BERNSTEIN

Services and Policies

Investment Management

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Bernstein does not provide tax, legal, or accounting advice. You should discuss your individual circumstances with professionals in those areas before making any decisions relating to your Bernstein account.

Foreword

The Bernstein Private Wealth Management unit ("Bernstein") of AllianceBernstein L.P. ("AllianceBernstein") provides a variety of investment-management services and related ancillary brokerage services designed for individual client objectives. This manual supplements AllianceBernstein's Form ADV Part 2A and Form CRS and describes our investment-management philosophy, services, investment risk factors, and other aspects of your Bernstein account. For further information or for a copy of the Form ADV Part 2A or Form CRS, you should speak directly with your Bernstein Advisor.

Investing is risky. It involves fluctuations in the market value of your invested capital, which may lead to the failure to meet your financial objectives, permanent loss of your investment, and possibly even negative effects on your lifestyle. Before offering you a particular service, we consider all the relevant information that you have provided about your circumstances, objectives, and constraints, including your risk tolerance and tax status, in addition to everything we've learned through decades of research on and experience with capital-markets behavior. Nevertheless, we cannot ensure that your objectives will be attained or that your experience will match your expectations.

Further information on specific risk factors is contained in this manual under "Risk Factors" on page 3. Depending on the portfolio(s) you select, various risk/reward considerations will apply. You should carefully consider the specific risk factors associated with our different services when evaluating their investment objectives.

Asset Allocation and Discretionary Management

Strategic Asset Allocation

We believe that the most important determinant of investment outcomes is strategic allocation—the long-term target mix of assets in your portfolio—and that combining investments that generally behave differently from one another can improve the consistency of portfolio returns. After assessing your specific investment goals, risk tolerance, time horizon, and tax status, among other factors, Bernstein's Financial Advisors will recommend various long-term strategic allocations for your accounts. The different recommendations will represent different levels of risk versus probability of achieving your financial goals. Importantly, you are responsible for choosing the strategic allocation for your accounts. Upon account opening, your chosen strategic allocation will be confirmed to you in writing. If you wish to change the strategic allocation for your account, you would need to provide signed instructions to us. Bernstein cannot unilaterally change your strategic allocation, as described below.

To align your investments with your strategic allocation, your strategic allocation will consist of a mix of three broad categories of assets, which each play a distinct role in your portfolio:

- **Risk-Mitigating** assets are expected to provide stability and income, serving to counterbalance the higher volatility of return-seeking assets. This category may include, but is not limited to, high-credit-quality, short- and intermediate-duration bonds (US, non-US, municipal, corporate, sovereign, and inflation-protected).
- **Return-Seeking** assets are expected to generate more growth, but will also add more volatility and risk than cash or bonds. This category may include, but is not limited to, stocks from US, developed international, emerging markets, and frontier-markets (in large-, medium-, and small-capitalization companies).
- **Diversifying** assets are expected to provide diversification against both return-seeking and risk-mitigating assets. This category may include, but is not limited to, real assets, unconstrained bonds, and diversified hedge funds, including funds of funds.

Bernstein—as a discretionary manager—will manage your account with the objective of maintaining your agreed-upon strategic allocation over time. This will be accomplished through the ongoing investment of cash flows, dividends, and interest. We may also direct the sale of securities or mutual-fund shares to rebalance the portfolio toward its target allocation.

In addition to allocating your portfolio across the categories described above, we also seek to mitigate risk and broaden return opportunities by diversifying within categories, especially in more volatile assets such as equities. This additional diversification can include investing across geographies, investment styles, and market-capitalization range. Adjustments within the risk-mitigating category on the one hand, and the return-seeking and diversifying categories on the other, do not change the strategic allocation of your account.

Use of Discretion

Within the strategic asset allocation that you select, Bernstein will have the authority and responsibility to formulate investment strategies on your behalf, including deciding which securities to buy and sell, when to buy and sell, and in what amounts. Bernstein's portfolio management team can customize the specific investments within each category at any given time to fit your specific needs, which might include factors such as taxes, income, stability, or liquidity. Within each category, on an ongoing basis we will use our discretion—without requiring a signature from you—to adjust these holdings, provided that the change will not increase your fees.

Dynamic Asset Allocation

While your strategic allocation decision is crucial, short-term tactical adjustments to that allocation may help smooth the ride as markets fluctuate. We therefore offer Dynamic Asset Allocation (DAA) overlay portfolios, which can adjust the mix of stocks and bonds, style, geography, and other factors in a client's account based on how risky and how attractive each asset is at any point in time, based on our research. These actions may cause your account's overall exposure to deviate materially from your target strategic allocation during times of expected market volatility. However, such changes will not affect the amount of management fees you pay. The intended result is to lower short-term volatility and mitigate exposure to extreme events without sacrificing the portfolio's long-term return potential.

By instructing us to allocate a specified portion of your account to DAA, you are authorizing us, using our investment discretion, to invest that portion of your overall account in one or more of the DAA overlay mutual funds, and to change the amount allocated to any specific overlay portfolio. Each overlay portfolio will be managed in accordance with its prospectus. DAA is intended to be used only as a part of a broader investment program, rather than as a stand-alone investment. Risk factors associated with DAA include, but are not limited to: the use of derivatives in the overlay portfolios; exposure to asset classes that you may not be invested in through your traditional Bernstein portfolio; and the potential for net short exposure to an asset class or geography when viewed in the context of your overall account.

Please read the prospectus or summary prospectus for additional risks, tax consequences, and other information before investing in the DAA portfolios.

Other Mutual Fund and Collective Investment Vehicles

Exposure to broad asset categories may be gained through individually managed accounts or through investments in a mutual fund or other collective investment vehicle. These investment exposures may be actively managed separately managed accounts, mutual funds and/or exchange traded funds ("ETFs") (see below for more information). Bernstein currently offers actively managed or passive investment ETFs. While passive ETFs aim to replicate the performance of a broader index, actively managed ETFs are managed by portfolio managers making decisions as to which securities to be included in the ETF portfolio.

Investments in mutual funds and other vehicles will be managed solely in accordance with the investment policies, procedures, and guidelines set forth in the prospectus or other offering document. Investments in certain mutual funds and other collective investment vehicles that have broad discretion as to the types of portfolio holdings that may be held at any given time can cause your overall strategic allocation to be substantially different from your target risk allocation (see, e.g., Dynamic Asset Allocation above). Such changes generally will not affect the amount of management fees you pay. However, as described below, an investment in a third-party ETF will cause you to incur the management fee of the third-party ETF manager. Equities investments in mutual funds and other collective investment vehicles will also cause you to incur your pro rata share of the fund's non-management fee expenses.

Other Securities

You may instruct Bernstein to use its full discretionary authority to manage one or more additional accounts in accordance with your strategic allocation using other securities such as third-party sponsored exchange traded funds ("ETFs") (passive or active), exchange traded notes, or preferred stock indices. In doing so, you understand that, with regard to the third-party ETFs, Bernstein does not endorse, have any responsibility for, or exercise control over the management or performance of any of the third-party ETFs and cannot confirm the accuracy of the information provided by the third-party ETFs in any of its disclosure documents. Furthermore, Bernstein cannot guarantee the continued successful operation or liquidity of any third-party ETF. Finally, while Bernstein will endeavor to include any third-party ETFs within the scope of the tax management services that Bernstein offers, Bernstein cannot guarantee that it will be able to do so. You acknowledge that the investment advisor for the third-party ETFs is not a Bernstein-affiliated entity and Bernstein does not have any control over the investment performance of the third-party ETFs held in your account. You will pay fees for managing the third-party ETFs to Bernstein in accordance with the applicable fee schedule provided to you at account opening, as well as fees and other expenses for each third-party ETF to the ETF sponsor as described in the prospectus for each such ETF. Please read the prospectus for each third-party ETF for additional risks and other information.

Other Services

As your investment advisor, we also offer our clients a suite of equity, fixed income, options, and other services with various areas of focus, depending on their investment objective. These services may be specific to geographies, investment styles, market capitalizations, taxable status, and objective (e.g., income generation, capital appreciation, and inflation protection). Depending on the service and the account size, the investment may be offered in the form of individually managed securities, mutual funds, or other collective vehicles, and may be managed by Bernstein or an affiliate or a third party.

While delivering our investment advisory services to you, we may recommend ancillary products and services through our affiliate Sanford C. Bernstein & Co., LLC, that are considered brokerage services for regulatory purposes. Notwithstanding this distinction at the time of any such recommendation, we consider ourselves to be an investment advisor to you and that standard of conduct applies at all times to our entire relationship. For more information on this topic please see our Form CRS.

These ancillary brokerage services include a variety of privately placed alternative investments to qualified investors. Some of these services may require that capital be committed to future investments and have liquidity constraints after capital is invested. Additional information regarding these services, including investment risks and investment policies, is provided in the prospectus, offering memorandum, product profile, and other material relating to the particular service. Please read these materials carefully before deciding to invest.

Unsolicited orders for a purchase or sale of a security are accepted by us as an accommodation to clients and are executed on a best efforts basis. Although we will seek to obtain best execution for the order once it is placed in the market, there may be a delay from when we accept the order until it is routed to an execution venue. Generally, such orders will be placed with a third-party broker for execution. We generally do not accept unsolicited orders from clients who are employees of brokerage firms except in accordance with FINRA Rule 3210.

Individualized Investment Planning

Each account is managed separately and invested according to your stated financial needs and investment goals, risk tolerance, time horizon, and tax status, among other factors. We assist most clients in setting investment goals appropriate for their circumstances. Your Bernstein Advisor can assist you in determining the appropriate strategic allocation for your circumstances.

We may provide global asset allocation guidance through our investment-planning tools. We may utilize a wealth forecasting analysis to illustrate a probable range of outcomes for your asset values over time if invested with different return-seeking, diversifying, and risk-mitigating mixes. In these analyses, we utilize assumptions about the risk and reward potential of different categories of financial assets, and we illustrate a probable range of outcomes after your anticipated withdrawals and after deduction of taxes at your tax rates. This is designed to help you determine whether a particular strategic allocation is suitable to your financial requirements and tolerance for risk. Although assumptions about risks and returns are necessary decision-making tools in these analyses, actual risks and returns may differ since they will be subject to a variety of economic, market, and other variables, and you should not construe these analyses as a promise of the actual future results you may receive. You should review your strategic allocation decision with us at least annually so that any changes in our assumptions or your financial circumstances and objectives can be taken into account.

As part of our investment-planning guidance, we also provide special resources through our Wealth Strategies Group, whose purpose is to counsel high-net-worth private clients who may have special requirements, such as strategies for dealing with specific trust and estate vehicles and concentrated positions in low-basis stock. If this applies to you, we will provide tools to help you compare the implications of holding a large position of a single equity versus selling all or a portion of that position, as well as other strategies. However, before making any decision about wealth-transfer or single-stock strategies, including selling a concentrated position and options-based transactions, you should review the implications of those strategies with your tax and legal advisors. For example, the disadvantages of selling a concentrated stock position include the immediate recognition of taxable gain and the loss of any potential upside in the stock—both of which may be considerable. Certain transactions used to deal with concentrated portfolios may give rise to substantial risk and are not suitable for all clients.

Risk Factors

In addition to the risk factors described below, when investing in any mutual fund or other collective investment vehicle, you should consider the specific risks of that fund before investing. For copies of the prospectus, summary prospectus, or other offering document that contains this information, please contact your Bernstein Advisor. Please read the prospectus, summary prospectus, or other offering document carefully before investing.

Market Risk

Your portfolio is subject to market risk, which is the risk that stock or bond prices in general may decline over short or extended periods of time. Global-equity and debt markets can experience significant volatility, which can cause a decline in the value and liquidity of many investments and could make identifying investment risks and opportunities especially difficult.

Allocation Risk

The diversification provided by combining different investment strategies may cause your return to be lower over any given time period than if the portfolio had owned only the assets that performed better during that period.

Foreign (Non-US) Securities Risk

Investments in foreign securities entail significant risks in addition to those customarily associated with investing in US securities. These risks may be related to adverse market, economic, political, and regulatory factors, as well as social instability, all of which could disrupt the financial markets in which the portfolio invests and adversely affect the value of your portfolio's assets.

Foreign Currency Risk

Changes in non-US currency exchange rates may negatively affect the value of the portfolio's investments or reduce the returns. For example, the value of the investments in foreign stocks and foreign currency positions may decrease if the US dollar is strong (i.e., gaining value relative to other currencies) and other currencies are weak (i.e., losing value relative to the US dollar).

Emerging and Frontier Markets Risk

The risks of investing in non-US securities and currencies are heightened with respect to issuers in emerging and frontier market countries, because these markets are less developed and less liquid and because there is an even greater amount of economic, political, and social uncertainty.

Capitalization Risk

Investments in small- and mid-capitalization companies may be more volatile than investments in large-cap companies. Investments in small-cap companies may have additional risks because these companies have limited product lines, markets, or financial resources. Additionally, markets for the securities of smaller companies tend to be subject to Liquidity Risk (see discussion below).

Interest-Rate Risk

Changes in interest rates will affect the value of investments in fixed income securities such as bonds and notes. Increases in interest rates may cause the value of the portfolio's investments to decline.

Credit Risk

The issuer or guarantor of a debt security, or the counterparty to a derivative or other contract, may become unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Credit risk is greater for medium-quality and lower-rated securities. Lower-rated debt securities and similar unrated securities (commonly known as "high-yield bonds") have speculative elements or are predominantly speculative credit risks. High yield bonds tend to be subject to market risk in the same manner as stocks.

Riskier than a Money-Market Fund

Your bond portfolio may be invested in securities with longer maturities and in some cases lower quality than the assets of the type of mutual fund known as a money-market fund. The risk of a decline in the market value of the portfolio is greater than for a money-market fund since the credit quality of the portfolio securities may be lower and the effective duration of the portfolio will be longer.

Municipal-Market Risk

There are unique factors that may adversely affect the value of municipal securities and have a significant effect on the yield or value of your account's investments in municipal securities. These factors include political or legislative changes, uncertainties related to the tax status of municipal securities, or the rights of investors in these securities.

Inflation Risk

The buying power of your assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of your portfolio can decline, as can the value of the account's distributions.

Liquidity Risk

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the portfolio manager from liquidating such securities at reasonable prices. Illiquid securities may also be difficult to value.

Passive-Investment Risk

Certain ETFs seek to passively replicate an index. Therefore, third-party ETF managers may hold portfolio securities whose issuers are in financial trouble because those securities are in the applicable index. Furthermore, since passive ETFs generally track the composition of an underlying index, such ETFs are unlikely to outperform their benchmark index due to management fees and execution charges. Investment in passive ETFs also generally involve market risk, as such ETF shares are not individually redeemable and are traded on the secondary market at prevailing market prices. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market may not be maintained, especially during times of severe market disruption, and you may have to sell at a significant discount to NAV or in extreme cases, you may not be able to sell your shares at all. Furthermore, certain ETFs could be subject to counterparty risk to a greater degree than traditional investments.

Derivatives Risk

Certain accounts may use derivatives as direct investments to earn income, enhance return, and broaden portfolio diversification (e.g., DAA), which entails greater risk than if used solely for hedging purposes. In addition to other risks such as the credit risk of the counterparty, derivatives involve the risk that changes in the value of the derivatives may not correlate perfectly with relevant assets, rates, or indices. Derivatives may be illiquid and difficult to price and unwind, and small changes may produce disproportionate losses for the account. Assets that are required to be set aside or posted to cover or secure derivatives positions may themselves go down in value, and these collateral and other requirements may limit investment flexibility. Some derivatives involve leverage, which can make an account more volatile and can compound other risks.

Management Risk

Your account is subject to management risk because it is an actively managed investment portfolio. We will apply our investment techniques and risk analyses in making investment decisions for your account, but there can be no guarantee that our decisions will produce the desired results. New investment services may have short performance histories, and actual investment returns may be substantially lower than any simulated or back-tested results generated prior to launching the service. In some cases, derivatives and other investment techniques may be unavailable or we may determine not to use them, possibly even under market conditions, where their use could benefit the account.

Legislative Risk

The impact of legislation on markets, and the practical implications for market participants, may impact the performance value and/or cost of certain securities, sectors, and asset classes.

Tax-Related Strategies and Communications

Tax Management

Integrating tax considerations into the management of your taxable accounts—factoring in your unique tax situation—is a key aspect of our service. Along these lines, before the end of the calendar year, for taxable accounts, we ask that you supply us with information on any short- or long-term capital gains and/or losses you've realized during the year from sources other than your account(s) with Bernstein, and any short- or long- term loss carryforward; and that you confirm your tax bracket(s) for this year and the next year. Unless you advise us otherwise, we plan to offset realized capital gains with losses on individual security or mutual fund positions in your account if we deem it advantageous for you, choosing among a variety of tax-trading strategies. With your permission, we may also contact your tax advisor or accountant to clarify your tax-planning situation or gather other tax information. When managing taxable accounts, we consider the impact of taxable gains when trading in your account. Our goal is to determine whether selling or holding a security is more advantageous in light of your tax circumstances but always subject to our company-specific research. The tax center on our website provides details on year-to-date capital gains and income as well as our latest tax-related research.

Year-End Tax Report

Where Sanford C. Bernstein & Co., LLC, acts as your custodian, after the end of the year you will receive a comprehensive tax report for each of your accounts, which provides you with information necessary for the preparation of your tax returns. The year-end tax report is designed to provide you with summary and detailed information to complete key items on your federal and state tax returns as these items relate to your accounts with Bernstein, including capital gains and losses, taxable interest and dividend income, and investment-management fees. If applicable, the report also provides you with information on income derived from US Treasury and agency securities that is exempt from state and local taxation, margin interest, accrued interest paid on bonds, foreign withholding on dividends, and state-specific information on tax-exempt income.

Consent for Bernstein to Tax-Manage Your Account

IRS rules permit you to designate which tax lots should be sold when we sell a portion of your holdings. If you do not make a designation, for non-taxable accounts, those securities held the longest will be deemed to be first sold. For taxable accounts, we use our tax-managed approach described above. The rules also permit you to provide us with a standing order to continue to manage your account in a tax-efficient manner according to our tax-management strategy, which involves evaluating the tax implications of every security sale in your account. Unless you instruct us otherwise, we will utilize our existing tax-management approach when selecting the securities in your account to be sold. These instructions will apply to all existing and new taxable accounts in your relationship. If you wish to discuss this matter further, please contact your Bernstein Advisor.

Tax planning and preparation vary with individual circumstances. Because of the complex nature of the tax laws and the complicated calculations required, your tax advisor should review all tax-related communications with us and verify the accuracy of any information included in your tax filings. We are not tax advisors and are not responsible for your tax filings.

How to Open an Investment Account

Opening a managed investment account is simple. You read the account agreement, complete and sign a client profile and application, and transfer or deposit cash or securities with your custodian to fund your account.

Before we accept a new account, we generally require that you talk with one of our Bernstein Advisors. In this investment-planning session, together you will develop a clear understanding of the investment objectives for your account. Your Bernstein Advisor is a trained professional who can work with you to help ensure that your investment program reflects your personal financial situation. We discuss a variety of factors, including your current tax status, your risk tolerance, your current and future financial needs, and your current assets.

It has been our experience that these investment-planning sessions can include topics that our clients should pursue with their attorneys and accountants: wills, estates, trusts, insurance, and other aspects of personal financial planning. **We are not tax advisors, and tax planning varies greatly with individual circumstances. You should consult your accountant and attorney for counsel in their respective areas of expertise.**

After we have a clear picture of your financial situation, we proceed together to set specific investment objectives. At that time, you will instruct us regarding the appropriate strategic allocation for your account and any other restrictions or limitations on the account. Your Bernstein Advisor will then discuss possible plans of action and investment strategies by which your goals may be achieved.

If you use securities to fund your account, we will determine which holdings to retain as part of your managed portfolio. Although we will consider (where you provide us with cost information) the capital gains tax impact of any sales, it is likely that many, if not most, of the securities that you transfer to your account for management will be sold at inception or shortly thereafter. See more about our tax-related strategies in the section “Tax-Related Strategies and Communications” on page 4. After we begin managing your account, we encourage you to inform us in writing of any changes in your personal situation or your tax or financial position.

Policies for Opening an Account and Communicating Instructions to Us

It usually takes up to six business days from our receipt of complete and approved documentation—and from your delivery of cash or securities to fund your account—to the time when we begin purchasing investments for your account. For certain types of securities, as well as accounts involving complex or unusual circumstances, it may take somewhat longer. For instance, because of the nature of the municipal bond market, it may take upwards of 12 weeks or longer before an individually managed municipal bond account is substantially invested. Our performance-measurement inception date for an account commences when it is substantially invested.

For certain accounts, securities may be held by a custodian chosen by you. For these accounts, you must, or must cause the custodian or other administrator to, promptly notify us of any additions to or withdrawals from the account. We will not be responsible for accessing this information through online electronic reporting systems of the custodians, since such information is not necessarily available or reliable. For most private-client accounts, our subsidiary Sanford C. Bernstein & Co., LLC, acts as custodian, and in these cases we will be aware of additions to and withdrawals from your account.

When you deliver to your account any assets for deposit or transfer, we will review the securities as to their appropriateness for the account. Securities deemed inappropriate in view of our investment style or legal restrictions, subject to limitations on our aggregate ownership position, as well as the portion of securities that would be over-weighted in relationship to the total anticipated value of the account, will be sold. As a matter of policy, we manage securities only when, in our opinion, they are appropriate for the account in question. Otherwise, these positions will be sold even if this results in a taxable event. If at some later date we believe one of the securities we have previously sold is attractive for purchase, we may reestablish an investment position in the same security.

For separately managed accounts, the amount of funding required before making an initial allocation will be determined on a case-by-case basis. Depending on the size of the account, a pro rata allocation may be made before all assets are delivered. A partial allocation may, depending upon market conditions, result in temporary exposure to risk that varies from and may be in excess of that which would be normal for accounts where all assets have been delivered at one time. It may also increase transaction costs during the funding period.

We accept reasonable limitations on which securities are bought or sold, such as agreeing not to buy stock of a company for a client's account if the client is an affiliate or controlling person of the company. Please note that by imposing management restrictions you may be precluding our portfolio managers from purchasing those securities that they believe provide the best performance potential for your account. Accordingly, the performance of your account may be negatively impacted in comparison to those without management restrictions. If you wish to change your management restrictions, please contact us so that we may discuss the potential impact to your account.

How to Change Your Asset Allocation or Request a Liquidation

How to Make a Change

You may change your strategic asset allocation or request partial or complete liquidation of your account at any time by sending us written notice signed by all of the authorized signatories for the account. If you are unable to provide written notice, we can also accept recorded verbal instructions on the dedicated Bernstein recorded line. Prior to receiving written notice, if you orally request that we discontinue management, we will do so and confirm these instructions to you in writing. Written notice becomes effective upon our receipt if it is signed by all of the authorized signatories for the account and sent by US mail, certified mail, express mail, or facsimile transmission. A notice of discontinuance of management should specify whether you want us to liquidate securities and other positions in your account.

We offer clients the use of our website in order to provide us with eligible online instructions and elections relating to your Bernstein accounts, subject to certain requirements and conditions such as consenting to electronic delivery and representing that you are able to access the documents. In addition, as an accommodation to our clients, we may, in our discretion, accept account documents and written instructions provided by you outside of the Bernstein website that contain your electronic signature. Please note that we cannot independently verify that an electronic signature is genuine. Accordingly, each time we are presented with your electronic signature, we will deem such use to have been legally authorized by you, and you agree to be bound by any such instruction or agreement. Bernstein will not be responsible for any loss that may arise as a result of our acceptance of such electronic signature if provided outside of the Bernstein website.

We will generally not accept any notice or instruction, including those relating to discontinuance of management, liquidation of positions, or change in strategic allocation, by e-mail, voice mail, internet, or any other electronic system (other than facsimile transmission, approved electronic signatures such as documents signed through DocuSign, certain approved e-mails initiated by your Bernstein Advisor, and instructions on the dedicated Bernstein recorded line). We recommend that you confirm all facsimile transmissions by a phone call since we will not be responsible for any failure in transmission.

At Bernstein, we are greatly concerned with the protection of our clients' assets, particularly in an environment when instances of cyber-security breaches are increasingly common. Accordingly, we will require a signed instruction from all account holders before we transfer funds from your Bernstein account to a third party, and will not release the funds until we have verbally confirmed those instructions with you.

Time Frame to Effect a Change

Under normal market conditions, a change in strategic allocation or a partial or complete liquidation is commenced by the close of business on the business day following our receipt of the notice. While this is our policy, there are times when immediate accommodation of a client request may not be possible—notably, periods of high volatility and extreme trading volume. During such periods, which can occur in any asset class and anywhere in the world, it may take longer for a strategic allocation change or liquidation to be initiated, and the prices of securities may be significantly different at the time of liquidation than at the time of notice. In addition, our efforts to manage your account in a tax-efficient manner may lead to delays in accommodating a strategic-allocation change or liquidation request. Short-term tactical decision-making based on current events or market extremes can be difficult to implement—another reason why we advise clients to take a long-term approach to investing. When we discontinue providing services to you, we will refund the portion of any fee paid in advance that has not been earned.

Investment-Management Fees and Transaction Charges

The appropriate fee schedule is provided to you at account opening and is also available from your Bernstein Advisor. Our investment-management fee schedule is based on the value of your managed assets, including any cash balances. Clients who choose to have assets held by a custodian other than Sanford C. Bernstein & Co., LLC, may make arrangements with that custodian for cash-management services, for which their custodian may impose a separate fee in addition to our investment-management fee.

Clients who engage Bernstein for balanced accounts are billed for investment-management fees at the beginning of each calendar quarter. At the end of each quarter, investment-management fees will be re-calculated based on the average daily net value of the client's accounts, and quarterly fees will be adjusted based on any difference between this amount and the fees billed in advance. Any amounts due from or to the account will be included in the advance billing for the subsequent quarter, with any overpayments credited to the account and underpayments debited from the account.

Bernstein, in its discretion, may recategorize a particular security or fund from one category to another when its investment characteristics, and the role it plays in your portfolio, make it appropriate to do so. For example, a fixed-income security may be recategorized as a return-seeking asset. Such recategorization may cause an increase or decrease in the fee applied to that particular holding. Bernstein will provide you with 30 days' advance notice of any recategorization that will result in a fee increase to you.

Generally, US equity trades for your account will be placed with our affiliated broker, Sanford C. Bernstein & Co., LLC. Trades placed with our affiliate will be executed on an agency basis and will not incur transaction charges. In some cases, we may direct your US equity trades to third-party brokers. Although your account will also not incur transaction charges for those trades, those brokers may execute your trade on a principal or "net" basis, which may include a markup/markdown or commission in the execution price. We will only direct your trades to such unaffiliated brokers if we believe that the resulting execution would achieve our duty of best execution for your account. The trade confirmation that you will receive will specify if a trade was executed by a broker other than Sanford C. Bernstein & Co., LLC.

Clients who choose to have assets held by a custodian other than Sanford C. Bernstein & Co., LLC may also be charged fees or transaction-related charges by that custodian.

Claims on Behalf of Clients

Bernstein files Class Action claims for eligible current clients on a best efforts basis. However, Bernstein will only file class action proof of claims for those clients when the information required to file has been provided within the past 10 years. Although AB maintains the vast majority of this information electronically, AB is not required to keep records for more than 10 years according to local regulations and customs. All former Bernstein clients eligible for a Class Action case receive a letter from Bernstein advising them of the upcoming case. The letter includes information about the securities involved in the case, a proof of ownership report and a claim packet that the former client may elect to complete and return to the Claims Administration. Bernstein provides this letter for informational purposes only and does not provide any further information regarding the class action case or file the claim on behalf of the former client.

SIPC and Excess SIPC Private Insurance

All client accounts held at Sanford C. Bernstein & Co., LLC, are protected by insurance coverage provided by the Securities Investor Protection Corporation ("SIPC"). SIPC protection covers $500,000 worth of assets held for each individual or organization (of which $250,000 may be in cash). In addition, we provide $49,500,000 of private insurance (known as excess SIPC coverage) for securities, for a total of $50,000,000 (of which $1,500,000 may be in cash) of insurance coverage. As of June 30, 2020, the maximum amount payable to all Sanford C. Bernstein & Co., LLC, clients under the excess SIPC coverage is $1 billion. This account protection does not cover the risks associated with investing. Certain types of assets, including interests in limited partnerships and other securities that are not registered with the US Securities and Exchange Commission, are not protected by SIPC. Positions that are not held in your account are not in the custody or control of Sanford C. Bernstein & Co., LLC, and are not covered by SIPC or any additional SIPC insurance secured by Sanford C. Bernstein & Co., LLC.

Additional information regarding the protection of your cash and securities holdings is available from your Bernstein Advisor.

Privacy Policy

At AllianceBernstein, protecting the privacy and confidentiality of our clients' personal information is a priority. We understand that you have entrusted us with your private financial information, and we do everything possible to maintain that privacy. The following sets forth our approach to ensuring the confidentiality of your personal information:

- We never sell client lists or information about our clients (or former clients) to anyone.
- In the normal course of business, we collect information about our clients from the following sources: (i) account documentation, including applications or other forms (which may include information such as the client's name, address, Social Security number, assets, and income) and (ii) information about our clients' transactions with us (such as account balances and account activity).
- We have strict policies and procedures to safeguard personal information about our clients (or former clients) that include (i) restricting access and (ii) maintaining physical, electronic, and procedural safeguards that comply with federal standards for protecting such information.
- To be able to serve our clients and to provide financial products efficiently and accurately, it is sometimes necessary to share information with companies that perform administrative services for us or on our behalf. These companies are required to use this information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

Notice to Residents of California

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