounts over a longer period of time—potentially reducing taxes and preserving substantially **more of your hard-earned legacy.**

For the right individual or family, that conversation may begin with a planning strategy many investors have never heard of:

The Charitable Remainder Unitrust (CRUT)

PLANNING OPPORTUNITY TWO

The Concentrated Stock Position

You made an exceptional investment.
Years later, it has become one of your family's greatest financial successes.

Ironically, that success may have created one of its greatest risks.

- Extraordinary appreciation
- Extremely low cost basis
- Significant embedded capital gains
- Overconcentration in a single company

EXAMPLE OF A $2,000,000 POSITION IN NVDA

WITHOUT A CRUT	WITH A CRUT
$2,000,000 NVDA	$2,000,000 NVDA
↓ Sold	↓ Transferred to CRUT
↓ Immediate Long-Term Capital Gain	↓ Entire Position Diversified
↓ **20% LTCG + 3.8% NIIT***	↓ No Immediate Capital Gain Upon Sale
↓ Hundreds of thousands of dollars leave the portfolio immediately.	↓ Entire Portfolio Remains Invested
↓ Future compounding begins with substantially less capital.	↓ Income Paid Over Twenty Years
	↓ Taxes Generally Recognized Over Time

*Net Investment Income Tax (NIIT) applies when Adjusted Gross Income exceeds applicable thresholds.

WHAT IF...?

What if you could sell an extremely appreciated stock position—**without immediately reducing the amount available to compound?**

What if your entire position could be diversified, while **recognizing taxes gradually over a twenty-year period instead of all at once?**

HISTORY HAS TAUGHT US...

Even extraordinary companies can experience extraordinary declines.

GENERAL ELECTRIC | VALEANT PHARMACEUTICALS | ENRON | KODAK | SEARS | LUCENT TECHNOLOGIES

The purpose of diversification isn't predicting tomorrow's loser.
It's recognizing that no one consistently can.

> "Great fortunes are often built through concentration. Many are preserved through diversification."

For some families, the conversation begins with retirement assets.
For others, it begins with a single investment that has become too valuable to ignore.

The question isn't whether you've made a great investment.
The question is whether your family's future should depend on only one.

The strategy is important.
Recognizing the opportunity is invaluable.
That's the conversation many families never realize they should be having.

The Mechanics of a CRUT *simplified.*

A Charitable Remainder Unitrust is an irrevocable trust designed to accomplish several planning objectives simultaneously. Depending on the assets involved and your family's goals, appreciated assets or certain retirement planning strategies may be coordinated through the trust to provide an income stream, support charitable organizations, and potentially improve long-term tax and legacy outcomes.

Rather than focusing on one objective at a time, a CRUT attempts to coordinate several planning goals into a single strategy.

> "One strategy, multiple objectives, a lasting impact."

TODAY

You have built wealth through years of hard work, disciplined saving, and smart financial decisions.

ASSETS

You contribute appreciated assets or qualified retirement assets to a Charitable Remainder Unitrust.

CRUT CREATED

The trust is established. Appreciated assets may then be sold by the CRUT without an immediate capital-gain at the time of the sale, allowing growth to compound off of the full proceeds to remain invested within the trust.

Taxes are generally recognized over time as distributions are made to the income beneficiaries.

INCOME RECEIVED

You or your beneficiaries receive income from the trust for life or for a term of years.

REMAINING ASSETS

At the end of the trust term, the remaining assets pass to the charitable organizations you choose.

CHARITY

Your charitable legacy lives on—supporting causes you care about for generations to come.

One Conversation. Countless Possibilities.

One planning strategy rarely tells the whole story.

While this publication has focused primarily on the use of a Charitable Remainder Unitrust in the context of qualified retirement assets, its potential applications extend well beyond inherited IRAs and 401(k)s.

DEPENDING UPON YOUR FAMILY'S CIRCUMSTANCES, A CRUT MAY ALSO BE CONSIDERED WHEN ADDRESSING:

- Highly appreciated concentrated stock positions
- Investment real estate
- The sale of a closely held business
- Charitable giving objectives
- Retirement income planning
- Long-term legacy planning

For one family, the opportunity may begin with a large IRA. For another, it may begin with appreciated stock, real estate, or a business that has been built over decades.

The strategy is simply the tool.
The conversation is where the opportunity is discovered.

At Other Side Asset Management, every relationship begins the same way—not with a product or a recommendation—but with a conversation designed to uncover planning opportunities that many successful families simply never knew existed.

Continue the Conversation

If this publication has raised questions about your retirement assets, taxes, charitable planning, or legacy, we'd welcome the opportunity to discuss your family's specific circumstances.

Every conversation begins with listening—not recommending.

No obligation. No pressure.

Just a thoughtful discussion about the opportunities that may exist for you and your family.

BEGIN THE CONVERSATION

OTHER SIDE ASSET MANAGEMENT

PRESERVING WEALTH. PROTECTING LEGACY. EXPLORING OPPORTUNITIES BEYOND TRADITIONAL RETIREMENT STRATEGIES.

919-249-9650
mitchel.krause@othersideam.com
www.othersideam.com
Raleigh, NC

CONTINUE THE SERIES

MORE CONVERSATIONS COMING SOON.

Important Information & Disclosures

This publication has been prepared by Other Side Asset Management, LLC ("OSAM"), a Registered Investment Adviser, for educational and informational purposes only. It is intended to provide general information regarding charitable giving, financial planning, investment management, tax-efficient wealth transfer, and estate planning concepts. It should not be construed as personalized investment, legal, tax, or accounting advice, nor should it be considered a recommendation to buy, sell, or hold any security, financial product, or investment strategy.

Every individual's financial circumstances, objectives, tax situation, and charitable goals are unique. Before implementing any strategy discussed in this publication, readers should consult with their financial advisor, tax professional, and attorney to determine whether such strategy is appropriate for their specific circumstances. OSAM does not provide legal or tax advice.

The opinions expressed herein reflect the views of OSAM as of the publication date and are subject to change without notice. Information contained in this publication has been obtained from sources believed to be reliable; however, OSAM does not warrant or guarantee the accuracy, completeness, or timeliness of such information.

Examples, illustrations, hypothetical scenarios, and case studies are provided solely to explain financial planning concepts. They are not intended to predict future results or guarantee any particular outcome. Actual investment performance, tax savings, charitable deductions, income distributions, and estate planning results will vary based upon individual circumstances, applicable federal and state laws, future legislative changes, market conditions, asset performance, and trust design.

References to specific securities, investment strategies, asset classes, charitable planning vehicles, trusts, donor-advised funds, charitable remainder trusts (CRTs), charitable remainder unitrusts (CRUTs), charitable lead trusts (CLTs), private foundations, qualified charitable distributions (QCDs), or other planning techniques are presented solely for educational purposes. Such references should not be interpreted as individualized recommendations or as an offer to purchase or sell any security or financial product.

Investing involves risk, including the possible loss of principal. Past performance is not indicative of future results. No investment strategy, financial planning strategy, or charitable planning technique can guarantee profits, eliminate investment risk, or ensure that financial or charitable objectives will be achieved.

This publication may contain forward-looking statements, projections, forecasts, estimates, or opinions regarding future market conditions, economic trends, tax legislation, or investment outcomes. Such statements are based on assumptions believed to be reasonable at the time of publication but are inherently uncertain and should not be relied upon as guarantees of future events.

Charitable planning strategies—including charitable remainder trusts (CRTs), charitable remainder unitrusts (CRUTs), charitable lead trusts (CLTs), donor-advised funds, private foundations, and other tax-efficient giving techniques—involve complex legal, tax, fiduciary, and administrative considerations. The potential benefits associated with these strategies are dependent upon individual circumstances and are subject to changes in tax law, IRS regulations, and other applicable laws. Proper implementation should always involve coordination among qualified legal, tax, and financial professionals.

Nothing contained in this publication should be interpreted as creating an advisory relationship with OSAM or as a substitute for individualized financial advice.

The purpose of this publication is to educate investors on financial planning concepts—not to promote a particular product or investment solution. Every recommendation should begin with a comprehensive review of an individual's unique financial circumstances, goals, and objectives.