



Do the Right Thing

Managing Trusts Effectively for Beneficiaries

MAKING MONEY MEANINGFUL®

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Today's Major Challenges for Fiduciaries

- Economic uncertainty
- Global yields are low, limiting future income
- Future return projections lower than the past
- Tax uncertainty: temporary income tax and estate tax rules through 2025
- People are living longer, requiring trusts to last longer

Overview of Trustee Duties Relating to Investment

Prudent Investor Rule

Investment Policy

State Statute

Distribution Policy

Trustee

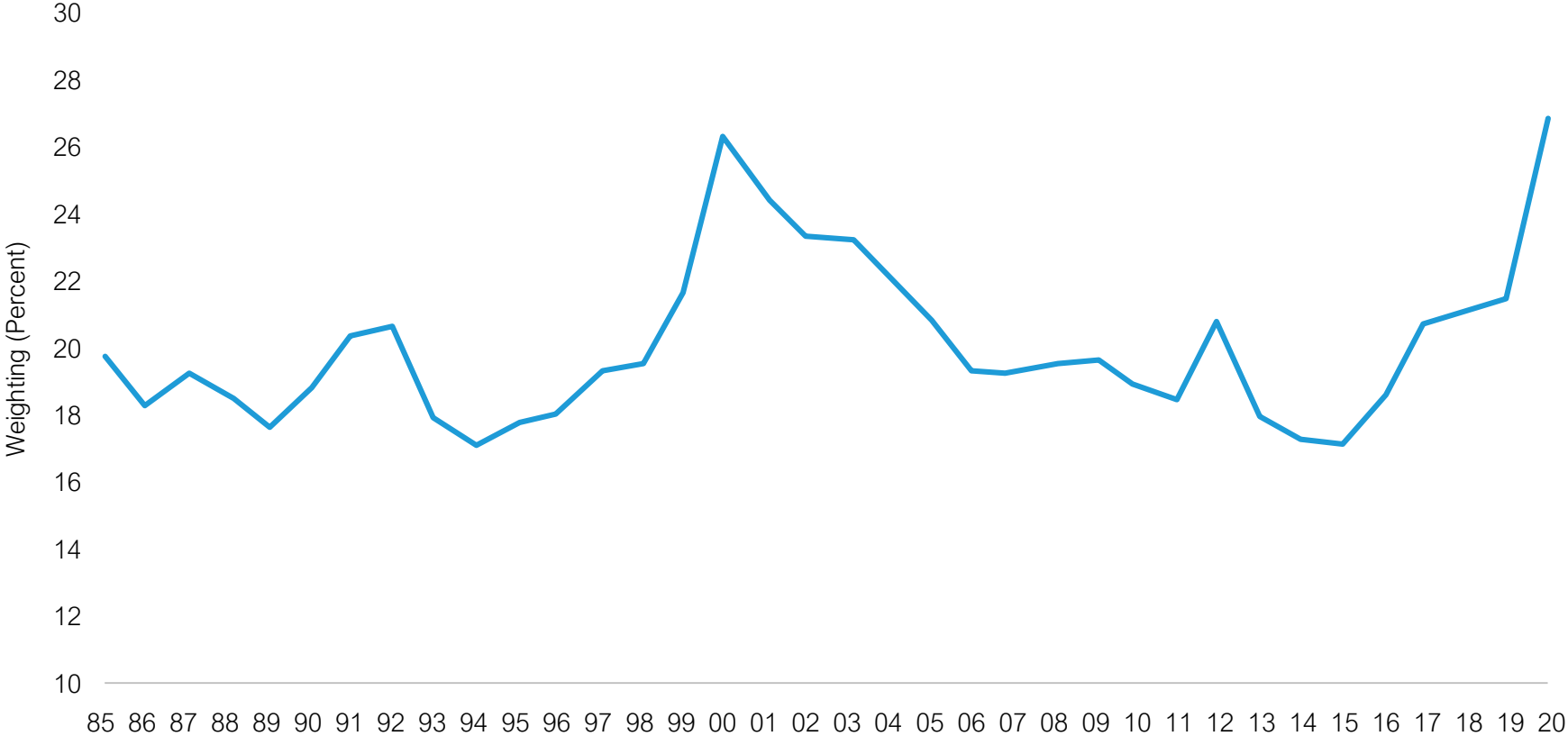
Treas. Reg.
§ 1.643(b)-1

Taxation Policy

- Duty to diversify, unless imprudent to do so
- Duty to treat beneficiaries impartially
- Power to adjust between principal and income
- Modified definition of “income” for federal tax purposes

S&P 500 Concentration: Highest since June 2000

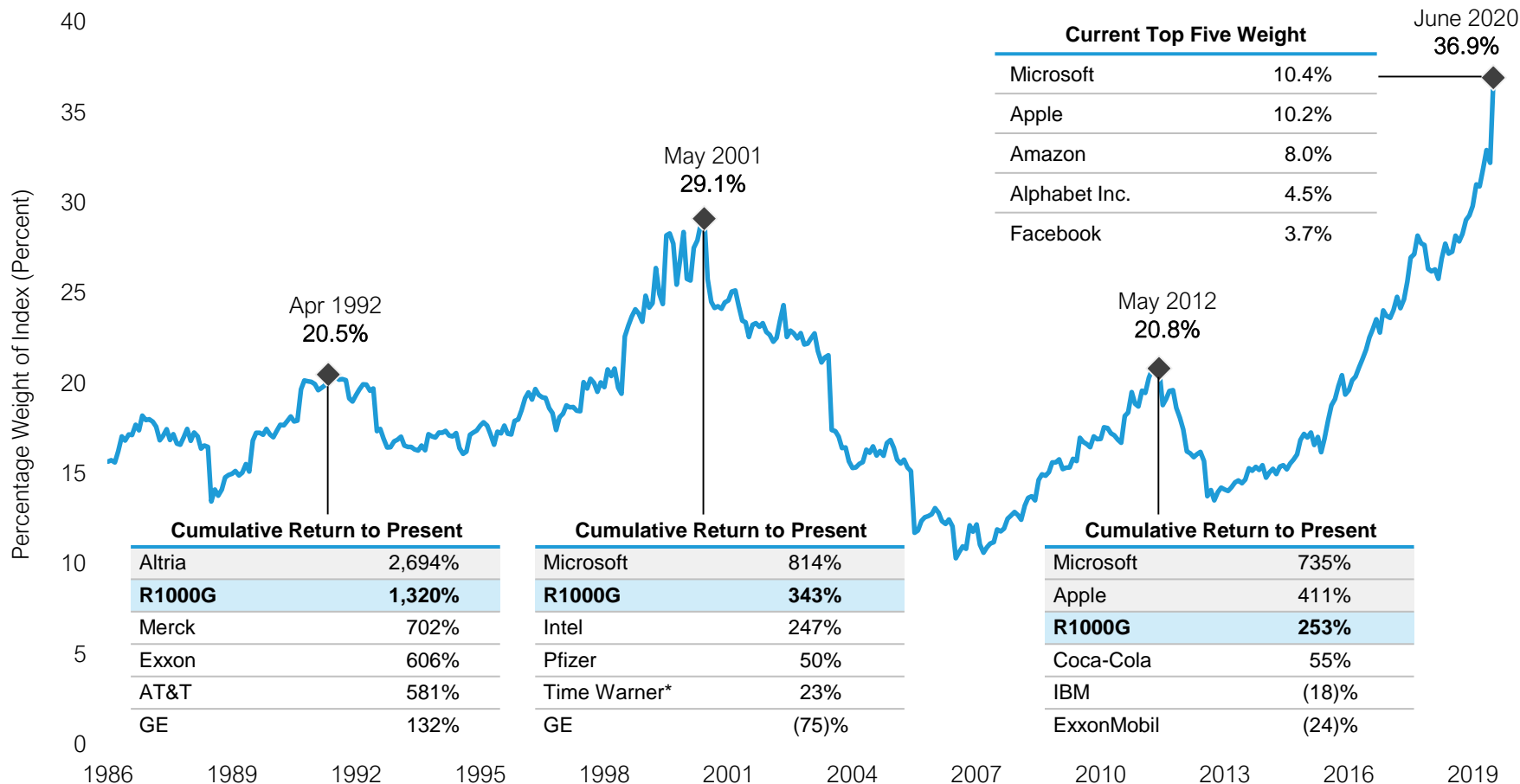
Weightings of Top 10 S&P Holdings
1985–2020



Source: "The S&P 500 Grows Ever More Concentrated," John Rekenthaler; Morningstar.com, July 20, 2020

US Growth: Largest Stocks and Top Performers Have Shifted over Time

Five Largest Companies in Russell 1000 Growth Index



Past performance does not guarantee future results.

As of June 30, 2020

*Cumulative returns shown for Time Warner are from June 1, 2001 to June 14, 2018, prior to AT&T merger.

Peaks shown are for the last day of each month displayed.

Source: FactSet, Russell Investments and AB

How Bernstein Can Help

Allow trustees and beneficiaries to pre-experience the impact of investment, distribution, and tax policies on the ability to meet fiduciary and beneficiary goals

Review asset allocation and distribution policy, and revisit as needs, markets, and laws change

Provide fiduciaries with the analytics and investment research to make informed decisions

AB is not a legal, tax, estate, or insurance advisor. Investors should consult these professionals as appropriate before making any decisions.

Combining Quantitative Modeling with Fiduciary Planning

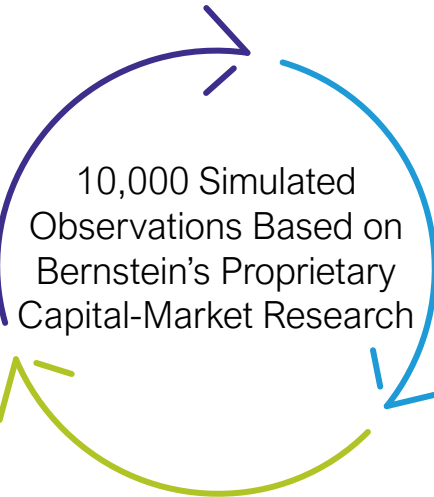
Personalized Investor Profile

Financial Goals
Assets
Income Requirements
Risk Tolerance
Tax Rates
Time Horizon

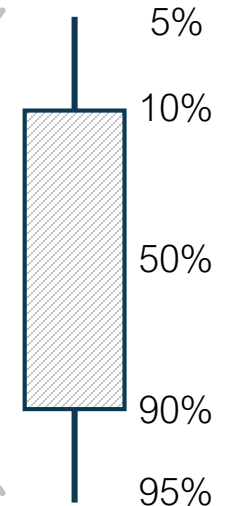
Scenarios

Asset Allocation
Distribution Rate

Bernstein Wealth Forecasting Model



Probability Distribution



- Based upon the current state of the capital markets
- Prospective returns
- Forecasts returns for 30+ asset classes and 16 different planning vehicles
- Tracks wealth of G1, G2, G3, and charity after income and transfer taxes

The Bernstein Wealth Forecasting SystemSM 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.

Objective—Meet the Challenges of Today's Environment

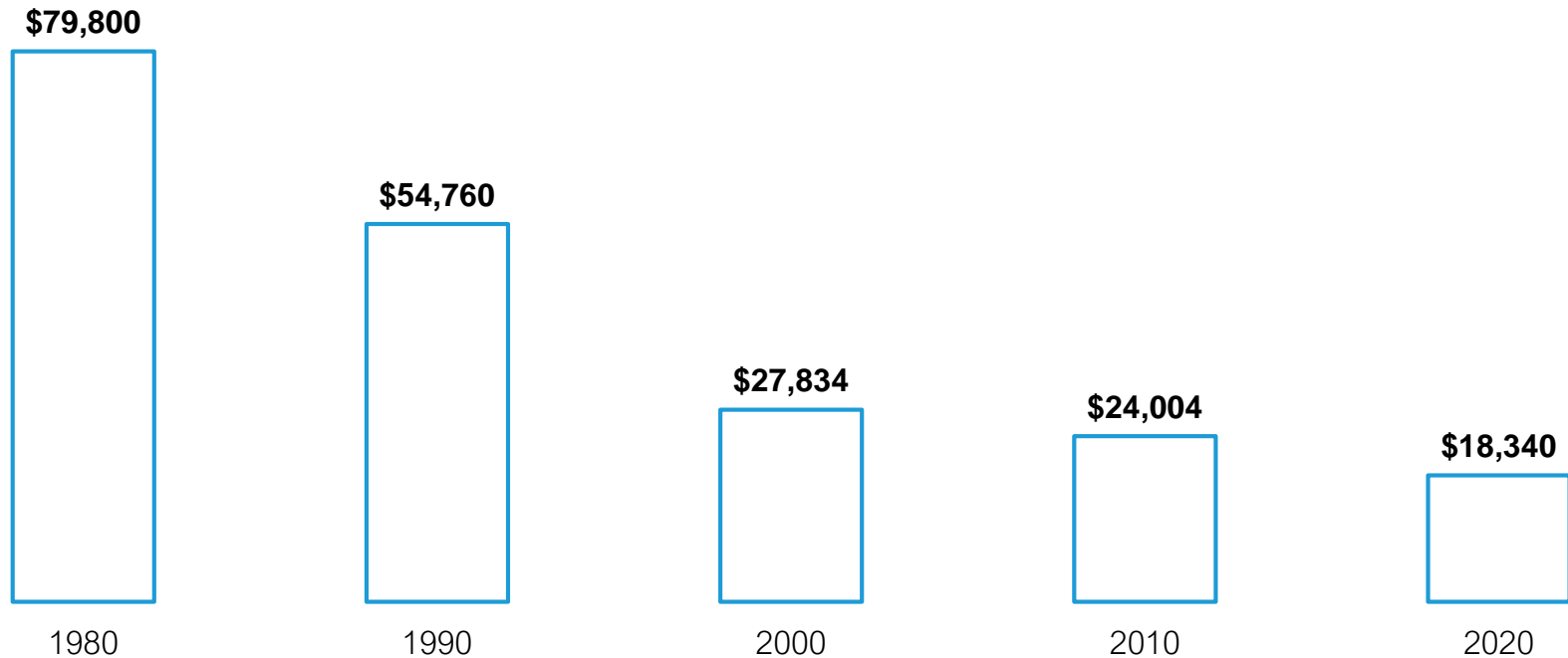
- How Can You Maximize Income in a Low-Yield Market?
- What Investment Allocations Can Safely Support Lifetime Spending from a Trust?
- How to Balance the Current and Remainder Beneficiaries—A QTIP Case Study
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How Can You Maximize Income in a Low Yield Market?

Is “Income” a Reliable Standard for Defining Trust Distributions?

Income per USD 1 Million*
60% Stocks/40% Bonds



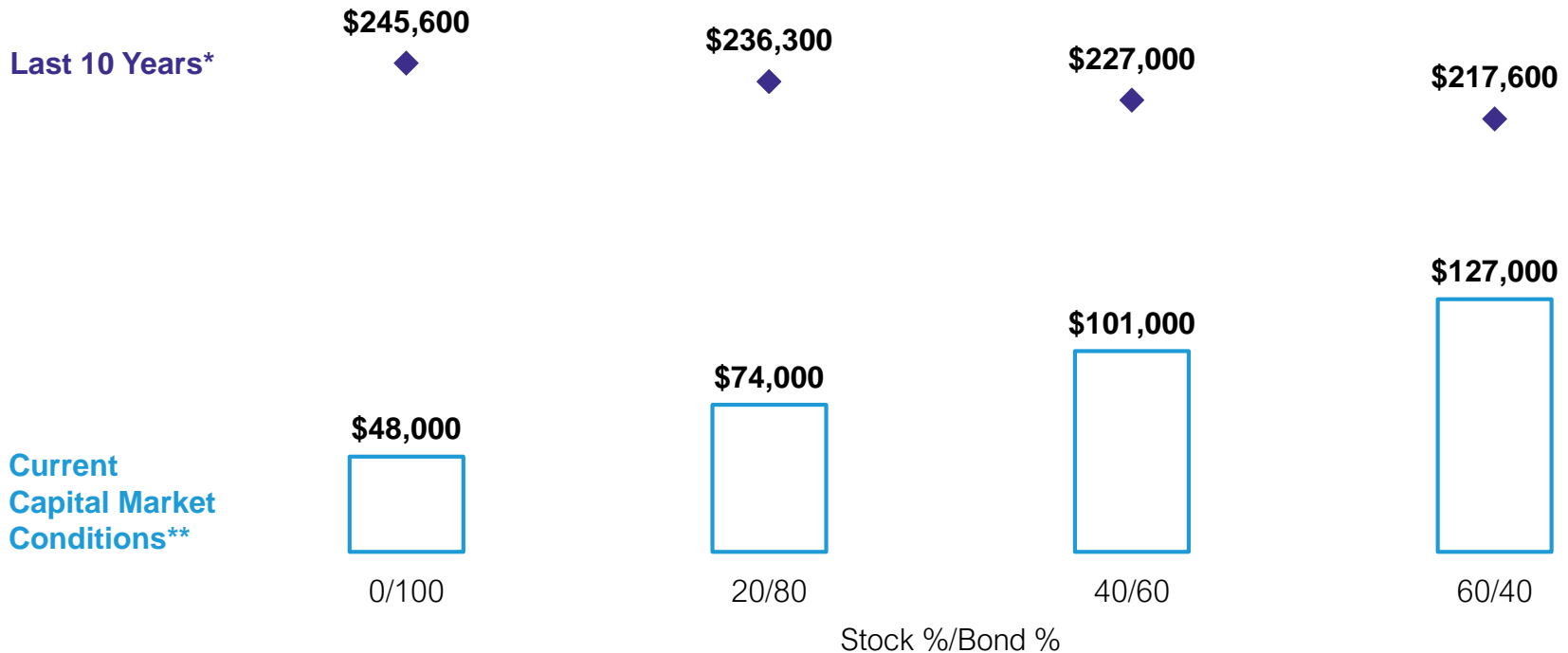
*Stocks are represented by the S&P 500 and bonds by US 10-year treasuries. Income is calculated using the dividend yield of the S&P 500 and the yield on January 1 10-year Treasury notes for each year depicted.

Source: Standard & Poor's, Bloomberg Damodaran Online, and AB

Past performance does not guarantee future results.

Projected Income Has Declined across Allocations...

USD 10.0 Million Trust Pretax Income Year One



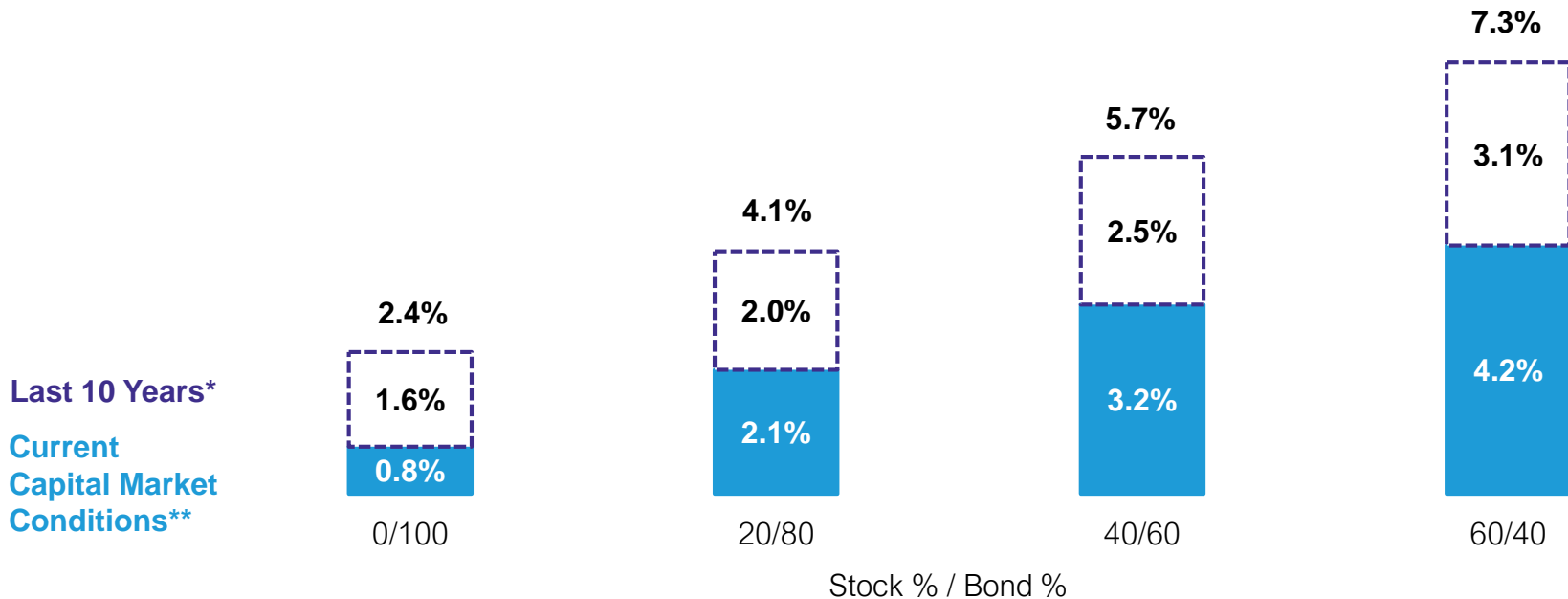
*Income over last 10 years computed using the average S&P 500 dividend yield and US 10-year Treasury yield from 2010 to 2019.

**Current conditions as of June 30, 2020, represented by AB's estimates for the pretax income generated by a portfolio of US stocks and intermediate-term treasury bonds, allocated as listed above. Allocations listed are stocks/bonds.

Based on AB's estimate 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.

...And Projected Returns across Allocations Have Also Declined

Projected Annual Returns: Next 10 Years (Typical Markets, Pretax)*



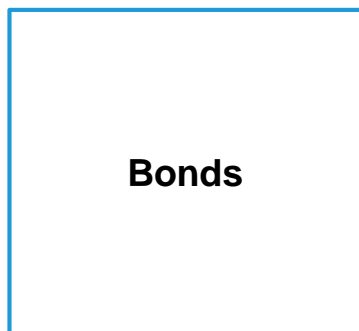
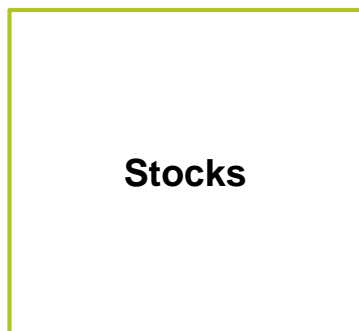
Current analysis and forecasts do not guarantee future results.

*Reflects compound growth rates from July 1, 2010 through June 30, 2020. Stocks represented by 60% Russell 3000 Index and 40% MSCI ACWI ex US. Bonds represented by Lipper Short/Int Blended Muni Fund Avg.

**Represents median annual pretax return projections over the next 10 years as of June 30, 2020. Median means 50th percentile of 10,000 trials in our Wealth Forecasting System. Based on AB's estimates of the range of returns for the applicable capital markets (as of June 30, 2020). "0/100" is 100% municipal bonds, "20/80" is 20% global stocks and 80% municipal bonds, "40/60" is 40% global stocks and 60% municipal bonds, "60/40" is 60% global stocks and 40% municipal bonds, "80/20" is 80% global stocks and 20% municipal bonds, "100/0" is 100% global stocks. Global stocks are represented by the following allocation: 16.2% US value, 16.2% US growth, 12.0% US diversified, 6.0% US small/mid-cap, 23.7% developed foreign markets, 7.3% emerging markets, 9.6% US low vol equity and 9.0% high-risk international. Equity geography weights may shift in proportion to total return-seeking allocation.

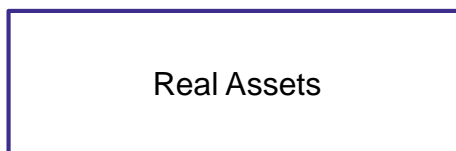
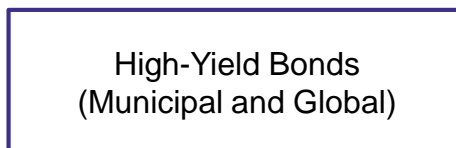
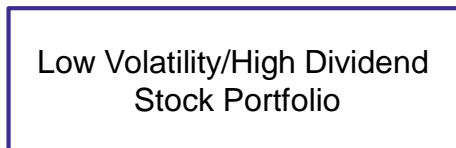
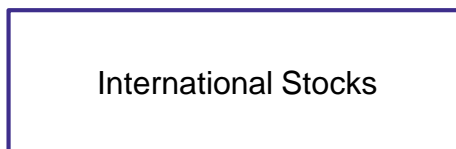
The Full Toolkit: Income

Traditional

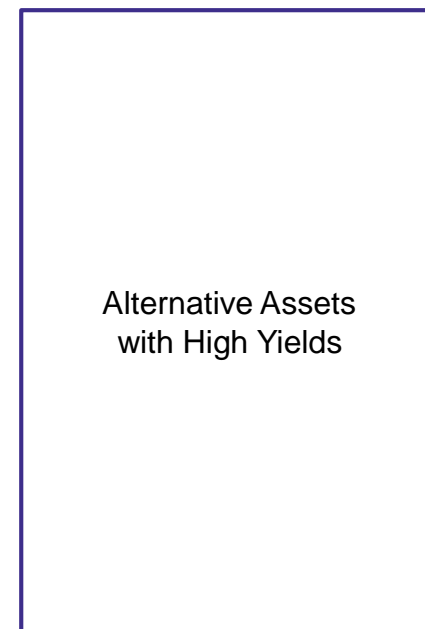


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Potential Income Solutions



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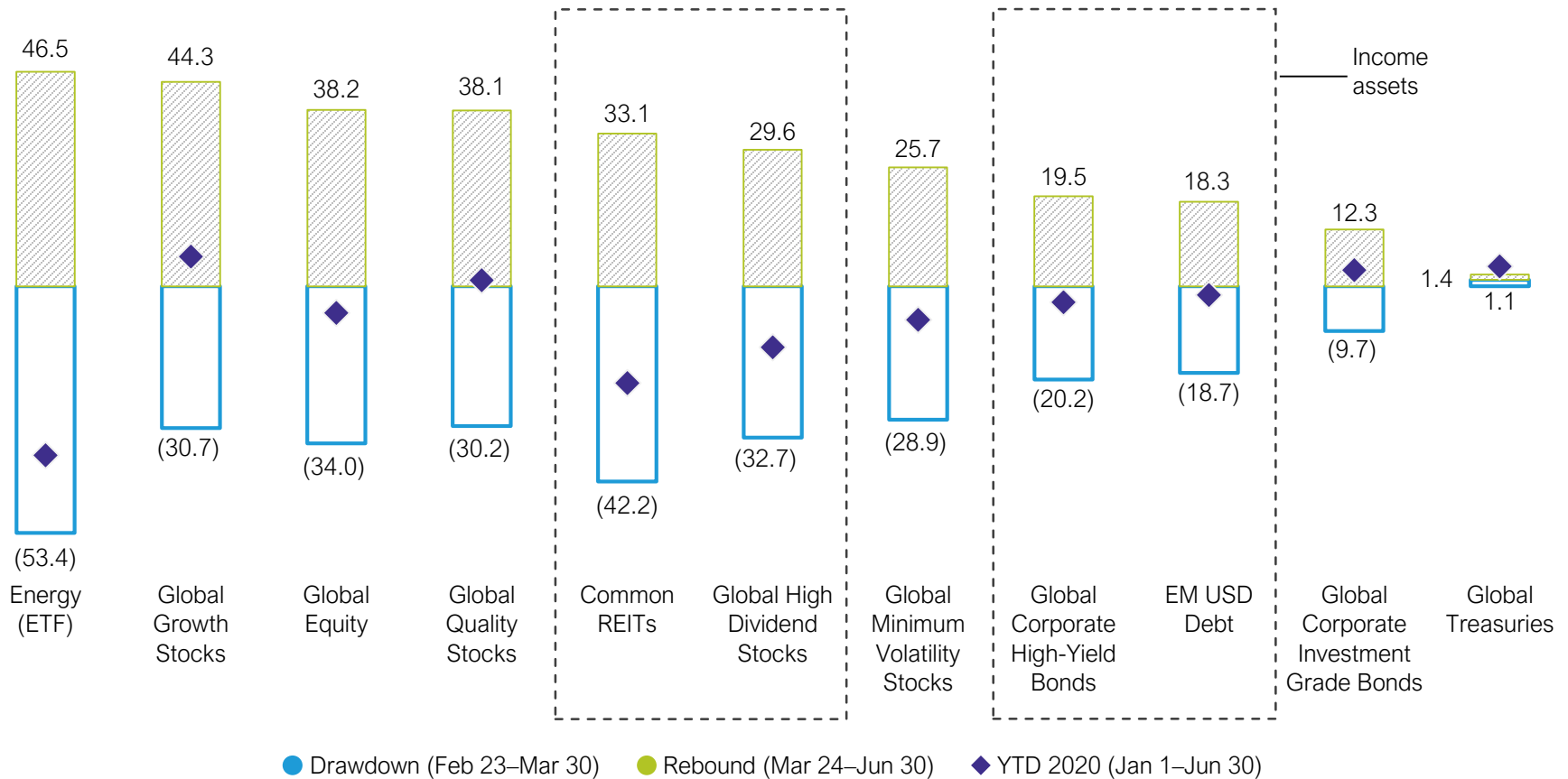
Benefits

- Increases projected yields and total return
- Strategic allocation of assets reduces portfolio volatility

Source: AB

Coronavirus Drawdown and Rebound: Income Assets Still Lag

Percent



As of June 30, 2020. **Past performance and historical analysis do not guarantee future results.** Returns are in USD. Energy (ETF) represented by iShares Global Energy ETF; global growth stocks by MSCI World Growth; global equities by MSCI World; global quality stocks by MSCI World Quality; common REITs by FTSE/EPRA NAREIT Developed Index; global high dividend stocks by MSCI World High Dividend, global minimum volatility stocks by MSCI World Min Vol; global corporate high-yield bonds by Bloomberg Barclays Global Corporate HY; EM USD debt by JP Morgan EMBI Global Diversified; global corporate investment-grade bonds by Bloomberg Barclays Global Corporate IG; global treasuries by Bloomberg Barclays Global Treasury.

Source: Bloomberg Barclays, FTSE/EPRA, iShares, JP Morgan, MSCI and AB

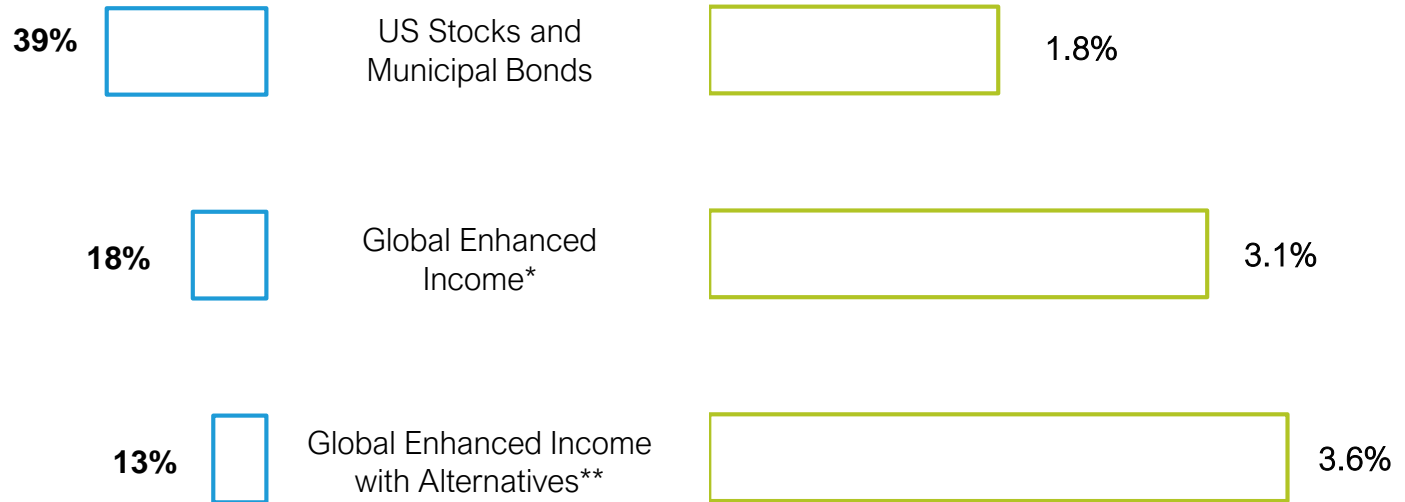
Research Based Allocation Weightings Yield Positive Trade-Offs

60% Stocks/40% Bonds

Investment Risk
Peak-to-Trough Loss of 20%
10-Year Horizon

Allocation

Median Pretax Yield Projections
10-Year Horizon



These projections are not to be considered investment recommendations by AllianceBernstein L.P. and are not indicative of any one specific AllianceBernstein L.P. product or investment advisory service. Projections based on Bernstein's estimates of the range of returns for the applicable capital markets over the next 10 years. These simulations are based on inputs that summarize the current conditions of the capital markets as of June 30, 2020. Data does not represent past performance and is not a promise of actual or range of future results. See Notes on Bernstein Wealth Forecasting System in Appendix for further details.

*Global enhanced income portfolio includes high yielding low volatility stocks, high yield municipal bonds and real assets.

**Alternatives are modeled from average projections of a combination of a commercial real estate fund, a middle market direct lending portfolio and a securitized assets fund, based on Alternatives Impact Analysis (AIA). See disclosures regarding AIA and all projections.

Objective—Meet the Challenges of Today's Environment

- How Can You Maximize Income in a Low-Yield Market?
- **What Investment Allocations Can Safely Support Lifetime Spending from a Trust?**
- How to Balance the Current and Remainder Beneficiaries—A QTIP Case Study
- How Can You Reduce Income Taxes in a Trust?
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What Investment Allocations Can Safely Support Lifetime Spending from a Trust?

Support Trust: Grantor's Intent Is Providing for Current Beneficiary

- \$5 Million Trust
- Current Beneficiary:
 - 70 years of age
 - Expected time horizon of 20 years
 - No substantial personal assets
- Trustee wants the most conservative investment allocation that will meet beneficiary's needs
- Beneficiary expects to spend \$215,000 annually (after taxes), adjusted for inflation

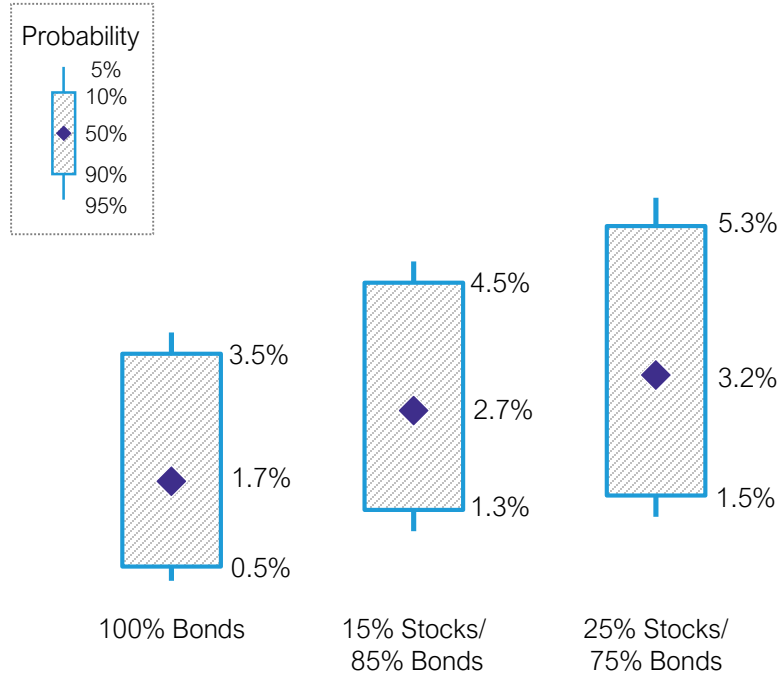
Goals:

- Provide adequate distributions to current beneficiary to support lifestyle
- Lifetime sustainability of distributions
- Stability of distributions

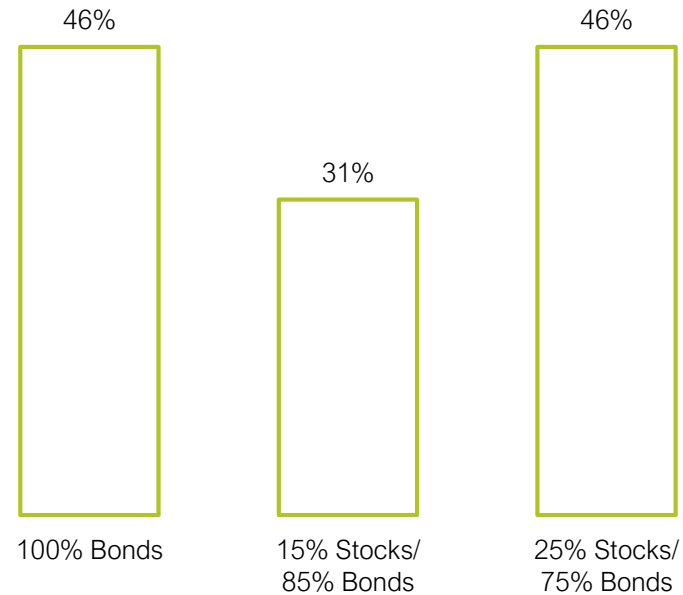
Some Allocations May Offer More Return with Less Risk

Projected Return and Risk: Next 20 Years

Projected Growth Rate*



Probability of Peak-to-Trough Decline of 10%**

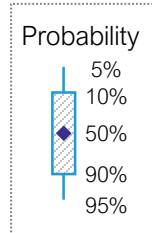


*Represents projected pretax compound annual growth rates over the next 20 years. First-year volatility of the portfolios: Scenario A = 3.8%, Scenario B = 5.0%, Scenario C = 7.0%. Annual equivalent volatility of the portfolios: Scenario A = 5.0%, Scenario B = 5.5%, Scenario C = 6.5%. Annual equivalent volatility differs from the first-year volatility because the expectation and distribution of asset class returns change over time. If the allocation targets change over time, this will also affect the annual equivalent volatility of the portfolio, but will not be reflected in the 1-year volatility. **Projections indicate the probability of a peak-to-trough decline in pre-cash-flow cumulative returns of 10% over the next 20 years. Because the Wealth Forecasting System uses annual capital market returns, the probability of peak-to-trough losses measured on a more frequent basis (such as daily or monthly) may be understated. The probabilities depicted above include an upward adjustment intended to account for the incidence of peak-to-trough losses that do not last an exact number of years. Based on AB's estimates of the range of returns for the applicable capital markets over the next 20 years. Data do not represent past performance and are not a promise of actual future results or a range of future results. See Notes on Bernstein Wealth Forecasting System in Appendix for further details.

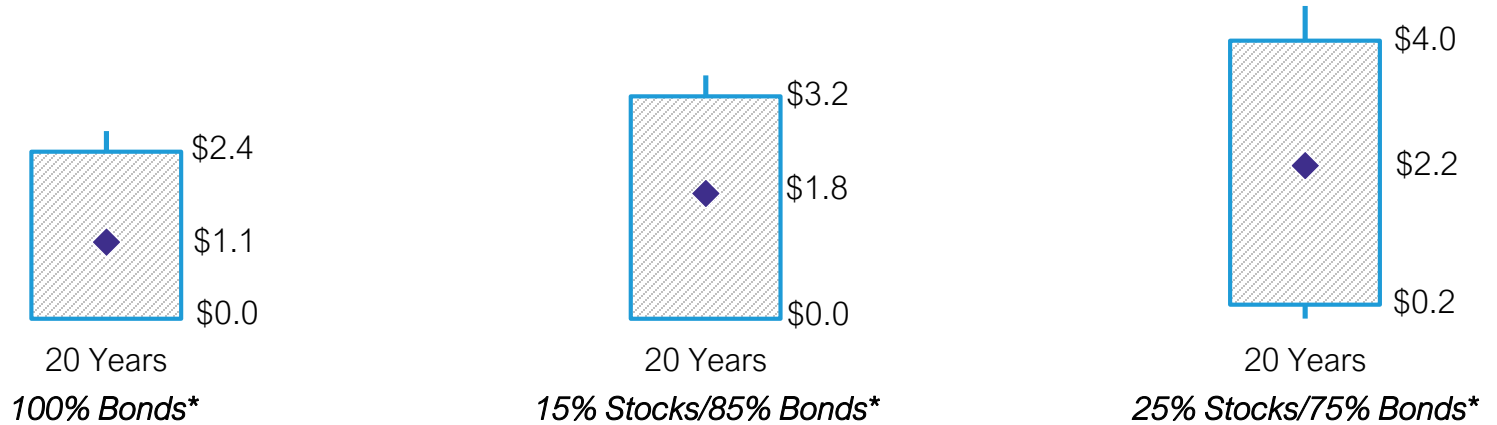
Projecting the Long-Term Impact of Allocation Decisions Is Critical

Projected Future Trust Values, Net of Distributions and Taxes

Initial Assets \$5.0 Million, Trust Distributes \$215,000 annually after-tax, inflation-adjusted



USD Millions, Nominal



Are Distributions Sustainable?*

78%

88%

92%

*Stocks are modeled as globally diversified equities, with 60% US and 40% developed international and emerging markets. Bonds are modeled as intermediate term diversified municipal bonds.

**Probability that trust has assets remaining after all distributions and taxes through 20 years.

Based on AB's estimates of the range of returns for the applicable capital-market over the next 20 years as of June 30, 2020. Data do not represent past performance and are not a promise of actual future results or a range of future results. Asset values represent the estimated market value; if the assets were liquidated, additional capital gains or losses would be realized that are not reflected here. See Notes on Bernstein Wealth Forecasting System in the Appendix for further details.

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How to Balance the Current and Remainder Beneficiaries —A QTIP Case Study

Janet and Henry—A QTIP Case Study

- Janet, age 60, and Henry married 20 years ago— second marriages for both. Henry passed away last year. Henry had two daughters, Jenna and Natalie, from his first marriage. Janet has a son, Alex, from her first marriage.
- Henry left Janet with a \$10 million QTIP marital trust to help support Janet during life, with the remainder designated for his daughters.
- Janet also has a \$2.5 million personal portfolio, which she views as her safe money that she would prefer to spend only when the trust distribution does not meet her spending needs.
- Janet spends \$310,000 (inflation-adjusted) per year, after income taxes.

How can the trustee treat the income and remainder beneficiaries “impartially,” assuming that Janet lives another 30 years?

How can the investment allocation and distribution policy consider all beneficiaries?

Key to Financial Success: Answering the Key Questions

Janet



\$310,000
Annual Spending

**\$10 mil. Trust
Investment Policy?
Distribution Policy?**

Annual Distributions

\$2.5 mil. Personal

Additional Amounts to
Meet Spending Needs



Remainder to Henry's Daughters
Jenna and Natalie

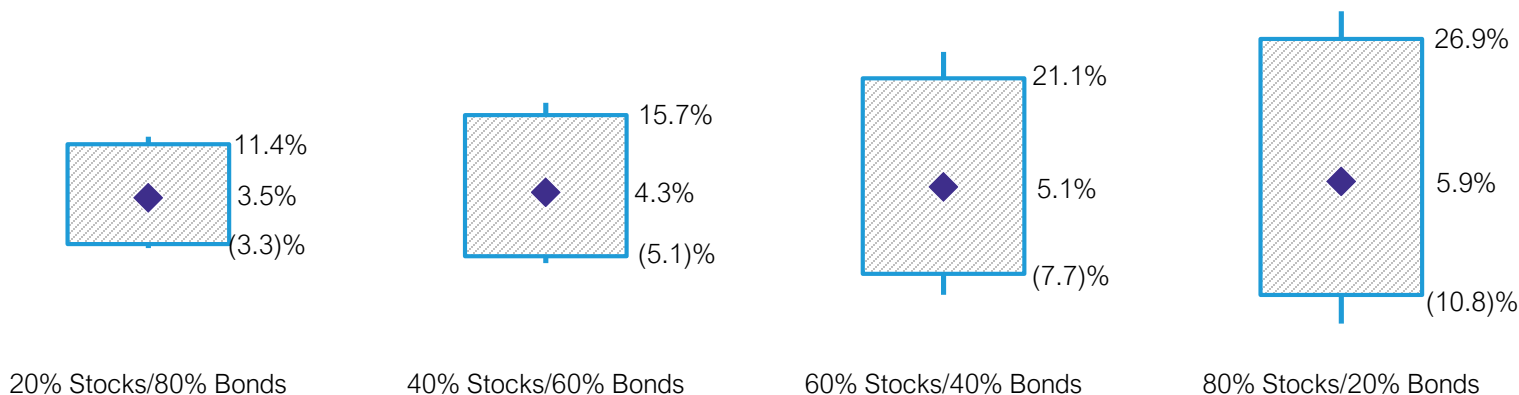
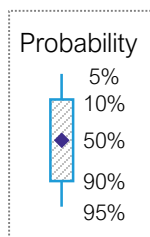


Janet's Remaining
Estate to her son, Alex



Defining Success Requires Balancing Risk and Return Trade-Offs for Multiple Beneficiaries with Different Goals

Range of Annual Returns* Next 30 Years



Probability Trust Distributions Are Sustainable** Distribution greater of income or \$310,000, adjusted for inflation			
79%	89%	93%	93%
Probability of Peak-to-Trough Decline of 20%***			
2%	22%	60%	86%

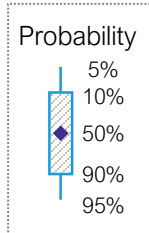
*Represents annual pretax returns over the next 30 years. First year volatility of the portfolios: Scenario A = 5.9%, Scenario B = 10.1%, Scenario C = 14.5%, Scenario D = 18.9%. Annual equivalent volatility of the portfolios: Scenario A = 8.7%, Scenario B = 11.4%, Scenario C = 14.9%, Scenario D = 18.6%. Annual equivalent volatility differs from the first-year volatility because the expectation and distribution of asset class returns change over time. If the allocation targets change over time, this will also affect the annual equivalent volatility of the portfolio, but will not be reflected in the 1-year volatility.

**Probability that trust has assets remaining after all distributions and taxes through 30 years.

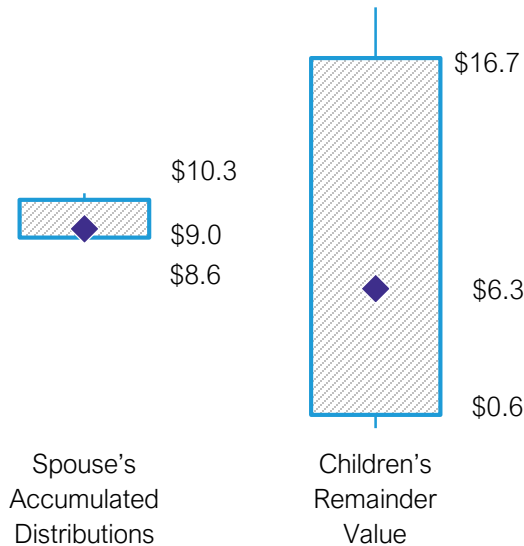
***Projections indicate the probability of a peak-to-trough decline in pre-cash-flow cumulative returns of 20% over the next 30 years. Because the Wealth Forecasting System uses annual capital market returns, the probability of peak-to-trough losses measured on a more frequent basis (such as daily or monthly) may be understated. The probabilities depicted above include an upward adjustment intended to account for the incidence of peak-to-trough losses that do not last an exact number of years. Based on AB's estimates of the range of returns for the applicable capital markets over the next 30 years as of June 30, 2020. Data do not represent past performance and are not a promise of actual future results or a range of future results. See Notes on Bernstein Wealth Forecasting System in Appendix for further details.

60/40 Allocation Was Agreeable, but Due to Inflation-Adjusted Distribution Henry's Daughters Bear the Portfolio Risk...

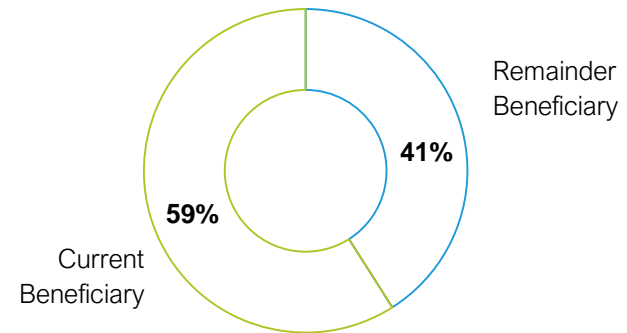
Income Distribution to Janet Is Greater of Income or \$310,000*



Inflation-Adjusted Wealth** After-Tax, Year 30 (USD Millions)



Share of Total Trust Wealth** Median Case, Year 30



Today, the policy strongly favors the spouse

60% Global Equities/40% Municipal Bonds

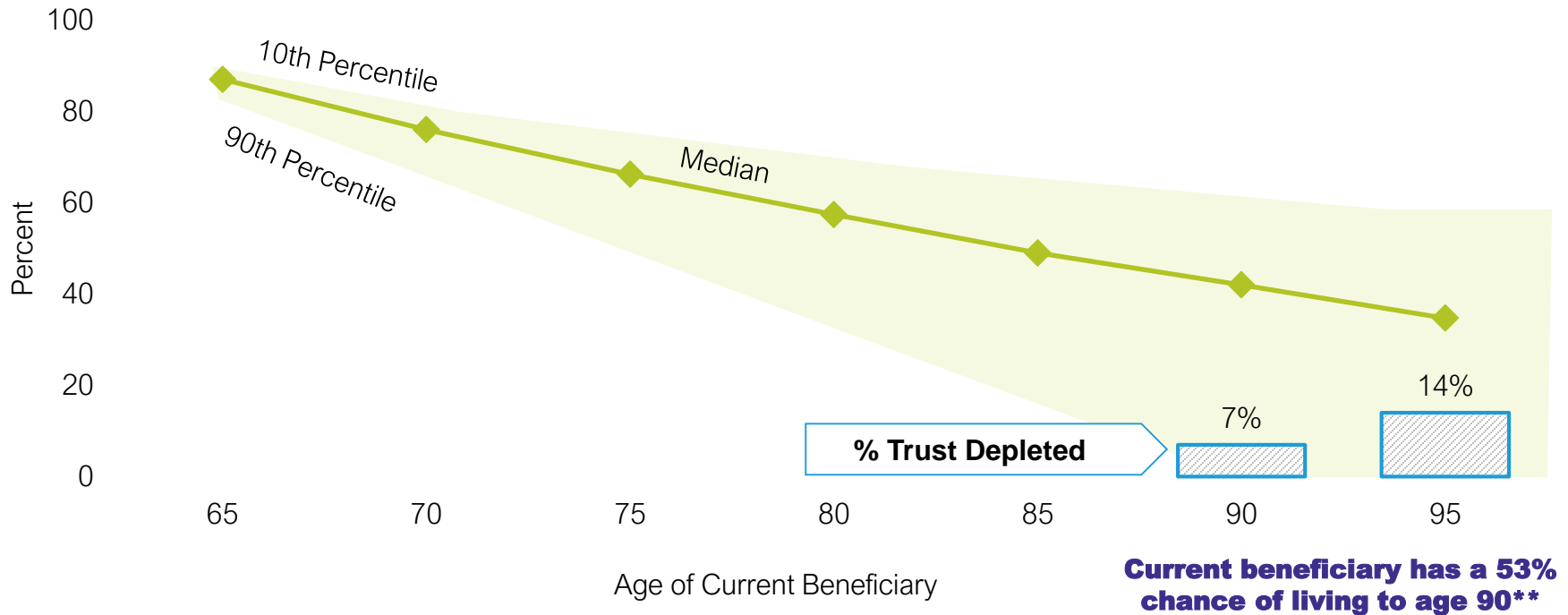
*Distribution is the greater of 100% of income or \$310,000 grown with inflation. 60/40 allocation assumes 60% global equities and 40% intermediate-term diversified municipal bonds.

**Inflation-adjusted, after-tax.

Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Bernstein Wealth Forecasting System at the end of this presentation for further details. **Data do not represent past performance and are not a promise of actual future results or a range of future results.**

...And the Risk of Time

Remainder Share of Total Wealth* Annual Distribution of USD 310,000, 60/40 Portfolio



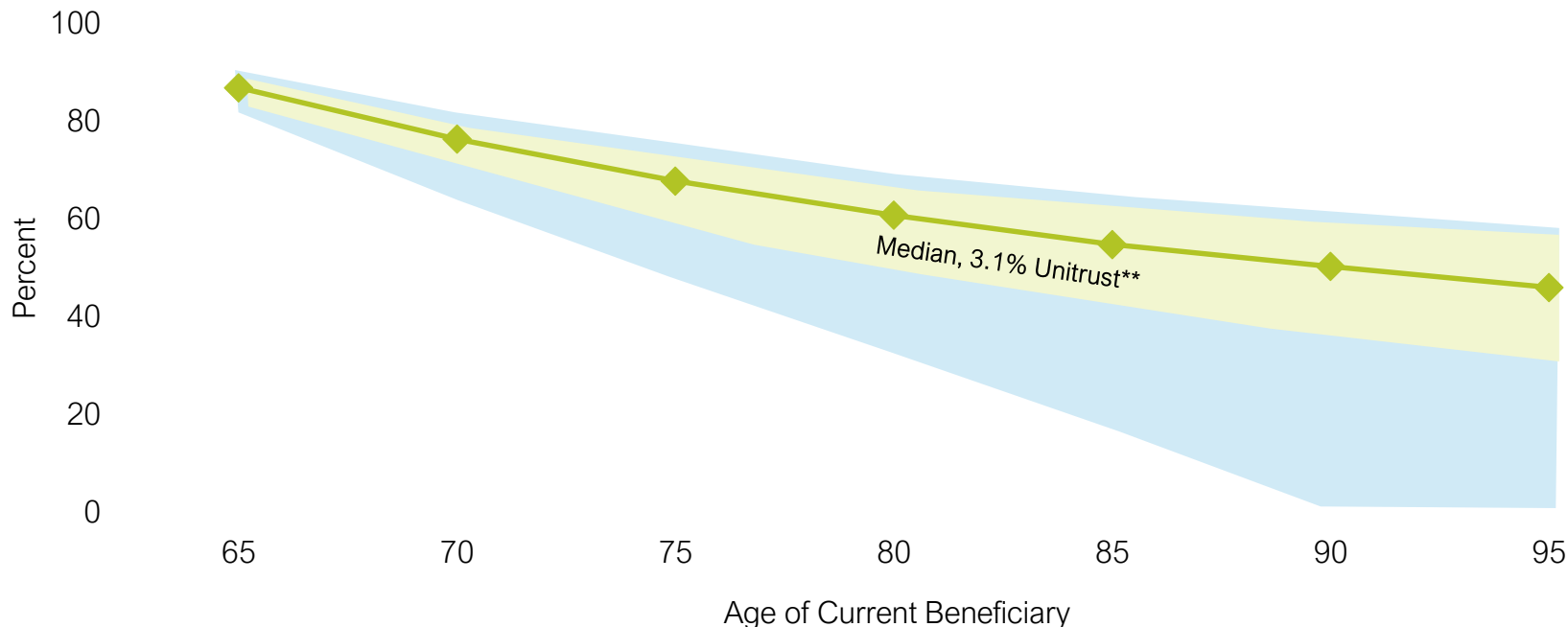
*Inflation-adjusted, after-tax. Distribution is the greater of income or \$310,000, grown with inflation. Depletion represented by probability trust assets are less than \$1,000. 60/40 allocation assumes 60% global equities and 40% intermediate term diversified municipal bonds. Global equities comprised of 16.2% US value, 16.2% US growth, 12.0% US diversified, 6.0% US small/mid-cap, 23.7% developed foreign markets, 7.3% emerging markets, 9.6% US low vol equity, and 9.0% high-risk international.

**Society of Actuaries RP-2000 Mortality tables.

Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Bernstein Wealth Forecasting System at the end of this presentation for further details. **Data do not represent past performance and are not a promise of actual future results or a range of future results.**

A Unitrust Distribution Eliminates the Risk of Depletion and Stabilizes Sharing the Wealth

Remainder Share of Total Wealth*
Annual Distribution of 3.1%, 60/40 Portfolio



Unitrust payment stabilizes the children's share of wealth with no risk of depletion

*Inflation-adjusted, after-tax. 60/40 allocation assumes 60% global equities and 40% intermediate term diversified municipal bonds. Global equities comprised of 16.2% US value, 16.2% US growth, 12.0% US diversified, 6.0% US small/mid-cap, 23.7% developed foreign markets, 7.3% emerging markets, 9.6% US low vol equity, and 9.0% high-risk international.

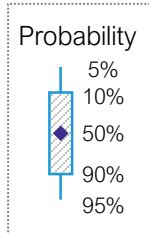
**Green band assumes 3.1% unitrust distribution. Teal band assumes greater of all income or \$310,000, grown with inflation, distribution.

Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Bernstein Wealth Forecasting System at the end of this presentation for further details. **Data do not represent past performance and are not a promise of actual future results or a range of future results.**

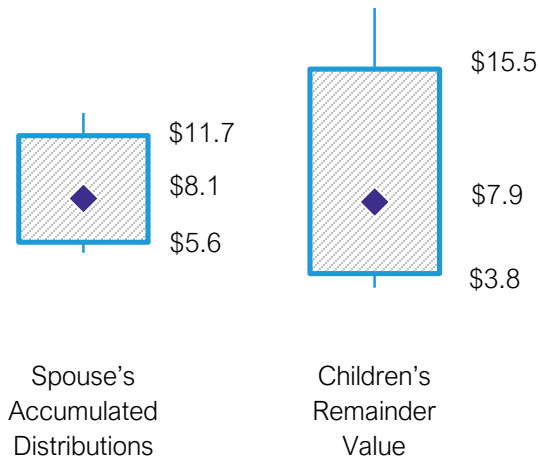
Unitrust: Better Sharing of Wealth...

3.1% Unitrust Distribution*

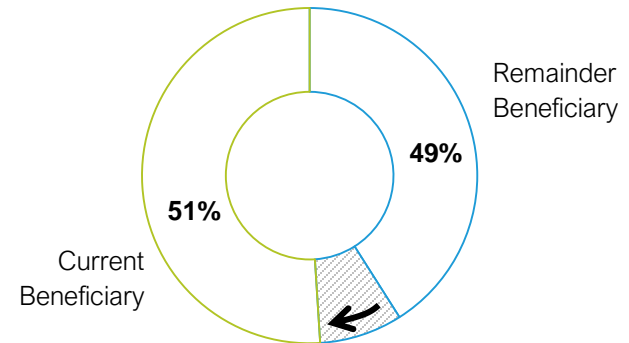
60% Global Equities / 40% Municipal Bonds



Inflation-Adjusted Wealth*
After-Tax, Year 30 (USD Millions)



Share of Total Wealth**
Median Case, Year 30



Unitrust helps achieve a more equitable sharing of wealth and risk

*Distribution is 3.1% unitrust. 60/40 allocation assumes 60% global equities and 40% intermediate term diversified municipal bonds.

**Inflation-adjusted, after-tax.

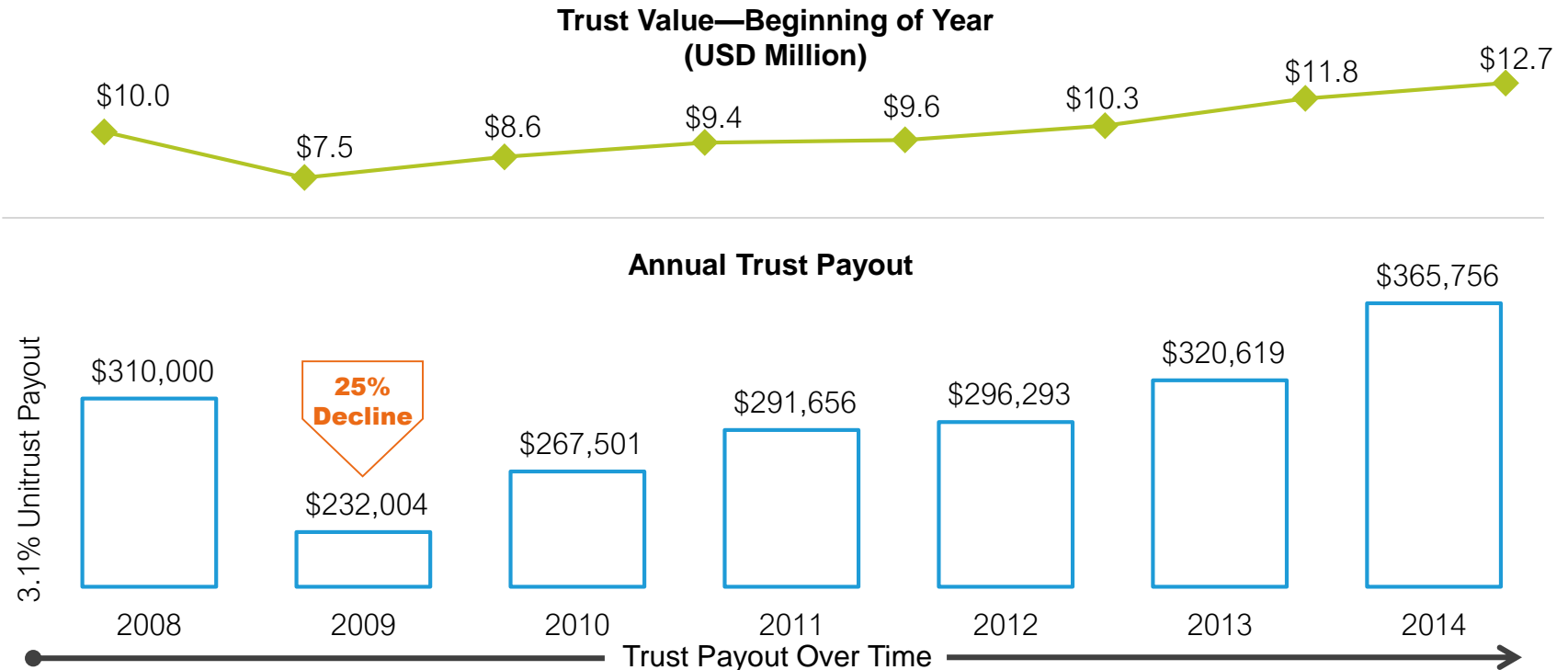
Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Bernstein Wealth Forecasting System at the end of this presentation for further details. **Data do not represent past performance and are not a promise of actual future results or a range of future results.**

How Does Volatility Impact a Unitrust Payout?

A Historical Illustration of a \$10MM Trust

3.1% Unitrust*

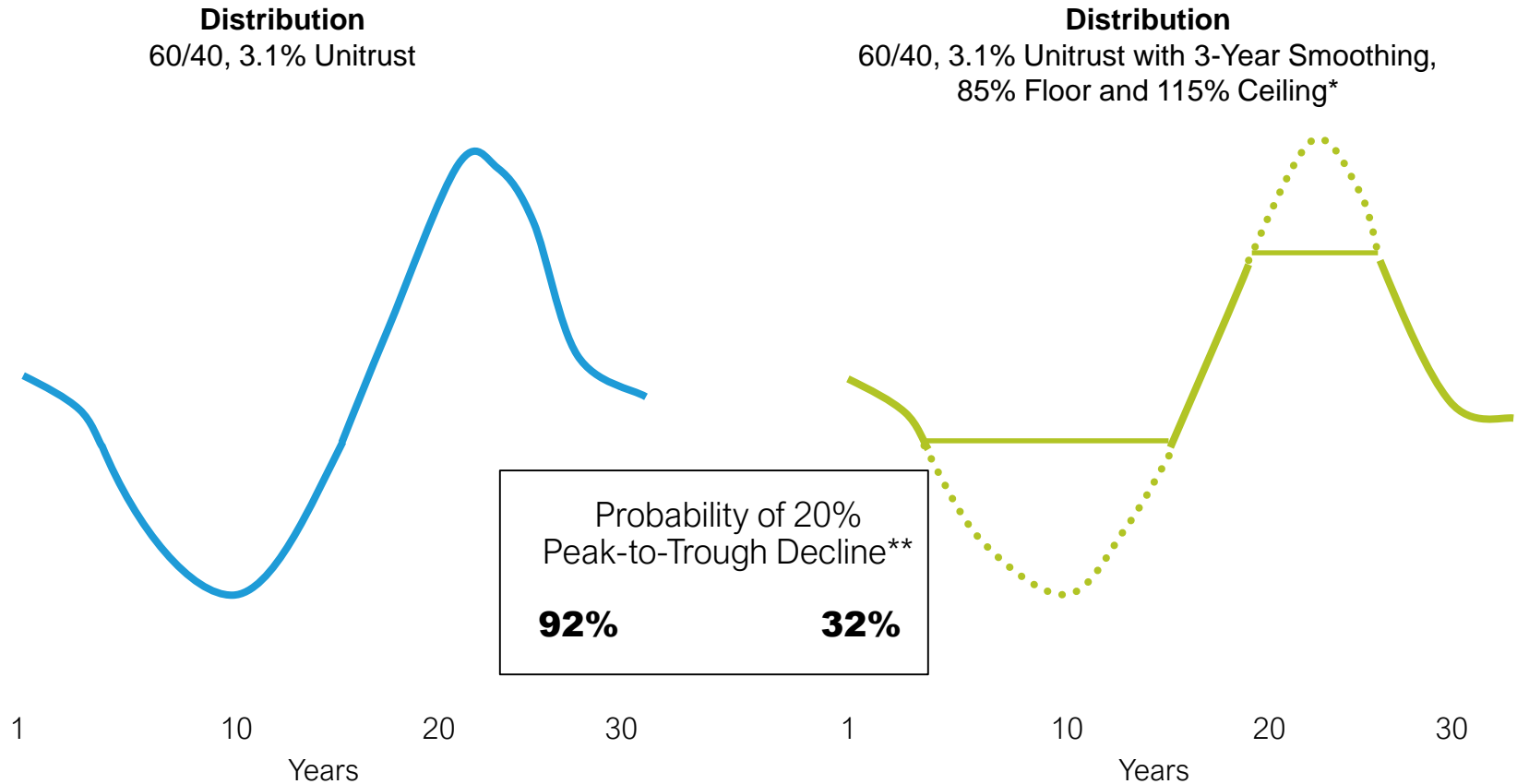
60% Stocks/40% Bonds



A unitrust distribution amount will fluctuate along with the trust's portfolio value, and the current beneficiary will share in the ups and downs in the market

*Trust values shown are beginning year values (i.e., 2013 is December 31, 2012 ending value) and unitrust distribution is based off that amount. Period: December 31, 2007 thru December 31, 2014. 80/20 allocation. 60% equity allocation represented by S&P 500 Index, 40% bond index represented by Barclays Capital US Aggregate Index. Past performance does not guarantee future results.

Stabilize the Distribution with Smoothing, Floors, and Ceilings



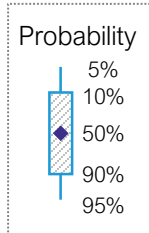
*Assumes three-year smoothing, 85% floor and 115% ceiling, grown with inflation, on year 1 distribution of \$310,000. Year 1 floor is \$263,500 and ceiling is \$356,500. 60/40 allocation assumes 60% global equities and 40% intermediate-term diversified municipal bonds.

**Pretax, nominal.

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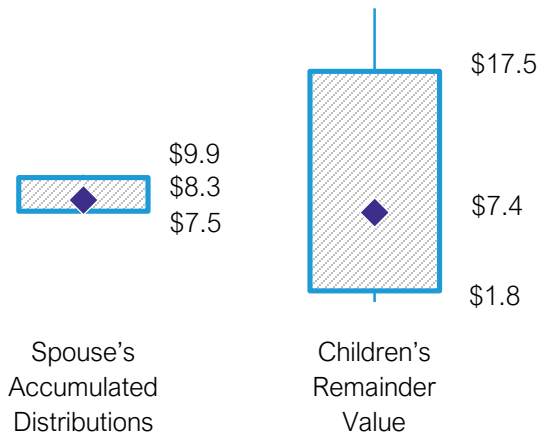
Unitrust with a Floor: Better Stability of Distributions

3.1% Unitrust with 85% Floor and 115% Ceiling
Inflation-Adjusted

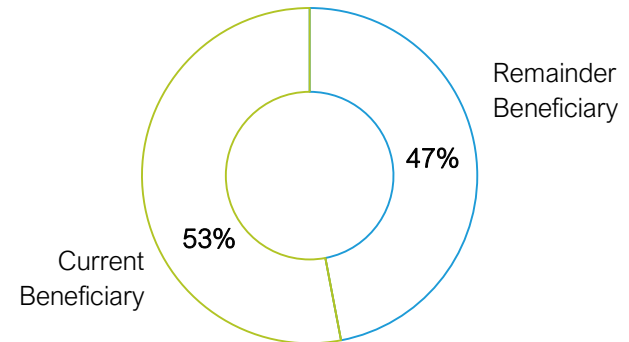


Inflation-Adjusted Wealth*
After-Tax, Year 30 (USD Millions)

**Greater stability for
current beneficiary...**



Share of Total Wealth**
Median Case, Year 30



**...results in modest shift in wealth
sharing percentage**

*Distribution is 3.1% unitrust with \$263,500 floor (inflation-adjusted) and \$356,500 ceiling (inflation-adjusted). 60/40 allocation assumes 60% global equities and 40% intermediate-term diversified municipal bonds. Global equities comprised of 60% US diversified, 40% developed international and emerging markets.

**Inflation-adjusted, after-tax.

Based on Bernstein's estimates of the range of returns for the applicable capital markets over the periods analyzed. See Notes on Wealth Forecasting System at the end of this presentation for further details. **Data do not represent past performance and are not a promise of actual future results or a range of future results.**

Plan to Succeed: Janet Meets Her Lifetime Spending Needs and Henry's Daughters Share the Wealth of their Father

Janet



\$310,000
Annual Spending

\$10 mil. Trust
Investment Policy:
60% Stocks/40% Bonds
Distribution Policy:
3.1% Unitrust with Smoothing,
Floors, and Ceilings

Annual Distributions

Additional Amounts to
Meet Spending Needs

\$2.5 mil. Personal
Investment Policy:
40% Stocks/60% Bonds

Remainder to Henry's Daughters
Jenna and Natalie

Janet's Remaining
Estate to her son, Alex



\$7.4 Million

**Janet will comfortably meet her spending needs
and be able to leave personal assets to Alex***



Remaining Inflation-Adjusted
Trust Assets Year 30*

*Over 30 years, median projection based on AB's estimates of the range of returns for the applicable capital market over the next 30 years. Results are presented in real (inflation-adjusted) dollars; nominal projections would be \$14.5 million for the trust remainder. Assets remaining for Alex are projected to be \$1.9 million, inflation-adjusted, or \$3.7 million nominal. Data do not represent past performance and are not a promise of actual future results or a range of future results. Asset values represent the estimated market value; if the assets were liquidated, additional capital gains or losses would be realized that are not reflected here. See Notes on Bernstein Wealth Forecasting System in the Appendix for further details.

Objective—Meet the Challenges of Today’s Environment

- How Can You Maximize Income in a Low-Yield Market?
- What Investment Allocations Can Safely Support Lifetime Spending from a Trust?
- How to Balance the Current and Remainder Beneficiaries—A QTIP Case Study
- **How Can You Reduce Income Taxes in a Trust?**
 - Should You Distribute from the Trust?—Balancing income tax management with estate tax management
 - Does your Grantor Have Tax Fatigue?—The impact of turning off grantor powers and an alternative solution
 - How to Add Alternatives Tax Efficiently?
 - What Is the Value of Getting a Step-Up in Basis?



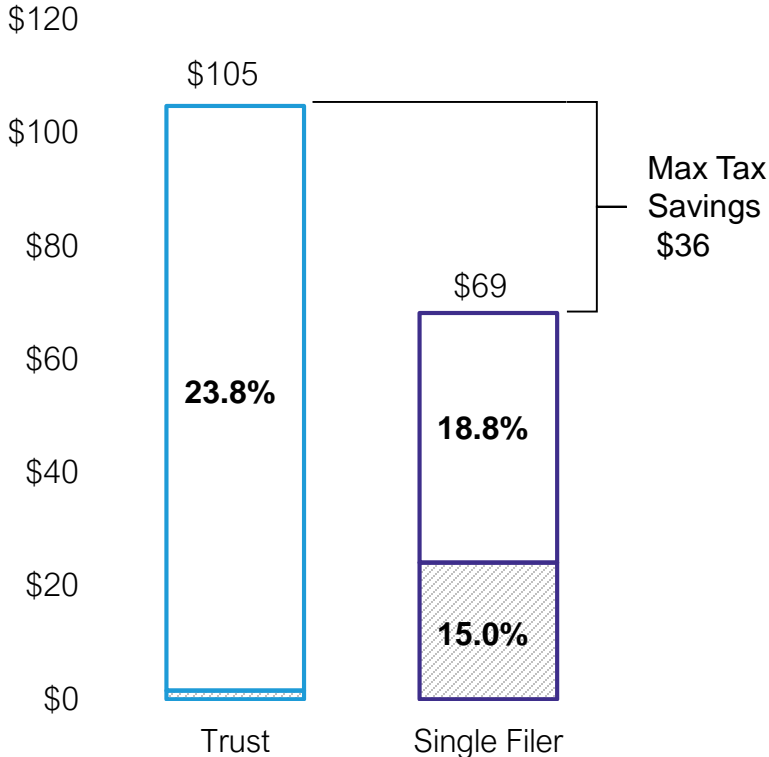
Should You Distribute from the Trust?

Balancing Income Tax Management
with Estate Tax Management

Differences between Individual and Trust Income Tax Rates

Income Type	Tax Rate	Adjusted Gross Income Threshold	
		Single Filer	Trust
Short-Term Gains and Ordinary Income	37.0%	\$518,400	\$12,950
Long-Term Gains and Qualified Dividends	20.0%	\$441,450	\$13,150
Medicare Surtax on Net Investment Income	3.8%	\$200,000	\$12,950
Standard Deduction		\$12,400	\$100

Value of Bracket Run—Long-Term Capital Gains* (USD Thousands)

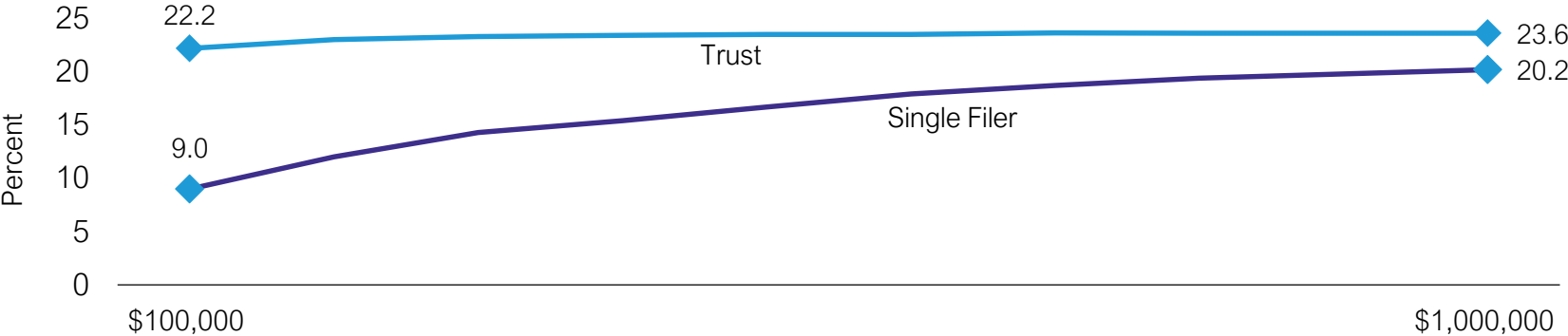


*Includes a \$12,400 standard deduction for the single filer with \$453,650 taxable income and a \$100 exemption for the trust with \$453,850 taxable income. Source: IRS and AB

Large Tax Difference between Individuals and Trusts

Income Type	Max Tax Rate	Adjusted Gross Income Threshold	
		Single Filer	Trust
Short-Term Gains and Ordinary Income	37.0%	\$518,400	\$12,950
Long-Term Gains and Qualified Dividends	20.0%	\$441,450	\$13,150
Medicare Surtax on Net Investment Income	3.8%	\$200,000	\$13,150

Effective Federal Income Tax Rate* Long-Term Capital Gain Income



*Effective federal income tax rate is computed assuming the only source of income is the long-term capital gain amount indicated on the X-axis.
Source: IRS and AllianceBernstein

Spend from a Trust Outside of the Estate?

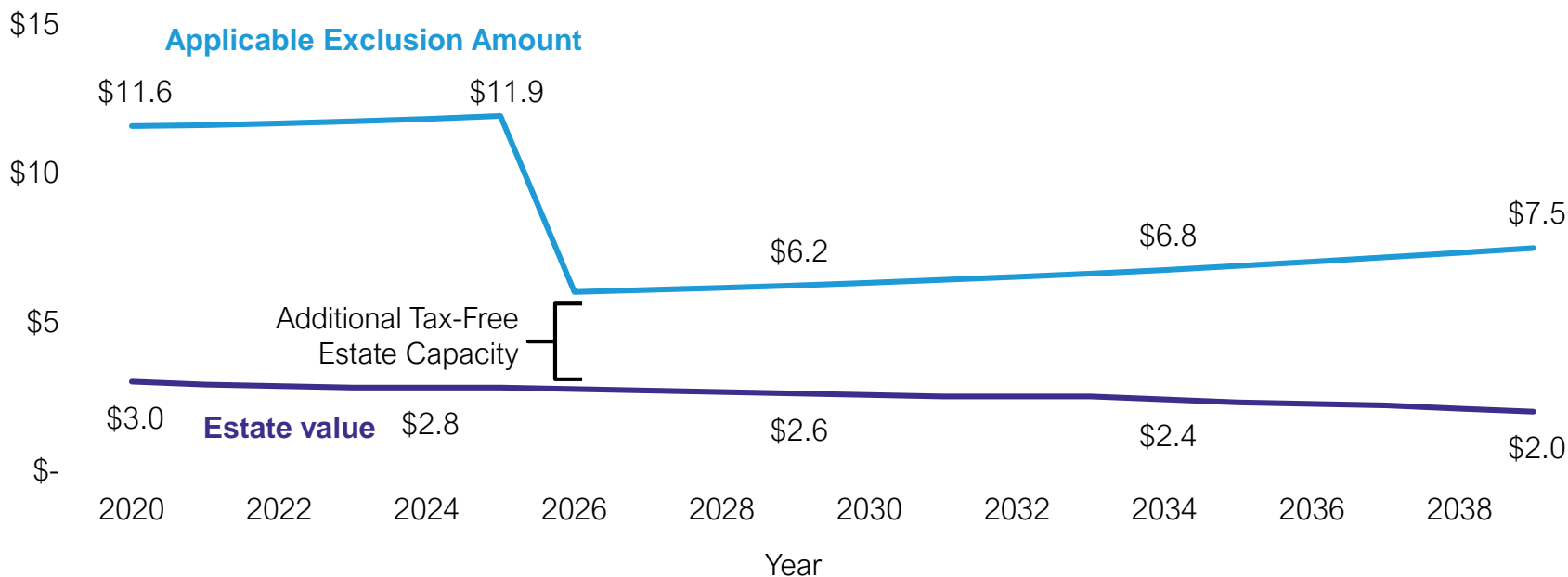
- Beatrice, age 70, has a credit shelter trust from her late husband
- Personal portfolio: \$3 million | Trust portfolio: \$5 million
- Currently, no distributions from the trust
- Allocation—both portfolios are invested:
 - 40% global stocks/60% intermediate-term municipal bonds
- Spends \$120,000 annually

Research questions

- How can she reduce the taxes paid by the trust?
- How does the current estate tax exemption impact potential strategies?

Inflation and Spending: Current Estate Exclusion Allows Room to Spare

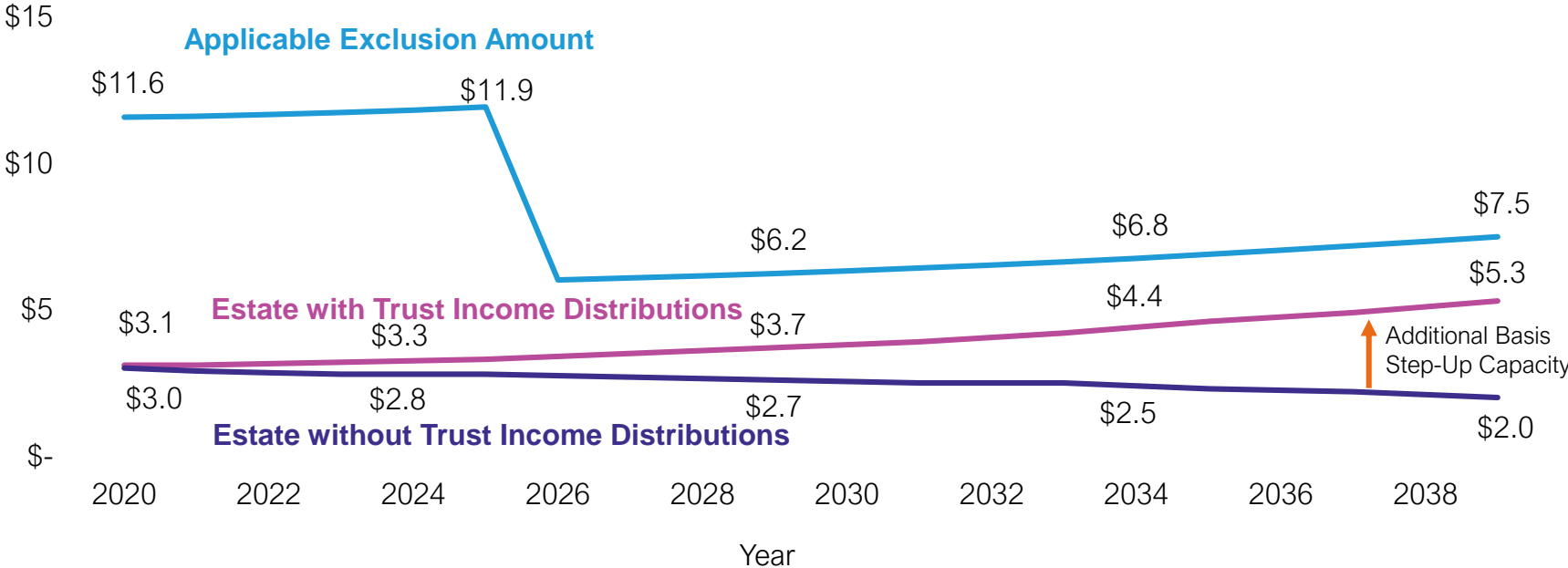
Estate Relative to Applicable Exclusion*
Median Values, Nominal (USD Millions)



*Estate exclusion is currently \$11.58 million per person, adjusted with inflation through 2025, at which point it is assumed to sunset to \$5.79 million per person, adjusted with inflation. Projections for the exclusion include projected median inflation according to Bernstein's capital markets engine. Wealth projections based on Bernstein's estimates of the 50th percentile outcomes for the applicable capital markets over the next 20 years assuming 40% global stocks and 60% intermediate-term municipal bonds, and net of spending. Data do not represent past performance and are not a promise of actual future results or a range of future results. See Notes on Bernstein Wealth Forecasting System at the end of this presentation for additional information.

Distributing Trust Income Closes the Gap and Reduces Taxes

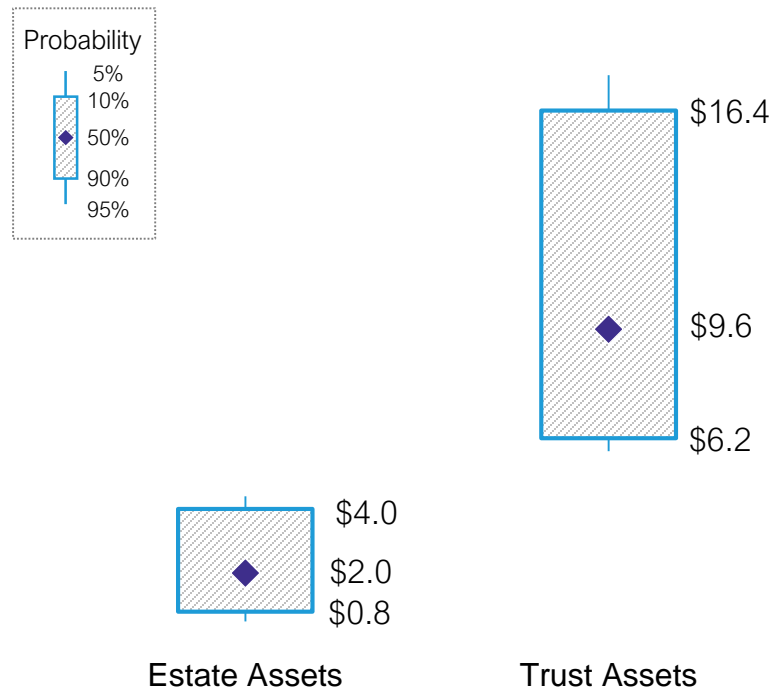
Estate Relative to Applicable Exclusion*
 Median Values, Nominal (USD Millions)



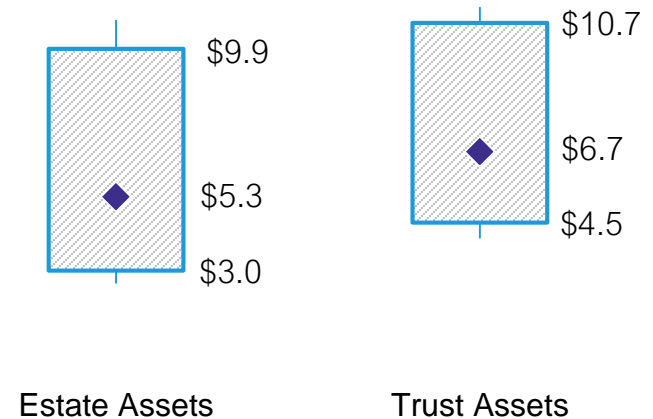
Forecast assumes trust distributes all income up to a maximum amount of \$120,000 after-tax, adjusted with inflation.
 *Estate exclusion is currently \$11.58 million per person, adjusted for inflation through 2025, at which point it sunsets to \$5.79 million per person, adjusted for inflation. Projections for the exclusion include projected median inflation according to Bernstein’s capital markets engine. Wealth projections based on Bernstein’s estimates of the 50th percentile outcomes for the applicable capital markets over the next 20 years assuming 40% global stocks and 60% intermediate-term municipal bonds, and net of spending.
 Data do not represent past performance and are not a promise of actual future results or a range of future results.
 See Bernstein Notes on Wealth Forecasting System at the end of this presentation for additional information.

Asset Location, Location, Location Range of Remainder Values—Year 20

Portfolio Values—No Trust Distributions*
Nominal (USD Millions)



Portfolio Values—With Trust Income Distributions*
Nominal (USD Millions)



“With Trust Income Distributions” assumes trust distributes all income up to a maximum amount of \$120,000 after-tax, adjusted for inflation. Assumes trust assets are liquidated in the final year of the analysis to represent the inherited tax liability in the trust.

Based on Bernstein’s estimates of the range of returns for the applicable capital markets over the next 20 years. Data do not represent past performance and are not a promise of actual future results or a range of future results. See Notes on Bernstein Wealth Forecasting System at the end of this presentation for additional information. Source: AllianceBernstein

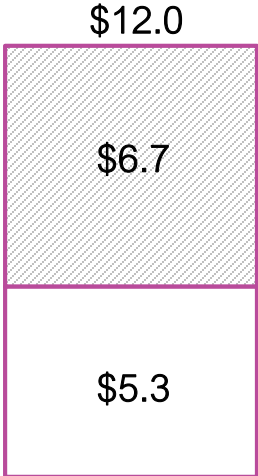
Distributing Income Saves Income Taxes

Summary Year 20—Median Personal and Trust*
(USD Millions—Nominal)

○ Personal Assets ● Trust Assets



No Distributions from Trust



Distribute Income from Trust

More wealth during life due to income tax savings relative to trust tax rates and more assets are eligible for a step-up in basis

Bernstein does not provide tax, legal, or accounting advice. Please consult with the professionals in these fields before making any decisions.

Based on Bernstein’s estimates of the range of long-term returns for the applicable capital markets. Assumes trust assets are liquidated in the final year of the analysis to represent the inherited tax liability in the trust. Data do not represent past performance and are not a promise of actual or range of future results. Asset values are net of applicable taxes and cash flows, if any. See Notes on Bernstein Wealth Forecasting System in Appendix for further details.



Does Your Grantor Have Tax Fatigue?

The Impact of Turning Off Grantor
Powers and a Potential Solution

Managing Jack's "Grantor Tax Fatigue"

Case Assumptions

- Jack's current personal portfolio: \$20 million, invested 40% global stocks/60% bonds
- Spends \$600,000 annually from this portfolio*
- He gave \$5 million to an irrevocable grantor trust six years ago for the future benefit of his daughters, Kendra and Sara. Trust is now worth \$8 million. Trust is invested 80% global stocks/20% bonds.
- Cumulative income taxes on trust paid since gift: \$700,000
- **Jack doesn't want to continue paying taxes on the trust**

*Spending adjusts annually for inflation.

Managing Jack's "Grantor Tax Fatigue"

Case Assumptions

Possible Solutions:

- Request reimbursement from the trustee each year (per Revenue Ruling 2004-64)
- Revoke or otherwise terminate retained grantor power(s)
- Private Placement Life Insurance (PPLI)

AB is not a legal, tax, estate, or insurance advisor. Investors should consult these professionals as appropriate before making any decisions.

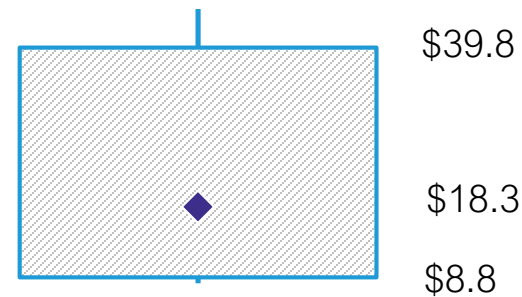
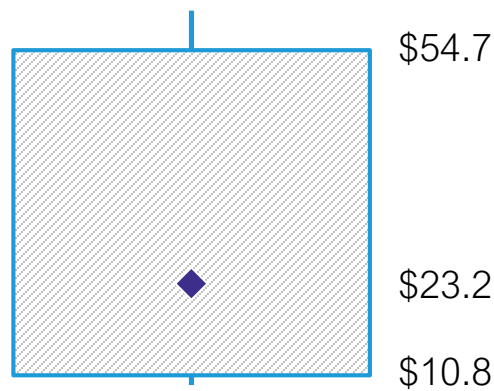
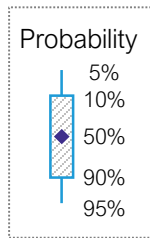
Diagnosing Private Placement Life Insurance

- Private Placement Life Insurance is a life insurance policy without formal securities law registration.
- Purchase of a policy is limited to qualified purchasers and accredited investors.
- Product loads and periodic charges are considerably lower than most retail products.
- No surrender charges.
- Investments within the policy will not be subject to income taxes, with all gains deferred until a withdrawal is made, or avoided if held until death.
- The cash value of the policy is driven by the performance of the underlying investments.

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Converting to Nongrantor Trust Is Costly for Beneficiaries

After-Tax Range of Trust Assets—Year 20*
Nominal (USD Millions)



For illustrative purposes only. Data do not represent past performance. Actual returns may be higher or lower than projected.

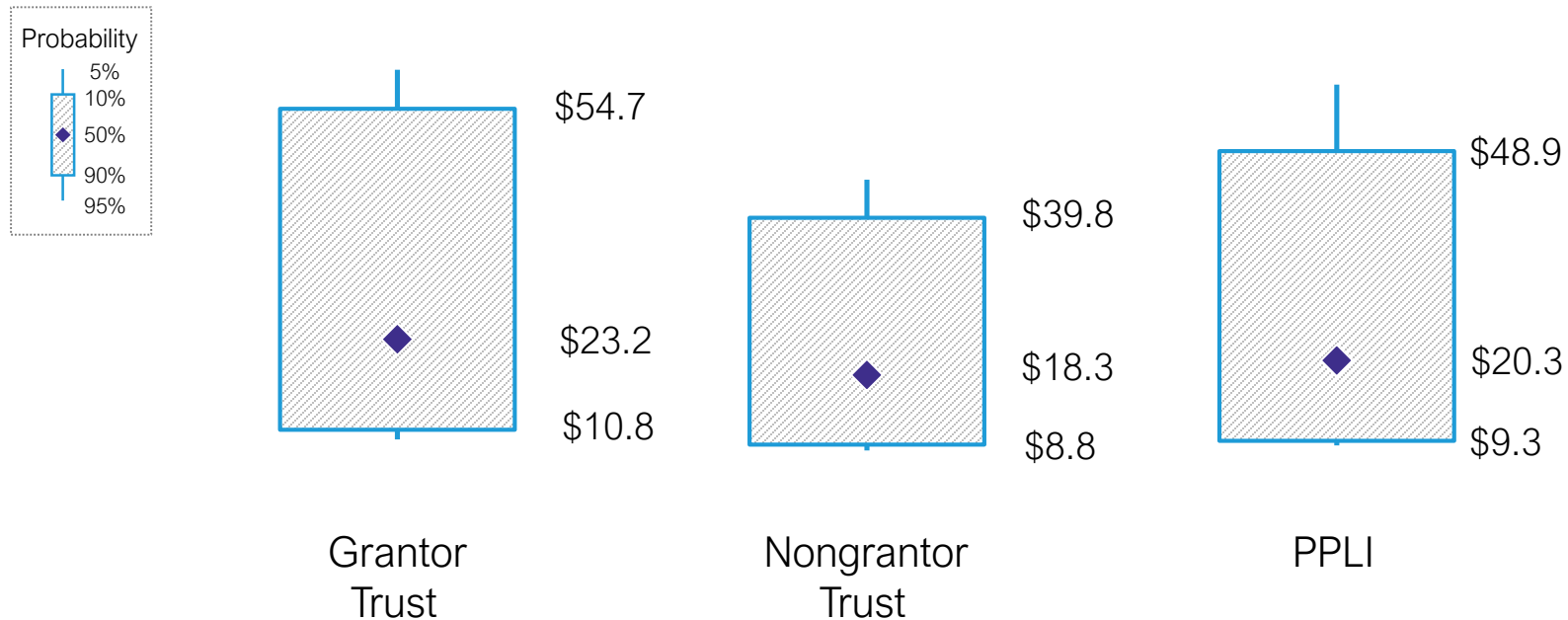
*Based on Bernstein's estimates of median returns for applicable capital markets over next 20 years. Assumes 23.8% effective tax rate for long-term capital gains and qualified dividends, and state income tax of 4.95%.

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Source: AB

Tax Deferral Can Help Narrow the Gap...

After-Tax Range of Trust Assets—Year 20* Nominal (USD Millions)



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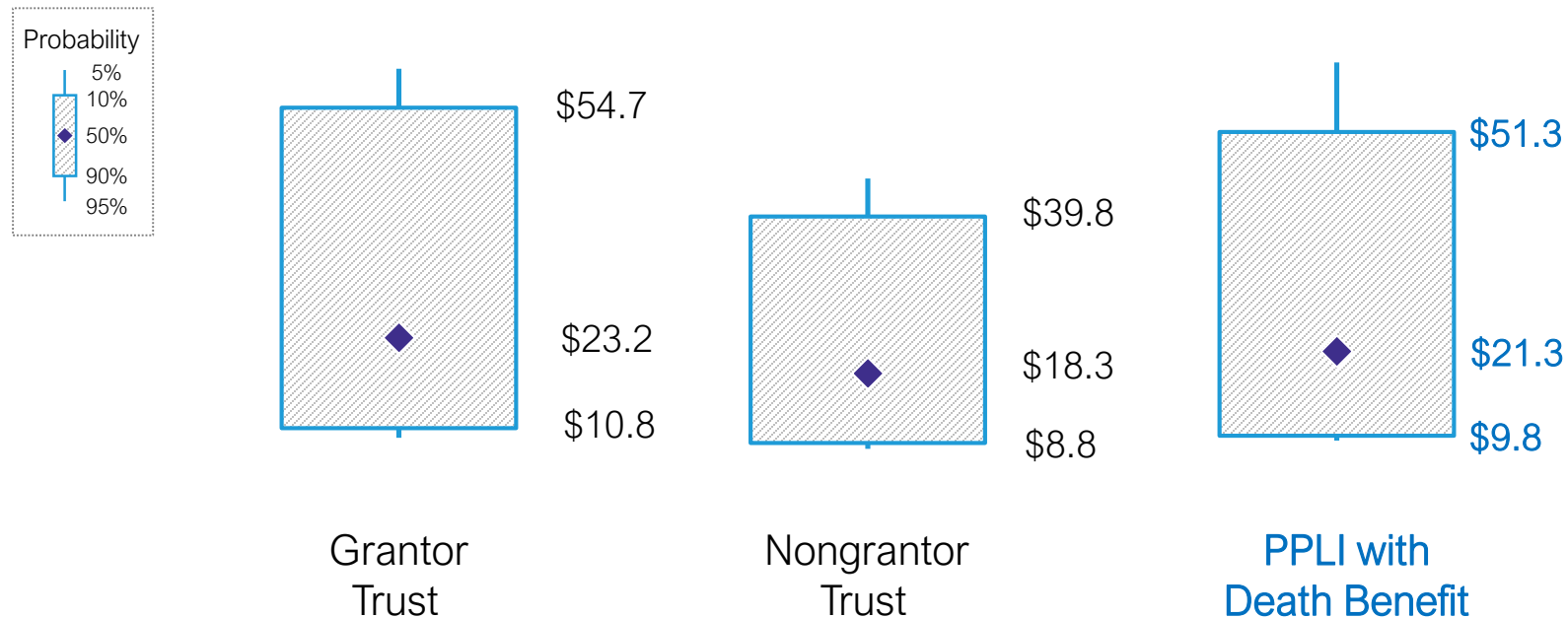
*Based on Bernstein's estimates of median returns for applicable capital markets over next 20 years. Assumes 23.8% effective tax rate for long-term capital gains and qualified dividends, and state income tax of 4.95%. PPLI reflects pre-liquidation cash value. Insurance assumptions—capital gain tax: \$120,000; premium load: \$120,200 (consisting of federal DAC tax: \$78,800, state premium tax: \$2,000, distribution charge: \$39,400); annual mortality and expense risk charge (assessed on total account value) and annual cost of insurance (COI): 0.45%. COI is cost of providing death benefit in excess of policy cash value. Expenses based on AB analysis of illustration provided by insurance carrier.

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Source: AB

...And Tax-Free Death Benefit Provides Additional Value

After-Tax Range of Trust Assets—Year 20* Nominal (USD Millions)



For illustrative purposes only. Data do not represent past performance. Actual returns may be higher or lower than projected.

*Based on Bernstein's estimates of median returns for applicable capital markets over next 20 years. Assumes 23.8% effective tax rate for long-term capital gains and qualified dividends, and state income tax of 4.95%. "PPLI with Death Benefit" includes projected policy death benefit assuming no income tax. Insurance assumptions—capital gain tax: \$120,000; premium load: \$120,200 (consisting of federal DAC tax: \$78,800, state premium tax: \$2,000, distribution charge: \$39,400); annual mortality and expense risk charge (assessed on total account value) and annual cost of insurance (COI): 0.45%. COI is cost of providing death benefit in excess of policy cash value. Expenses based on AB analysis of illustration provided by insurance carrier.

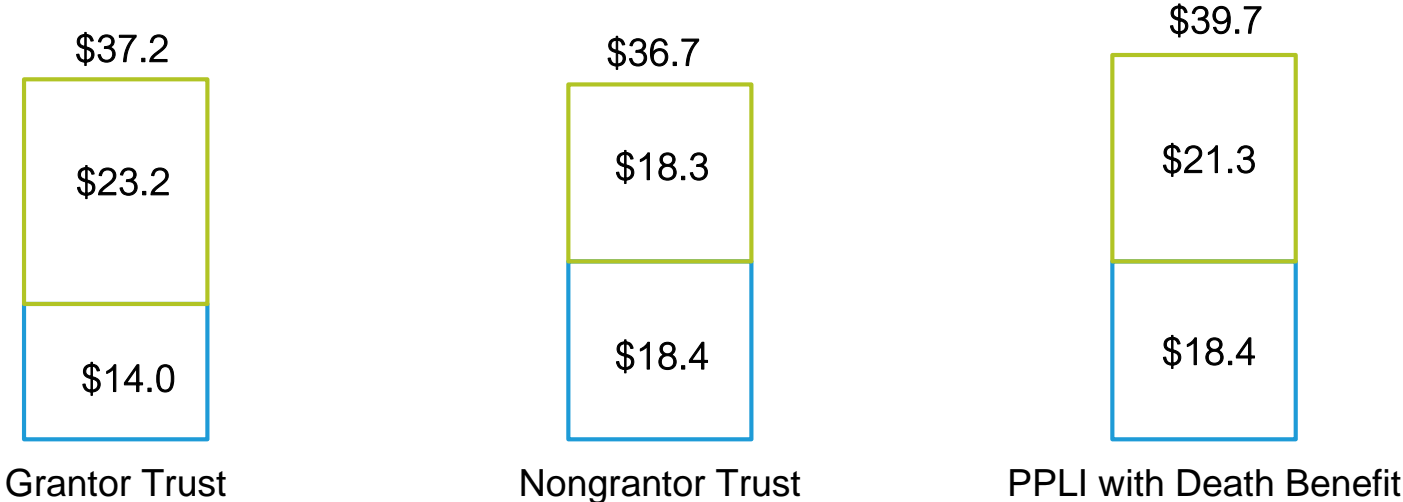
AB is not a legal, tax, estate, or insurance advisor. Investors should consult these professionals as appropriate before making any decisions.

Sources: Lombard International and AB

Grantor Trust Reduces Grantor's Taxable Estate by 24%

Summary Year 20—Median Personal and Trust
(USD Millions—Nominal)

● After Estate Tax Personal ● Children's Trust



\$4.4 million smaller taxable estate due to the income taxes paid on behalf of the trust

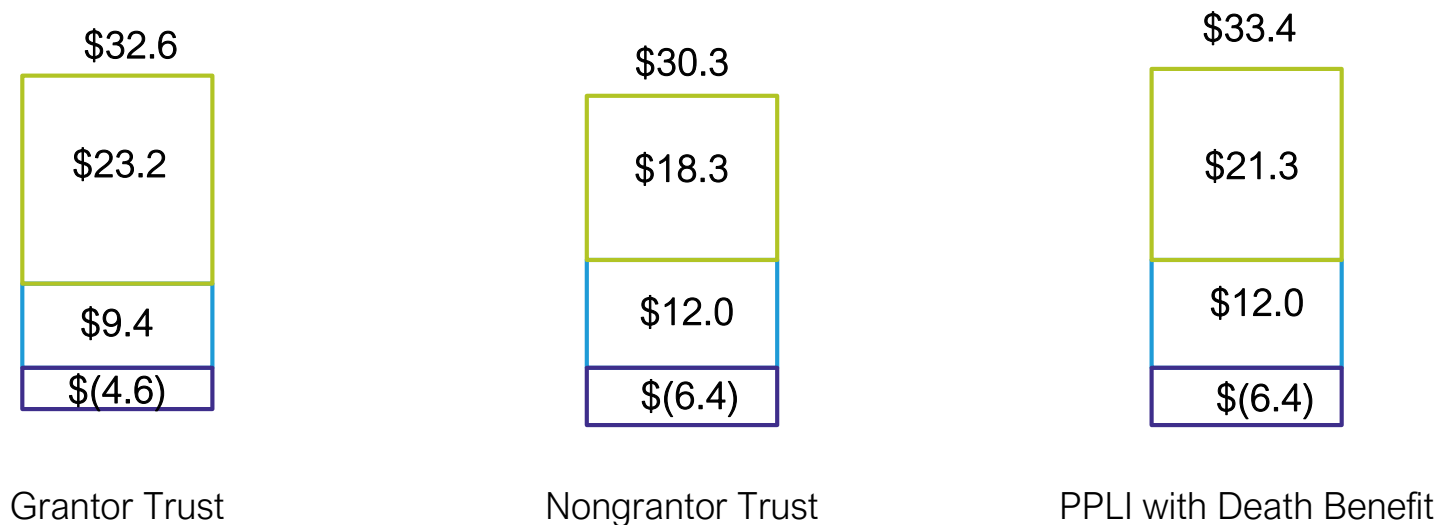
Based on Bernstein's estimates of the range of long-term returns for the applicable capital markets. Data does not represent past performance and is not a promise of actual or range of future results. Asset values are net of investment returns, applicable taxes, and cash flows, including after-tax spending of \$600,000, adjusted with inflation. The median 20-year compound growth return projection for personal assets is 4.7% (40% stocks / 60% bonds), and 6.6% for children's trust assets (80% stocks / 20% bonds). See Notes on Bernstein Wealth Forecasting System in Appendix for further details.

Bernstein does not provide tax, legal, or accounting advice. Please consult with the professionals in these fields before making any decisions.

Total After-Tax Wealth to the Family Increases with PPLI

After Estate Tax, Summary Year 20—Median
(USD Millions—Nominal)

● After Estate Tax Personal ● Children's Trust ● Estate Tax



Net Benefit of PPLI*	\$3.1
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*Net benefit of PPLI strategy in terms of total wealth to heirs relative to Nongrantor Trust. Amount includes irrevocable gifts to heirs. Estate tax assumes current \$11.58 million exclusion sunsets to \$5.79 million in 2026, adjusted for inflation. We assume that the inflation adjustment will make the exclusion amount \$7.5 million in 20 years, with a net exclusion in this case of \$2.5 million after adjusting for the \$5 million lifetime gift. Estate tax is assumed to be 40%.

Based on Bernstein's estimates of the range of long-term returns for the applicable capital markets. Data does not represent past performance and is not a promise of actual or range of future results. Asset values are net of applicable taxes and cash flows, if any. See Notes on Bernstein Wealth Forecasting System in Appendix for further details.



How to Add Alternatives Tax Efficiently?

Insulating a Trust from
Tax-Inefficient Assets

Adding Alternatives Tax Efficiently—A Case Study

- Carol is 65 years old, and her husband Mike passed away in 2018.
- Mike's testamentary will established a Credit Shelter Trust for the benefit of Carol and ultimately their children. The trust is currently valued at \$10 million, and it is all surplus assets: Carol will not need it during her lifetime.
- Geared toward future generations, this trust is invested in equities for long-term growth. However, Carol is considering some alternative investments to provide additional diversification to the portfolio.
- She is interested in tax-deferral strategies in the trust, and wants to avoid receiving K-1s if possible. Her advisor mentioned that a Private Placement Life Insurance (PPLI) policy could accomplish these goals.

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Diagnosing Private Placement Life Insurance

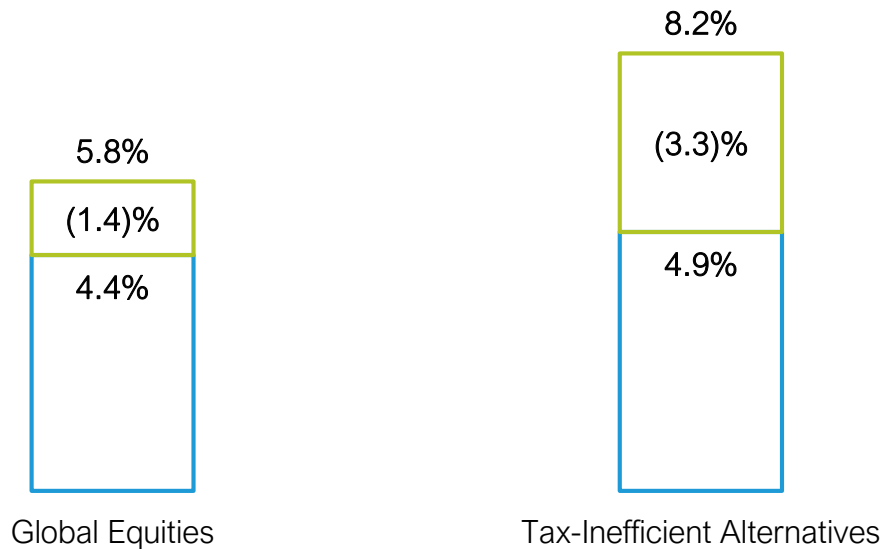
- Private Placement Life Insurance is a life insurance policy without formal securities law registration.
- Purchase of a policy is limited to qualified purchasers and accredited investors.
- Product loads and periodic charges are considerably lower than most retail products.
- No surrender charges.
- Investments within the policy will not be subject to income taxes, with all gains deferred until a withdrawal is made, or avoided if held until death.
- The cash value of the policy is driven by the performance of the underlying investments

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Alternatives Can Provide Attractive Pretax Returns, but Many Are Tax Inefficient...

Projected Median 10-Year Annualized Return (Average Manager)*

- Income Tax
- After-Tax Return



Key Question:

- Is the tax hurdle too high?
- Is the increased return potential worth the illiquidity?

For illustrative purposes only. Data do not represent past performance. Actual returns may be higher or lower than projected. For recipient's use only.

*Based on Bernstein's estimates of median returns for applicable capital markets over next 10 years as of June 30, 2020. Projected pretax 10-year compound annual growth rate. "Global Equities" means 60% US stocks, 31.9% developed international stocks, and 8.1% emerging markets stocks. "Tax-Inefficient Alternatives" is 33.3% securitized assets, 33.3% private credit, and 33.3% long-short hedge fund. Assumes information ratio of zero for actively managed strategies. Assumes 23.8% effective tax rate for long-term capital gains and qualified dividends, 40.8% effective tax rate for Tax-Inefficient Alternatives. See Appendix, Notes on Bernstein Wealth Forecasting, and AIA Description and Methodology, for details.

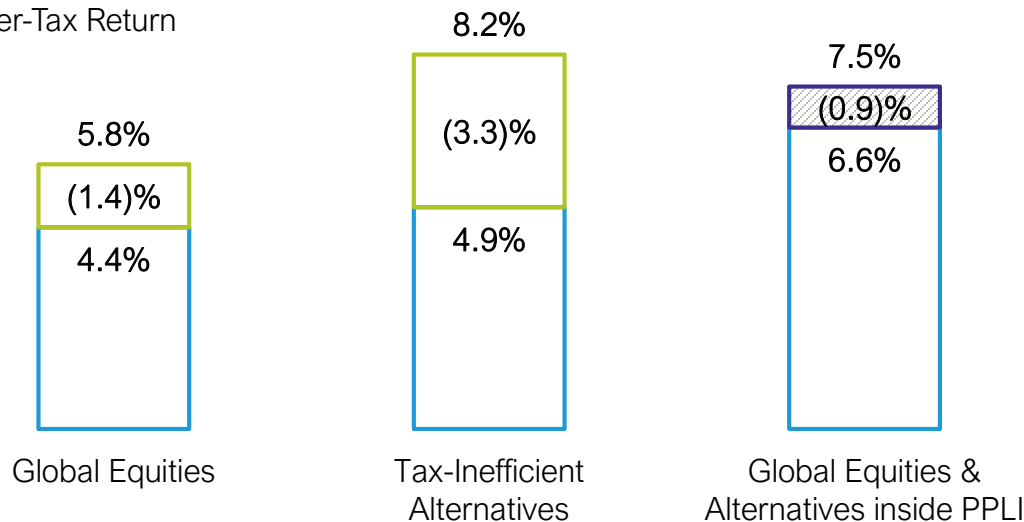
AB is not a legal, tax, estate, or insurance advisor. Investors should consult these professionals as appropriate before making any decisions.

Source: AB

...However, Investing in Alternatives through a Private Placement Life Insurance Policy Can Defer (or Eliminate) the Tax Drag

Projected Median 10-Year Annualized Return (Average Manager)*

- Policy Expenses
- Income Tax
- After-Tax Return



Key Question:

- Is the enhanced return potential worth the
 - added complexity; and
 - time commitment?

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*Based on Bernstein's estimates of median returns for applicable capital markets over next 10 years as of June 30, 2020. Projected pretax 10-year compound annual growth rate. "Global Equities" means 60% US stocks, 31.9% developed international stocks, and 8.1% emerging markets stocks. "Tax Inefficient Alternatives" is 33.3% securitized assets, 33.3% private credit, and 33.3% long-short hedge fund. Assumes information ratio of zero for actively managed strategies. Assumes 23.8% effective tax rate for long-term capital gains and qualified dividends, 40.8% effective tax rate for Tax-Inefficient Alternatives. "Global Equities & Alternatives" means 75% tax-inefficient alternatives (as defined), 12.5% U.S. low volatility/ high yield stocks, and 12.5% global stocks. Assumes information ratio of zero for actively managed strategies. Assumes 23.8% effective tax rate for long-term capital gains and qualified dividends, 40.8% effective tax rate for Tax-Inefficient Alternatives. Taxes upon distribution from PPLI policy are excluded from projections. See Appendix, Notes on Wealth Forecasting, and AIA Description and Methodology, for details.

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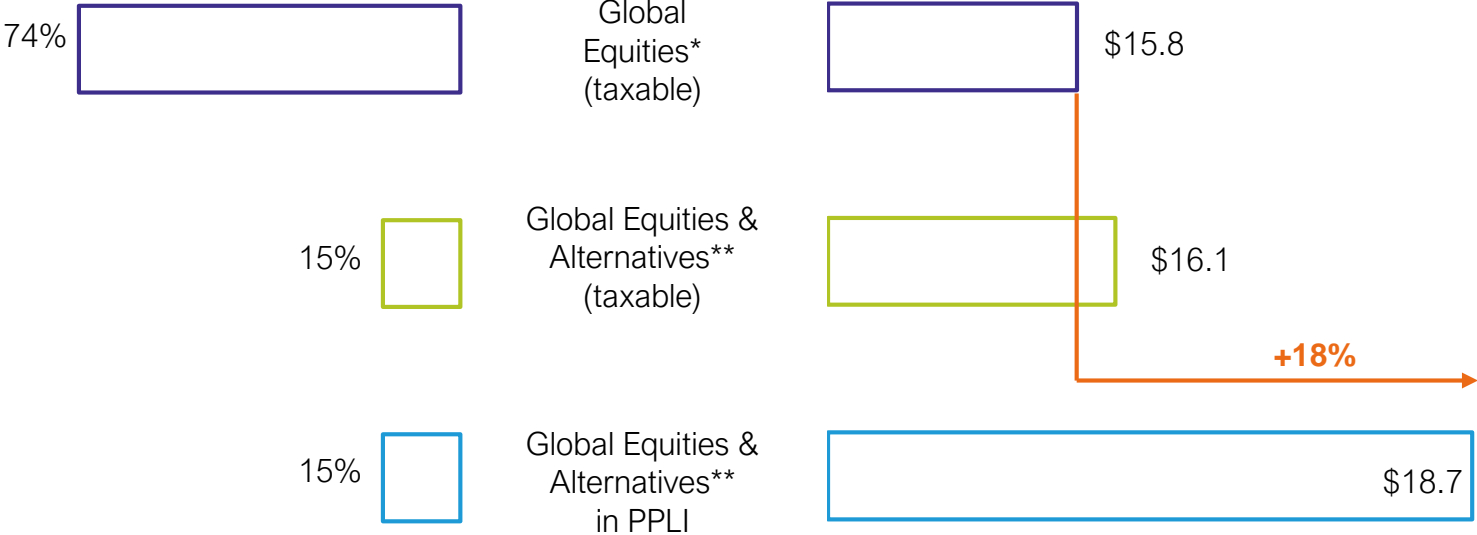
Source: AB

Reduce Volatility and Improve Outcomes

Investment Risk
Peak-to-Trough Loss of 20%
10-Year Horizon

Allocation

Median Projections
10-Year Horizon



These projections are not to be considered investment recommendations by AllianceBernstein L.P. and are not indicative of any one specific AllianceBernstein L.P. product or investment advisory service. Based on Bernstein's estimates of median returns for applicable capital markets over next 10 years as of June 30, 2020.

*"Global Equities" means 60% US stocks, 31.9% developed international stocks, and 8.1% emerging markets stocks.

**Global Equities & Alternatives" means 12.5% U.S. low volatility/ high yield stocks, 12.5% global stocks, 25% securitized assets, 25% private credit, and 25% long-short hedge fund based on Alternatives Impact Analysis (AIA). PPLI assumes initial one time expense of 1.5% of \$10 million premium, and annual expenses of 0.9%. Display indicates pre-liquidation cash value projection for PPLI. See disclosures regarding AIA and all projections.

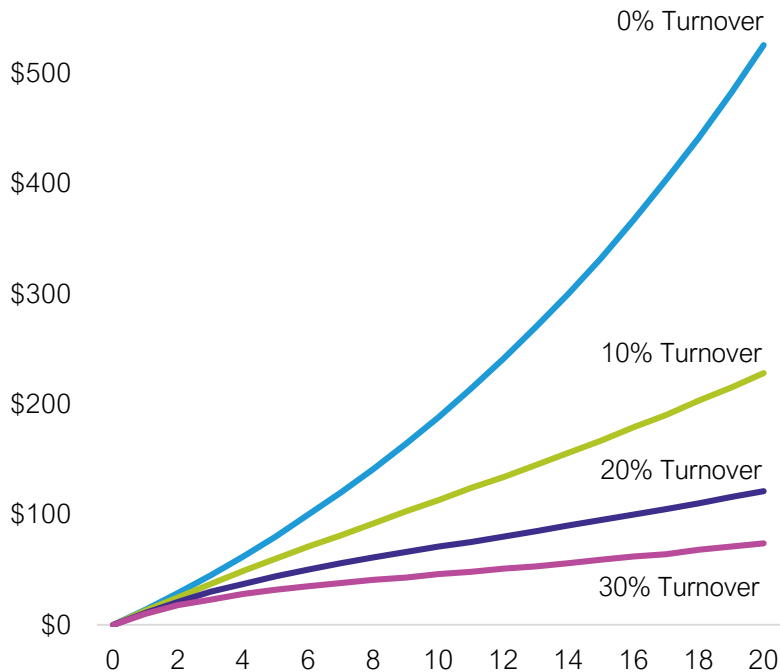
Based on Bernstein's estimates of the range of returns for the applicable capital markets over the next 10 years. Data does not represent past performance and is not a promise of actual or range of future results. See Notes on Bernstein Wealth Forecasting System in Appendix for further details.



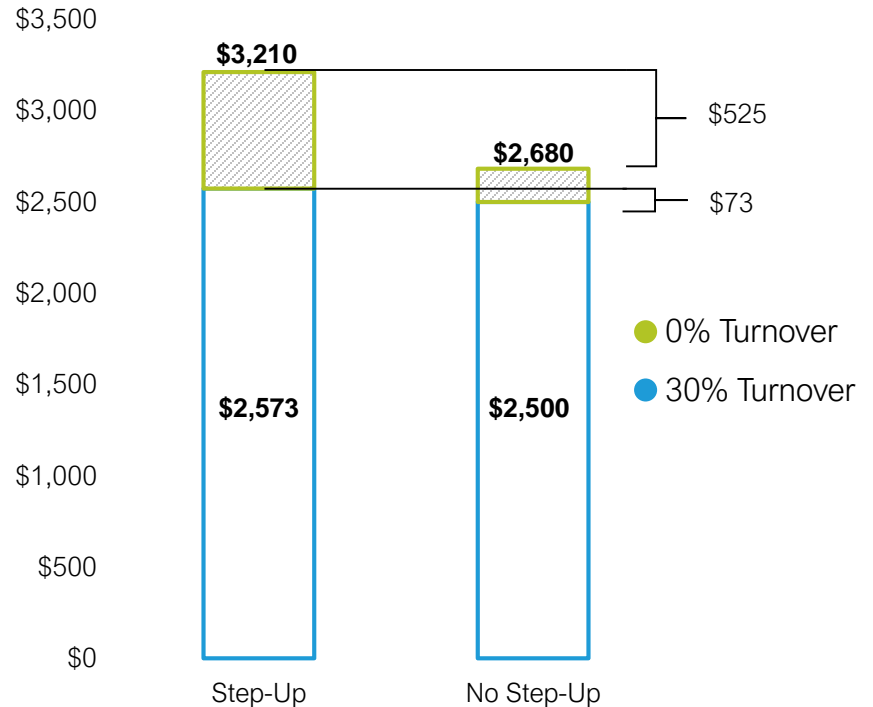
What Is the Value of Getting a Step-Up in Basis?

Benefit of “Step-Up” Highly Dependent on Turnover Rate

Tax Savings Resulting from “Step-Up” Per \$1 million
 Compound Annual Growth Rate 6%
 Annual Turnover Rate
 (USD Thousands, Nominal)



Growth of \$1 million (Net of Tax)—Year 20
 Compound Annual Growth Rate 6%
 0% vs. 30% Annual Turnover Rate
 (USD Thousands, Nominal)



For illustrative purposes only. Assumes a 6% compound annual growth rate on \$100 invested at the beginning of the time period. Assumes 23.8% tax.
 Source: AB

Ways to Maximize Step-Up in Basis

- Retain highly appreciated assets and reduce capital gains realization in estate late in life
- Swap appreciated assets out of grantor trust prior to death
- Maximize assets inside estate up to the applicable exclusion amount
- Utilize Portability in Estate Plan—Additional step-up in basis at second death
- Decant trust to a new trust with a general power of appointment; utilize a formula clause to include assets in the estate to maximize step-up
- Reverse transfers—gift appreciated assets from G2 up to G1 directly or to Power of Appointment Support Trust (POAST)

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Conclusions

Objective—Meet the Challenges of Today's Environment

How Can You Maximize Income in a Low-Yield Market?

Real assets/REITs; High dividend stocks; International stocks; High yield bonds; Alternative assets

What Investment Allocations Can Safely Support Lifetime Spending from a Trust?

Run the forecast! Portfolios with stock exposure are often safer than 100% bonds over long term

How to Balance the Current and Remainder Beneficiaries

A unitrust distribution with a floor and ceiling can be beneficial to all

How Can You Reduce Income Taxes in a Trust?

Should You Distribute from the Trust?—Balancing income tax management with estate tax management

Consider income distributions for beneficiary with surplus estate exemption and low tax bracket

Does Your Grantor Have Tax Fatigue?—The impact of turning off grantor powers and an alternative solution

Private placement life insurance may be a solution

How to Add Alternatives Tax Efficiently?

Private placement life insurance may be a solution

What Is the Value of Getting a Step-Up in Basis?

Low turnover, high growth assets should be targeted to maximize the benefits of a step-up in basis. Many strategies are available.

How Bernstein Can Help

Allow trustees and beneficiaries to pre-experience the impact of investment, distribution, and tax policies on the ability to meet fiduciary and beneficiary goals

Review asset allocation and distribution policy, and revisit as needs, markets, and laws change

Provide fiduciaries with the analytics and investment research to make informed decisions

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Appendix

Alternatives Impact Analysis

The materials and conclusions expressed herein are our present opinions only, reflecting prevailing market conditions and our judgments as of the date these materials were prepared, and are subject to change without notice. They involve a number of assumptions that may not prove valid. Projections contained herein should not be construed as a promise of actual future results, the actual range of future results, or the actual probability that such results will be realized.

The simulations are driven off of initial market conditions that summarize the state of capital markets as of the date indicated. The simulated returns are hypothetical in nature and intended for strategic-planning purposes only; they are not meant to be used to time the market and are not a guarantee of future returns. Projections are updated semiannually and are reviewed by a committee of senior investment and research personnel. See “Notes on Alternatives Impact Analysis” at the end of this presentation for further details.

Alternatives Impact Analysis

Allocation Summary—60/40 with Enhanced Income

Alternatives Report

	Allocation	Allocation with Alts
Risk-Mitigating	40.0%	36.0%
Ind Mgd Intermediate Duration Div Muni Bonds	40.0%	36.0%
Diversifying	21.2%	29.1%
Tax-Managed All Market Income Portfolio – Adv CI	10.2%	9.2%
High Income Municipal Portfolio	11.0%	9.9%
Securitized Assets Fund (Delaware) L.P. CIA	0.0%	3.4%
Private Credit Investors II Class B	0.0%	3.3%
Commercial Real Estate Income Fund – Class 1	0.0%	3.3%
Return-Seeking	38.8%	34.9%
US Strategic Core w/ Income	13.8%	12.4%
International Strategic Equities	17.9%	16.1%
Emerging Market Multi-Asset Fund	2.0%	1.8%
Equity Income Fund	5.1%	4.6%
Total	100.0%	100.0%

See Notes on Alternatives Impact Analysis at the end of this report.

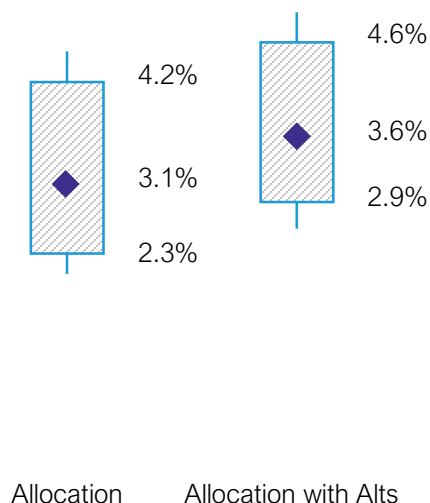
Alternatives Impact Analysis

Alternatives Summary—60/40 with Enhanced Income

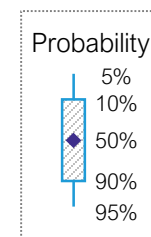
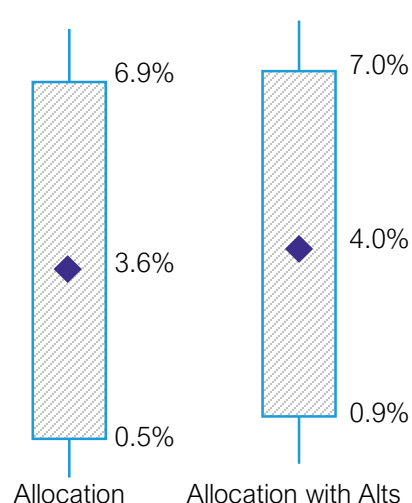
Projected Outcomes Based on Asset Allocation Models (10-year period)

	Median Return	Long-Term Volatility	Prob. of 20% Loss	Tail Risk	Average Income
Allocation	3.6%	9.4%	18%	(20)%	3.2%
Allocation with Alts	4.0%	8.7%	13%	(19)%	3.7%

Range of Projected Income
10-Year Average Annual Income



Range of Projected Returns
10-Year Compounded Annualized Growth Rate



Prob. of 20% Loss is the probability of peak-to-trough losses which may include a multi-year period of difficult markets. Tail Risk is defined as the 99th percentile or worse outcome for an annual loss. See Notes on Alternatives Impact Analysis at the end of this report.

Alternatives Impact Analysis

Allocation Summary—Global Equity with Alternatives

Alternatives Report

	Allocation	Allocation with Alts
Risk-Mitigating	0.0%	0.0%
Ind Mgd Intermediate Duration Div Muni Bonds	0.0%	0.0%
Diversifying	0.0%	75.0%
Arya Partners Fund (Cayman) – Class 8	0.0%	25.0%
Securitized Assets Fund (Cayman) L.P. CIA	0.0%	25.0%
Private Credit Investors II Class B	0.0%	25.0%
Return-Seeking	100.0%	25.0%
US Strategic Core w/ Income	50.0%	12.5%
Global Research Insights DBT	50.0%	12.5%
Total	100.0%	100.0%

See Notes on Alternatives Impact Analysis at the end of this report.

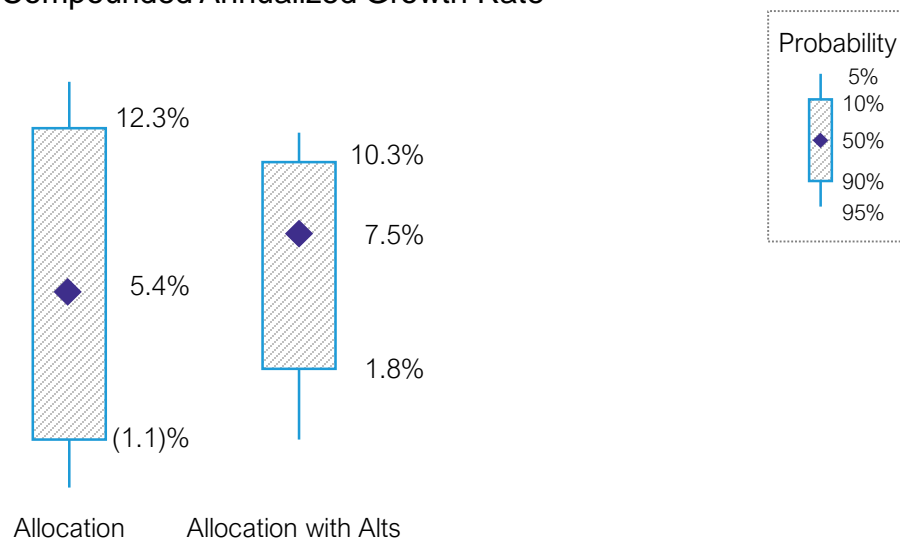
Alternatives Impact Analysis

Alternatives Summary—Global Equity with Alternatives

Projected Outcomes based on Asset Allocation Models (10-year period)

	Median Return	Long-Term Volatility	Prob. of 20% Loss	Tail Risk	Average Income
Allocation	5.4%	17.5%	63%	(35)%	2.3%
Allocation with Alts	7.5%	7.9%	15%	(40)%	4.8%

Range of Projected Returns
10-Year Compounded Annualized Growth Rate



Prob. of 20% Loss is the probability of peak-to-trough losses which may include a multi-year period of difficult markets. Tail Risk is defined as the 99th percentile or worse outcome for an annual loss. See Notes on Alternatives Impact Analysis at the end of this report.

Notes on Alternatives Impact Analysis

1. Purpose and Description of Alternatives Impact Analysis Tool

AB's Alternatives Impact Analysis Tool (AIA) is designed to assist investors in making their long-term investments decisions as to their allocation of investments among categories of financial assets. Our planning tool consists of a five-step process: (1) Client-Profile Input: the client's asset allocation, risk-tolerance level, liquidity needs, goals and other factors; (2) Client Scenarios: a range of expected returns over a 1- to 20-year period for a series of portfolios with different asset allocations assuming the oversight of investment managers with varying levels of skill; (3) The Capital Markets Engine (CME): our proprietary model that uses our research and historical data to create a vast range of hypothetical market returns (beta), which takes into account the linkages within and among the capital markets, as well as their unpredictability; (4) The multi-asset risk model: we use risk analytics from Axioma to forecast risks of a very broad universe of public securities such as stocks, bonds, derivatives including futures, forwards, options, swaps, etc. We then aggregate up security level risk forecasts to product and portfolio level, and finally (5) A Probability Distribution of Outcomes: based on the assets invested pursuant to the stated asset allocation, 90% of the estimated ranges of probable returns and asset values the client could experience are represented within the range established by the 5th and 95th percentiles on "box-and-whiskers" graphs. However, outcomes outside this range are expected to occur 10% of the time; thus, the range does not guarantee results or establish the boundaries for all outcomes. Estimated market returns on bonds are derived taking into account yield and other criteria. An important assumption is that stocks will, over time, outperform long bonds by a reasonable amount, although this is in no way a certainty. Moreover, actual future results may not meet AB'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. The information provided here is not intended for public use or distribution beyond our private meeting. Of course, no investment strategy or allocation can eliminate risk or guarantee returns.

AIA is a multi-asset analytics platform. We run portfolio scenarios that draw from a universe of over 100,000 global securities and consider 10,000 different potential outcomes. AIA is designed to illustrate trade-offs among passive management and active strategies offered by AllianceBernstein, with investment selection dictated by which offerings best match the client's asset allocation and risk tolerance parameters. The universe of investment products that AIA considers includes those products proprietary to AB as well as certain passive investment products covering major market indices. Other investment products not considered within the AIA platform may have characteristics similar or superior to those being analyzed.

Our AIA system is flexible, broad and transparent. With asset allocation parameters as our guide, we calculate sector, geography, market capitalization and other relevant weights across all major asset classes. We analyze both active and passive investments at the underlying security level. We use a risk model provided by Axioma to perform factor and security-based risk decomposition and then generate risk estimates and quantify the impact of manager skill on actively managed products. To round out our analysis, we include metrics on turnover, liquidity and relevant benchmarks to illustrate how the modeled asset allocation aligns with the client's needs and goals.

Return projections are created by separating out alpha from beta. Beta projections are derived by mapping portfolio security holdings into appropriate asset classes in our CME model and applying the CME projections. We project alpha using AB's estimates of the information ratio (IR) of above-average and below-average managers as a proxy for their skills, and using active risk (tracking error) calculated from the Axioma risk model. IR and tracking error are then used to back out the projected alpha. In this manner, we are not attempting to directly forecast manager's excess return, but are still able to quantify the potential impact of active management on forecasted portfolio returns.

Long-term volatility is the standard deviation of annual returns over the indicated investment horizon. Percentage loss is a projected measure of the highest value to the lowest value in an investment portfolio. Because the AIA System uses annual capital market returns, the probability of peak-to-trough losses measured on a more frequent basis (such as daily or monthly) may be understated. The probabilities include an upward adjustment intended to account for the incidence of peak-to-trough losses that do not last an exact number of years. Tail risk is a measure of highly unlikely, yet possible, negative outcomes and represents the average potential annual losses among the 1% worst outcomes. Tail risk may differ from the 10-year probability of percentage losses, which may include a multi-year period of difficult markets. We calculate these measures along with the projected returns using 10,000 projected outcomes from AB's Capital Markets Engine.

Notes on Alternatives Impact Analysis

2. Allocations to Alternative Investments

Any recommendations regarding asset allocations that include Bernstein alternative investments are based on a number of important criteria, including but not limited to consideration of the client's stated financial circumstances and risk profile, the client's investment experience and history, and an analysis of the goals and characteristics of the recommended alternative investments. Recommendations to alternative investments are only available to those clients who are Qualified Purchasers and/or Accredited Investors, as applicable, as those terms are defined under the U.S. securities laws. To determine a client's risk profile, we evaluate the risk/reward ratio of the client's chosen return seeking/risk mitigating allocation before any consideration of alternative investments. We also assess a client's investment experience and history to determine whether or not their investing background and sophistication are commensurate with the complexity and risks associated with a particular alternative investment. Our recommendations for a client's allocation to alternative investments are limited to a level that we believe is suitable for the client's risk profile and experience, as described by the client. Additionally, we closely examine our assumptions regarding the behavior and characteristics of the particular alternative investments we recommend to a client in terms of risk, premium goals, the capital markets and correlation with other products—and only recommend alternative investments that we believe are consistent with the client's investment goals.

Recommendations to alternative investments should not be construed as a promise of actual future results, investments or as legal or tax advice. A description of an alternative investment's underlying assumptions is available on request. The characteristics of alternatives vary widely. Our recommendations are intended only to apply to the specific Bernstein alternatives under consideration. These recommendations are intended to provide guidance only and do not imply that other allocations would not be suitable.

An offer to invest in shares or limited partnership interests of any Bernstein alternative investment is made only pursuant to the offering documents for the specific investment. The offering documents may include a Confidential Memorandum or Prospectus, a Limited Partnership Agreement, current financial statements of the fund and a Subscription Application. All offering documents should be read in their entirety.

The management fees and other expenses, including performance incentive fees (if applicable), that clients pay in connection with their alternative investments are described in the offering documents for the specific investments.

Prospective investors should take into account the following considerations in making an investment decision regarding any Bernstein alternative investment. This is not intended to be a complete description of relevant factors and a comprehensive discussion of risk factors and conflicts of interests can be found in the offering documents related to specific product offering. Please read all offering documents carefully before deciding to invest.

Investments in alternative strategies are speculative and involve a high degree of risk. Alternative investments may exhibit high volatility and investors may lose all or substantially all of their investment. Investments in illiquid assets and foreign markets and the use of short sales, options, leverage, futures, swaps, and other derivative instruments may create special risks and substantially increase the impact and likelihood of adverse price movements. Interests in alternative investment funds are subject to limitations on transferability, are illiquid and no secondary market for interests typically exists or is likely to develop. Alternative investment funds are typically not registered with securities regulators and are therefore generally subject to little or no regulatory oversight. Performance compensation may create an incentive to make riskier or more speculative investments. Alternative investment funds typically charge higher fees than many other types of investments, which can offset trading profits, if any. There can be no assurance that any alternative investment fund will achieve its investment objectives.

Notes on Alternatives Impact Analysis

3. Rebalancing

The AIA model assumes projected risk and returns are calculated assuming annual rebalancing to target allocations. The model ignores the rebalancing implications of liquidity constraints or tax consequences. Actual portfolios would be rebalanced continuously using cash flows in and out of the portfolio, gains generated from turnover, and income generated from dividends and interest.

4. Fees and Expenses

All projected returns in AIA are presented after subtracting investment management fees and incentive fees for each product in the portfolio.

5. Tax Implication

The AIA analysis does not account for taxes.

Before making any asset allocation decisions, an investor should review with his/her tax advisor the tax liabilities incurred by the different investment alternatives presented herein including any capital gains that would be incurred as a result of liquidating all or part of his/her portfolio, retirement-plan distributions, investments in municipal or taxable bonds, etc. AB 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.

6. Technical Assumptions

AB's Alternatives Impact Analysis is based on a number of technical assumptions regarding the future behavior of financial markets. AB's Capital Markets Engine is the module responsible for creating simulations of returns in the capital markets. These simulations are based on inputs that summarize the current condition of the capital markets as of June 30, 2020. Therefore, the first 12-month period of simulated returns represents the period from June 30, 2020, through June 30, 2021, and not necessarily the calendar year of 2020. A description of these technical assumptions is available on request.

Notes on Bernstein Wealth Forecasting System

1. Purpose and Description of Wealth Forecasting Analysis

Bernstein's Wealth Forecasting Analysis is designed to assist investors in making their long-term investment decisions as to their allocation of investments among categories of financial assets. Our planning tool consists of a four-step process: (1) Client-Profile Input: the client's asset allocation, income, expenses, cash withdrawals, tax rate, risk-tolerance level, goals, and other factors; (2) Client Scenarios: in effect, questions the client would like our guidance on, which may touch on issues such as when to retire, what his/her cash-flow stream is likely to be, whether his/her portfolio can beat inflation long-term, and how different asset allocations might affect his/her long-term security; (3) The Capital-Markets Engine: our proprietary model that uses our research and historical data to create a vast range of market returns, which takes into account the linkages within and among the capital markets, as well as their unpredictability; and (4) A Probability Distribution of Outcomes: based on the assets invested pursuant to the stated asset allocation, 90% of the estimated ranges of returns and asset values the client could expect to experience are represented within the range established by the 5th and 95th percentiles on "box-and-whiskers" graphs. However, outcomes outside this range are expected to occur 10% of the time; thus, the range does not establish the boundaries for all outcomes. Expected market returns on bonds are derived taking into account yield and other criteria. An important assumption is that stocks will, over time, outperform long bonds by a reasonable amount, although this is in no way a certainty. 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. The information provided here is not intended for public use or distribution beyond our private meeting.

2. Retirement Vehicles

Each retirement plan is modeled as one of the following vehicles: Traditional IRA, 401(k), 403(b), Keogh, or Roth IRA/401(k). One of the significant differences among these vehicle types is the date at which mandatory distributions commence. For traditional IRA vehicles, mandatory distributions are assumed to commence during the year in which the investor reaches the age of 70½. For 401(k), 403(b), and Keogh vehicles, mandatory distributions are assumed to commence at the later of (i) the year in which the investor reaches the age of 70½ or (ii) the year in which the investor retires. In the case of a married couple, these dates are based on the date of birth of the older spouse. The minimum mandatory withdrawal is estimated using the Minimum Distribution Incidental Benefit tables as published on www.irs.gov. For Roth IRA/401(k) vehicles, there are no mandatory distributions. Distributions from Roth IRA/401(k) that exceed principal will be taxed and/or penalized if the distributed assets are less than five years old and the contributor is less than 59½ years old. All Roth 401(k) plans will be rolled into a Roth IRA plan when the investor turns 59½ years old, to avoid Minimum Distribution requirements.

3. Rebalancing

Another important planning assumption is how the asset allocation varies over time. We attempt to model how the portfolio would actually be managed. Cash flows and cash generated from portfolio turnover are used to maintain the selected asset allocation between cash, bonds, stocks, REITs, and hedge funds over the period of the analysis. Where this is not sufficient, an optimization program is run to trade off the mismatch between the actual allocation and targets against the cost of trading to rebalance. In general, the portfolio is expected to be maintained reasonably close to the target allocation. In addition, in later years, there may be contention between the total relationship's allocation and those of the separate portfolios. For example, suppose an investor (in the top marginal federal tax bracket) begins with an asset mix consisting entirely of municipal bonds in his personal portfolio and entirely of stocks in his/her retirement portfolio. If personal assets are spent, the mix between stocks and bonds will diverge from targets. We put primary weight on maintaining the overall allocation near target, which may result in an allocation to taxable bonds in the retirement portfolio as the personal assets decrease in value relative to the retirement portfolio's value.

Notes on Bernstein Wealth Forecasting System

4. Expenses and Spending Plans (Withdrawals)

All results are generally shown after applicable taxes and after anticipated withdrawals and/or additions, unless otherwise noted. Liquidations may result in realized gains or losses, which will have capital-gains tax implications.

5. Modeled Asset Classes

The following assets or indices were used in this analysis to represent the various model classes:

Asset Class	Modeled As	Annual Turnover
Cash Equivalents	3-month US Treasury bills	100%
Short-Term Treasuries	US Treasuries of 2-year maturity	50
Short-Term Taxables	Taxable bonds of 2-year maturity	50
Short-Term Diversified Municipals	AA-rated diversified municipal bonds of 2-year maturity	50
Int.-Term Treasuries	US Treasuries of 7-year maturity	30
Int.-Term Taxables	Taxable bonds of 7-year maturity	30
Int.-Term Corporates	US investment-grade corporate debt of 7-year maturity	30
Int.-Term Diversified Municipals	AA-rated diversified municipal bonds of 7-year maturity	30
Global Int.-Term Taxables (Hedged)	50% sovereign and 50% investment-grade corporate debt of developed countries of 7-year maturity	30
Int.-Term TIPS	US TIPS of 7-year maturity	30
High Yield	Taxable bonds of 7-year maturity with credit characteristics of CSFB High Yield Index II	30
Global Large-Cap (Unhedged)	MSCI World Index (NDR) Index	15
US Diversified	S&P 500 Index	15
US Value	S&P/Barra Value Index	15
US Growth	S&P/Barra Growth Index	15
US Mid-Cap	Russell Mid-Cap Index	15
US Small-/Mid-Cap	Russell 2500 Index	15
US Small-Cap	Russell 2000 Index	15
Developed International	MSCI EAFE Index (Unhedged)	15
Emerging Markets	MSCI Emerging Market Index	20
Global REITs	NAREIT Index	30
Real Assets	1/3 NAREIT, 1/3 MSCI ACWI Commodity Producer Index, 1/3 DJ-UBS Commodity Futures Index	30
Diversified Hedge Fund	Diversified Hedge Fund Asset Class	33

Notes on Bernstein Wealth Forecasting System

6. Volatility

Volatility is a measure of dispersion of expected returns around the average. The greater the volatility, the more likely it is that returns in any one period will be substantially above or below the expected result. The volatility for each asset class used in this analysis is listed on the Capital-Market Projections page before these Notes. In general, two-thirds of the returns will be within one standard deviation. For example, assuming that stocks are expected to return 8.0% on a compounded basis and the volatility of returns on stocks is 17.0%, in any one year it is likely that two-thirds of the projected returns will be between (8.9)% and 28.8%. With intermediate government bonds, if the expected compound return is assumed to be 5.0% and the volatility is assumed to be 6.0%, two-thirds of the outcomes will typically be between (1.1)% and 11.5%. Bernstein's forecast of volatility is based on historical data and incorporates Bernstein's judgment that the volatility of fixed-income assets is different for different time periods.

7. Technical Assumptions

Bernstein's Wealth Forecasting System is based on a number of technical assumptions regarding the future behavior of financial markets. Bernstein's Capital Markets Engine is the module responsible for creating simulations of returns in the capital markets. These simulations are based on inputs that summarize the current condition of the capital markets as of June 30, 2020. Therefore, the first 12-month period of simulated returns represents the period from June 30, 2020, through June 30, 2021, and not necessarily the calendar year of 2020. A description of these technical assumptions is available on request.

8. Tax Implications

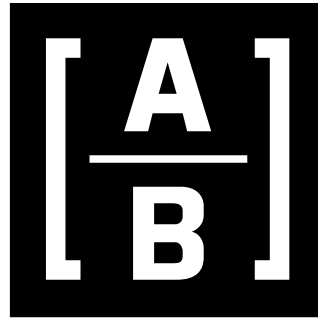
Before making any asset-allocation decisions, an investor should review with his/her tax advisor the tax liabilities incurred by the different investment alternatives presented herein, including any capital gains that would be incurred as a result of liquidating all or part of his/her portfolio, retirement-plan distributions, investments in municipal or taxable bonds, etc. 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.

9. Tax Rates

Bernstein's Wealth Forecasting System has used various assumptions for the income tax rates of investors in the case studies. See the assumptions in each case study (including footnotes) for details. The federal income tax rate is Bernstein's estimate of either the top marginal tax bracket or an "average" rate calculated based upon the marginal rate schedule. For 2014 and beyond, the maximum federal tax rate on investment income is 43.4% and the maximum federal long-term capital-gains tax rate is 23.8%. Federal tax rates are blended with applicable state tax rates by including, among other things, federal deductions for state income and capital-gains taxes. The state tax rate generally represents Bernstein's estimate of the top marginal rate, if applicable.

10. Core Capital Analysis

The term "core capital" means the amount of money necessary to cover anticipated lifetime net spending. All noncore capital assets are termed "surplus capital." Bernstein estimates core capital by inputting information supplied by the client, including expected future income and spending, into our Wealth Forecasting System, which simulates a vast range of potential market returns over the client's anticipated life span. From these simulations, we develop an estimate of the core capital the client will require to maintain his/her spending level over time. Variations in actual income, spending, applicable tax rates, life span, and market returns may substantially affect the likelihood that a core capital estimate will be sufficient to provide for future expenses. Accordingly, the estimate should not be construed as a promise of actual future results, the actual range of results, or the actual probability that the results will be realized.



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