BERNSTEIN

Bernstein Private Wealth Management

An Introduction for Banca Generali

14th October 2022

Christopher Opie – Managing Director, Co-Head Global Families Washington, D.C.

Agenda

Introducing Bernstein Private Wealth Management

Defining our Wealth Platform

Client Specific Expertise & Market Segmentation

A Closer Look: Bernstein's Global Family Practice

Who We Are: At A Glance

Assets Under Management
$647 Billion

History
50+
Years helping clients reach their financial goals

Private Wealth AUM
$105 Billion

Diversity and Inclusion

HUMAN RIGHTS CAMPAIGN

A perfect score of 100 on the Corporate Equality Index four years in a row

CEO ACT!ON FOR DIVERSITY & INCLUSION

Proud member of a growing coalition pledging to advance diversity and inclusion in the workplace

Research Analysts
342

Revenue
100%
From investment research and management

Debt
$0.00
Long-term debt on Bernstein's balance sheet

Offices
51 cities
26 countries

Responsible Investing
~100 employees directly supporting responsible investing initiatives

Performance based fees
Aligned interests, accountability, and transparency

Invest with Intention℠

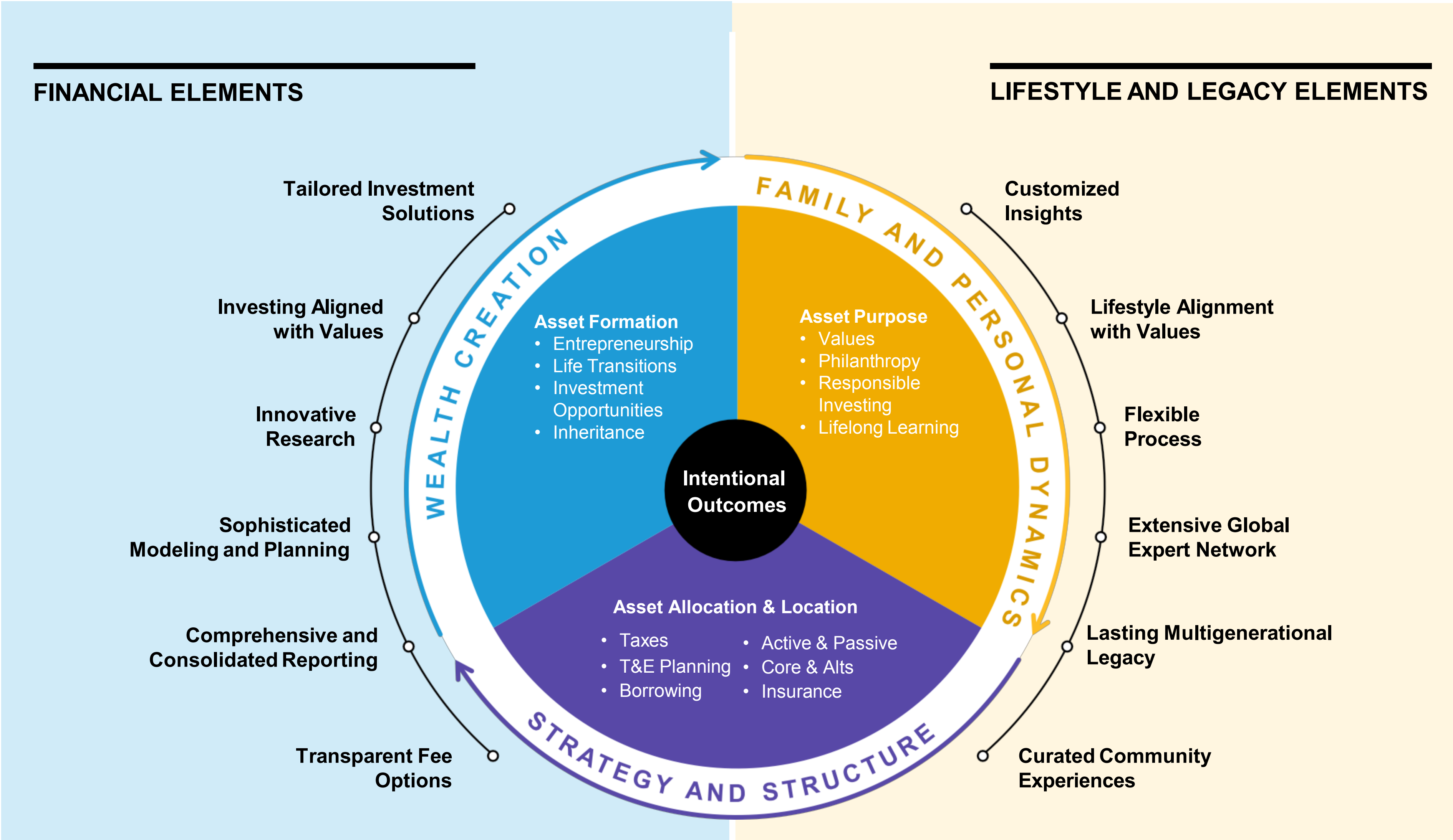
What We Stand For

- Trustworthiness
- Innovation
- Teamwork
- Equity
- Community
- Responsibility

As of June 30, 2022. The number of research analysts and employees directly supporting responsible investing initiatives relates to all analysts and employees working at AllianceBernstein L.P. affiliated subsidiary companies. Please note, Bernstein Research does not provide investment management services to Bernstein Private Wealth Management clients.
Source: AB

The Future of Investment Advice: A Holistic Wraparound Model

We advise clients on planning for, and living with, the complexities that come with wealth



For Illustrative purposes only. Bernstein does not provide tax, legal or accounting advice.

Portfolio Construction: An Array of Options, Tailored for You

Building blocks for customization

Stocks

- Passive
- Balanced Multi Factor
- Purpose-Driven
- Low Volatility
- Yield Focused
- Highly Concentrated
- Growth
- Value

Bonds

- Core Intermediate Duration
- Stability
- Inflation Linked
- Cash Plus
- Income
- Passive

Alternatives

- Private Credit
- Private Equity
- Alternative Credit
- Hedge Funds
- Opportunistic
- Direct Real Estate
- Option Strategies
- Co-invest Opportunity

For Illustrative purposes only. There can be no assurance that any investment objective will be met.
Source: AB

The Bernstein Wealth Advisor

- Training
  - FAs undergo a 13 week full time training program upon joining Bernstein.
  - Capital markets, discovering needs, advanced wealth planning, personal brand development
- Segmentation
  - Based on a FAs background and interests, they may focus on 1-2 client audiences
  - Examples: Non-Profit Organisations, Entrepreneurs, Corporate Executives, Global Families
- Time Allocation
  - FAs 0-3 years spend 75% of their time on business development
  - High expectations around activity, partnership with internal resource and technology engagement
- Technology Enablement
  - FA are trained on a number of tools to increase efficiency
  - Zoom, Salesforce CRM and email marketing, Calendly, and proprietary wealth planning tools.

Curriculum

Week 1
- Introduction to the Firm
- Trusted Advisor
- Discovery

Week 2
- Client Audiences: Executive & Concentrated Stock, Athletes & Entertainers, Professional Practice Owners, Corporate Services
- The Sales Process

Week 3
- The Sales Process Continued
- Best Practices for Networking
- Client Audiences: Family Law, Private Business Owners

Week 4
- Basic Meeting Skills
- Client Institutes: Global Families, FIA, Philanthropy, Family Engagement

Week 5
- Wealth Forecasting Analysis Module

Week 6- Retreat
- Midterm Role Plays
- Trust & Estates Module
- Understanding Personality Types

Week 7 – Home Office Week

Week 8
- Going Direct
- Branding
- Equity Services

Week 9
- Equity Services cont.
- Fixed Income Services
- Launch Plan

Week 10
- Complex Planning/WFA
- Alternatives & Focused Equities

Week 11
- Getting to a Recommendation
- Asset Allocation Advice

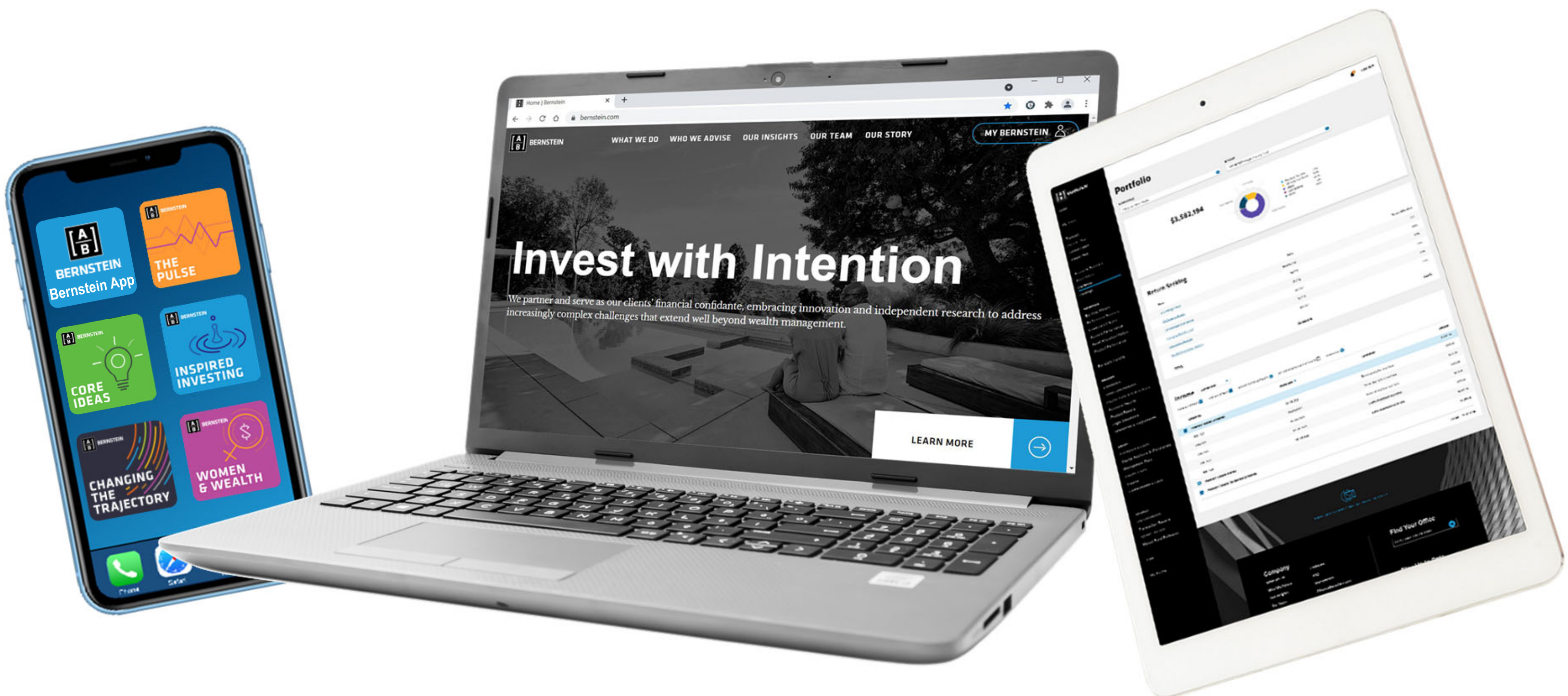
Week 12
- Best Practices for Working with Clients
- Best Practices for Working with Prospective Clients

Week 13 - Retreat
- Final Retreat Role-plays
- Capstone Project Presentation
- Whiteboarding Presentation
- Launch Plan Presentation

Ongoing: CM Discussion, Advisor Q&A and Articulating the Firm

Keeping You Connected and Informed

Customizing communication to meet your needs



1-on-1 Meetings

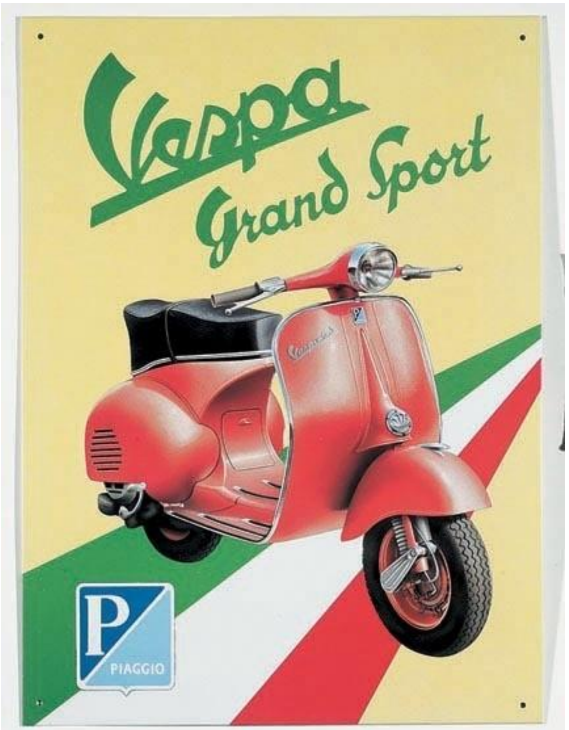
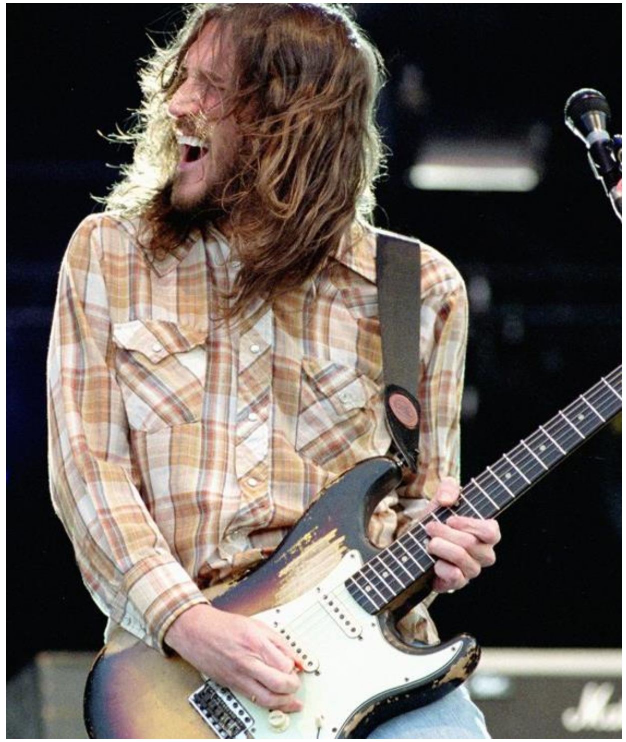
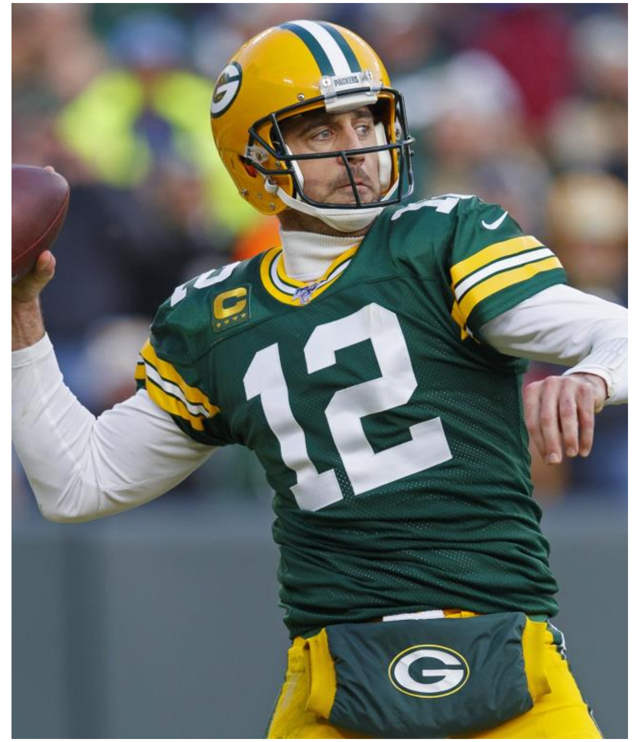
Virtual Research Library

Detailed Reporting

Local Experiences

Industry Research

National Summits


Vespa
Grand Sport
PIAGGIO


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Planning: The Critical First Step

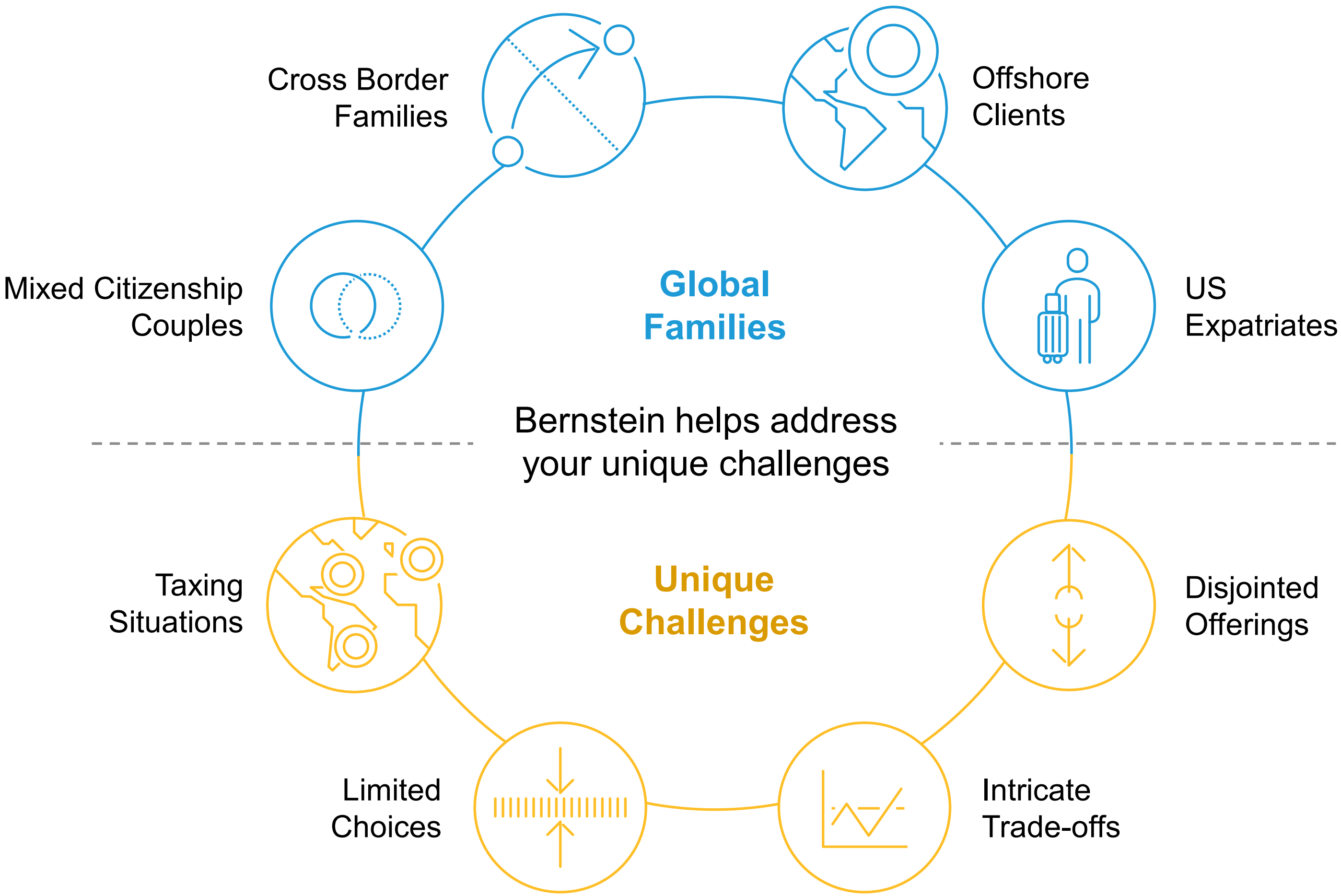
Dedicated team of planning professionals

We partner directly with tax and law professionals:

- Customizing our high-caliber research while applying state-of-the-art planning and modeling capabilities
- Quantifying the impact of different strategies on total family wealth
- Providing options to evaluate and the confidence to take action

Dedicated Team of Planning Professionals. 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.

Global Families Are Distinct

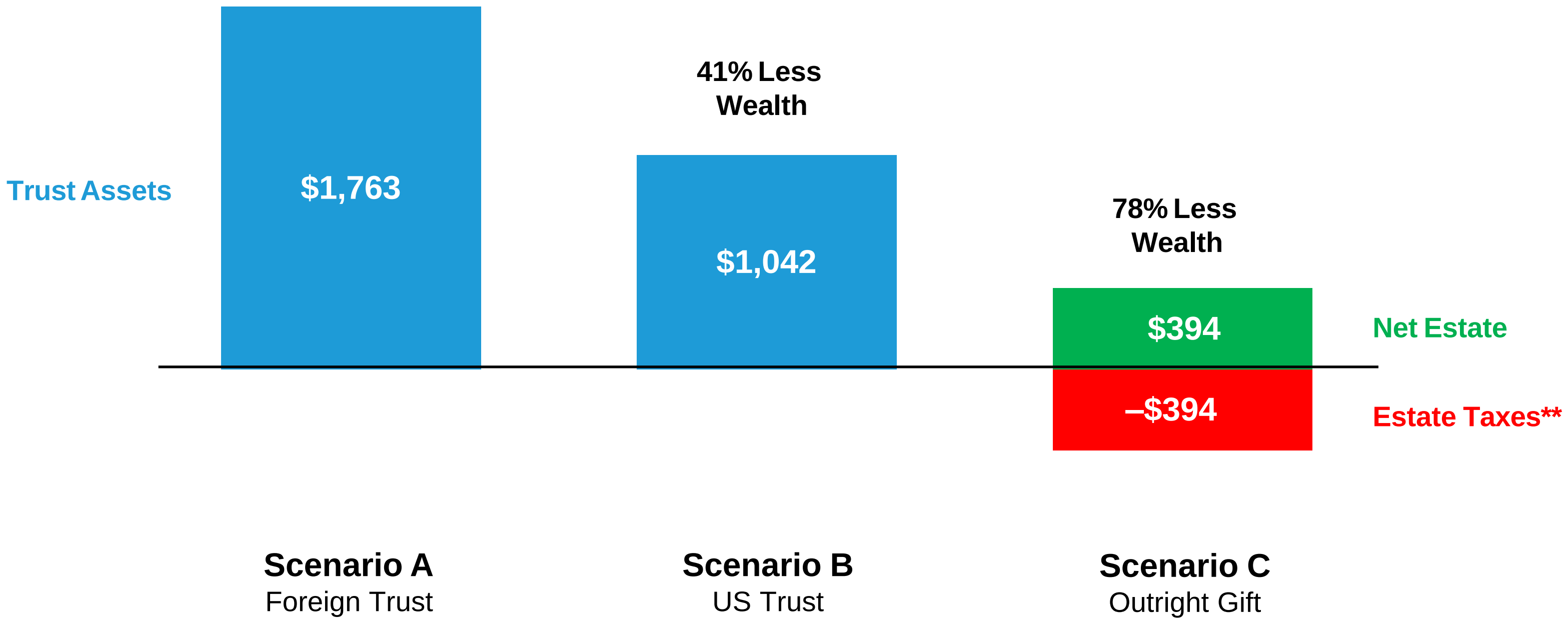


Client Case Study

- A prominent Italian industrial family had structured their wealth through a series of trusts, to protect their interests, and allow for a global investment approach.
- The trusts were written under Jersey (Channel Islands) law, and administered from Switzerland, for the benefit of Italian citizens and residents.
- Several generations later, a trust beneficiary married a US citizen and had a US citizen child.
- Administering a Non-US trust for a US person is complex, with many challenging investment and accounting considerations.
- The trustees turned to Bernstein to help them evaluate options for the trust, and to ultimately open investment accounts for the trust assets intended for the US citizen child.
- This example allowed us to bring clarity to a highly complex situation, and gave us a chance to demonstrate our investment capability for European families, with a US connection.

Potential Wealth After 40 Years ($100M Portfolio, No Spending)

Typical Markets* (Year 40)
Net of US Income and Estate Tax (USD Millions, Nominal)



*"Typical markets" means 50th percentile results 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 December 31, 2019) over the next 40 years.

**Assumes blended federal and New York estate-tax rate of 50%. Assumes that no lifetime applicable exclusion is remaining.

Please see "Analysis Assumptions" for more information about assumed assets and allocations. **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.

What Can Bernstein Distinctly Apply?

Insights
Analysis and planning expertise

- Experienced team with a **following among industry experts**
- Customized state-of-the-art analyses to **crystallize the economic value** of complex planning decisions
- **Sizing pools of capital** for after-tax living expenses, endowment or generational spending
- Ability to **quantify trade-offs of offshore and onshore structures** for:
  - pre-immigration planning
  - US beneficiaries of foreign trusts
  - transfers of foreign wealth to US taxpayers
  - temporary move to and from the US
  - US citizens living abroad

Solution Set
Strategies

- **Integrated** advice and fees
- **No increased minimums** for global families
- **Onshore/offshore platforms** with broad array of global investment strategies
- Offshore **feeders for alternative investment** strategies
- Thoughtful investment allocation with **sensitivity to different tax exposures**
- Flexibility **to minimize US tax exposure** for non-US investors
- **Competitive, aggregated** fees

Execution
How we make it happen

- **Unified** point of contact and service
- **Holistic and tax efficient** asset allocation
- Integral, collaborative members of Global Families advisory team, bringing **award-winning expertise***

- **Proactive** rebalancing
- **Comprehensive, integrated** reporting
- **Seamless transition** between platforms to accommodate evolving needs and status changes

*Named 2021 Financial Advisor Team of the Year by STEP. 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.

Important Information

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The value of an investment can go down as well as up and investors may not get back the full amount they invested. Capital is at risk. Past performance does not guarantee future results.

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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 72. 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 72, 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 indexes 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 the date in the footnotes of that page. 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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