

Item 1 – Cover Page

WILLIAM BERNSTEIN ASSET MANAGEMENT, LLC

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April 7, 2015

This Brochure provides information about the qualifications and business practices of William Bernstein Asset Management, LLC. If you have any questions about the contents of this Brochure, you may contact us at (503) 488-5581 or bill@bernsteinasset.com to obtain answers and additional information. William Bernstein Asset Management, LLC is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about William Bernstein Asset Management, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for William Bernstein Asset Management, LLC is 175220.

Item 2 – Material Changes

This Brochure is our initial brochure. There is no previous annual update to our Brochure.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for William Bernstein Asset Management, LLC is 175220. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting William Bernstein, Compliance Officer of William Bernstein Asset Management, LLC at (503) 488-5581 or bill@bernsteinasset.com. Our Brochure is provided free of charge.

WILLIAM BERNSTEIN ASSET MANAGEMENT, LLC
Form ADV Part 2A

Item 3 – Table of Contents

	<u>Page</u>
Contents	
Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	3
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading	10
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts	12
Item 14 – Client Referrals and Other Compensation	13
Item 15 – Custody	14
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities	16
Item 18 – Financial Information	17

Item 4 – Advisory Business

- A** William Bernstein Asset Management, LLC (“WBAM” “we” or “us”) is an investment advisory firm formed in February 2015 and located in Portland, Oregon. We are registered with the Securities and Exchange Commission and we provide investment management, financial planning and insurance strategies to individual and corporate clients. The principal owner of WBAM is William Bernstein.

Our investment advisory services are driven by and coordinated with each Client’s individual financial goals. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. Our strategies focus on long term results based on lowest possible level of risk to obtain highest reasonable returns. We follow strict fiduciary standards, asking ourselves “knowing what we know about the markets and our clients, what would we do in their situation”. Our investment advice is independent and beholden to no investment company or mutual fund. Our clients’ interests are first and foremost in our minds.

- B, C** We help Clients coordinate and prioritize their financial lives with all aspects of their life goals. For many clients this involves close coordination of business, retirement and personal assets. Client input and involvement is critical to our customized approach to investment management. We spend many meetings with our clients discussing short, mid and long term objectives prior to establishing investment policy. These discussions will not only involve questions of risk and income but also key factors such as taxes, family circumstances and inheritance objectives. Many clients have sensitive estate planning needs which are to be addressed through their investment plans. We require ongoing conversations with clients following the implementation of investment strategies. We meet with our clients to review progress, understand changes in circumstance and to address needed changes due to market movement.

WBAM has discretionary authority over Client funds. Discretionary authority means that we have the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. Discretionary authority allows us to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client’s prior approval.

Advice and services are tailored to the stated objectives of the Client(s). We create an investment policy statement for each client which summarizes their investment objectives, risk tolerance, time horizon, and projected future needs. This policy guides us in objectively and suitably managing the Client’s investment accounts. It also provides a means by which to evaluate results. The statement is reviewed and updated at least annually as a part of our ongoing review process. We recognize that the IPS sets the tone for our investment work and that many clients may have objectives relating to tax and inheritance which are dealt with and recognized/discussed in other planning documents prepared by us or key, outside, legal and accounting professionals.

Our approach uses index and passively managed no-load funds to manage client portfolios. We employ asset-allocation strategies based primarily on modern portfolio theory. In addition, our proprietary method of rebalancing is used extensively in tax-sheltered accounts; in taxable accounts, similar rebalancing strategies are used, but tax issues form an integral part of the methodology.

For the fixed income portion of a portfolio, we generally recommend that the client hold one or more bond funds (taxable and/or tax-exempt) and laddered U.S. Treasuries and FDIC-insured CDs, as appropriate to the client's circumstances.

We do not offer advice on individual stocks or individual corporate bonds.

- D** We do not participate in or sponsor any wrap-fee programs.
- E** We manage \$0 of Client assets on a discretionary basis and \$0 of Client assets on a non-discretionary basis. This amount was calculated as of April 7, 2015.

Item 5 – Fees and Compensation

- A** INITIAL FEE - WBAM generally charges its clients an initial fee for: the series of consultative meetings at the onset, the investment policy (asset-allocation design), specific investment recommendations, and the initial written report detailing the investment strategy and implementation plan. This fee ranges from \$10,000 to \$30,000, depending on the size and complexity of the portfolio. Initial fees are negotiable solely at WBAM's discretion.

ANNUAL MANAGEMENT FEE – WBAM generally charges its clients an annual management fee of 0.32% on the first \$10 million in assets plus 0.20% on the next \$40 million in assets plus 0.15% on all assets above \$50 million. Advisory fees are negotiable solely at WBAM's discretion.

- B** Initial fees are payable at the time that the client signs the advisory contract. Annual management fees are payable in arrears in four quarterly installments: at the end of each quarter. WBAM will bill the client an amount equal to one-quarter of the calculated annual fee with a minimum quarterly fee of \$8,000. Any partial quarters are pro-rated. The advisor deducts quarterly management fees from client accounts.
- C** In addition to fees paid to WBAM, the client will incur transaction fees and the usual expenses charged by mutual fund companies.
- D** Either party may terminate the investment advisory contract at any time by sending a written communication to the other party. The ongoing management fee will cease upon WBAM's receipt of notice of termination and WBAM will bill the client for that portion of the quarter already elapsed. For a refund of the initial fee, the client may rescind the investment advisory contract within five business days of signing and receive a full refund, less \$300 per hour for advisory services already rendered.
- E** WBAM does not receive any compensation for the sale of securities or other investment products, including asset-based sales charges or transaction fees from the purchase or sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

WBAM does not charge any performance-based fees for its services or provide side-by-side management.

Item 7 – Types of Clients

We provide investment advice to individuals, high net worth individuals, trusts, foundations, and other charitable entities. The minimum portfolio size for ongoing management is \$25 million, negotiable solely at WBAM's discretion. Due to the limited number of clients the advisor intends to work with, WBAM will consider prospective clients vis-à-vis their rapport with the principals, a match in investment philosophy, and overall fit between the prospective client's needs and the firm's services.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

ANALYSIS METHODS

WBAM manages equity investments primarily with no-load mutual funds and, occasionally, with exchange-traded funds (ETFs) or traditional closed-end funds. The method of analysis and selection is based on the cumulative investment experience and research of the partners, but can best be summarized as follows:

After determining the appropriate target allocations of cash, bonds, and equity investments for a client's portfolio, the advisor selects specific funds within the asset and sub-asset classes. Factors include:

Mean variance analysis and portfolio back testing, as well as a conservative and realistic appraisal of the expected future returns of the asset classes employed.

The fund's fee structure. The advisor seeks funds with low annual expense ratios. The advisor endeavors to construct a portfolio of funds with an average expense ratio well under one percent.

Passive management. The advisor makes selections based on fund expenses, turnover, tracking error, and overall level of experience in this area.

Active management. In the rare instance of using an actively managed fund, the advisor seeks managers that have had long, venerable careers. In addition, the advisor looks for continuity of management with the given fund.

The fund's track record. The advisor analyzes the fund's track record, especially under the fund manager currently in place.

The advisor does not restrict selections to only pure asset-class funds.

WBAM manages bond investments using a combination of no-load taxable and tax-exempt bond funds, U.S. Treasuries, and FDIC-insured CDs. The advisor analyzes bond funds with guidelines similar to the above. If the client already owns individual tax-exempts, the advisor will rely on ratings services (Standard & Poor's, Moody's, etc.) and will recommend keeping only AA or AAA-rated municipal bonds unless the maturity is no more than a few years. Treasuries and FDIC insured CDs (within the limits of coverage) are assumed to be free of default risk and are not analyzed.

INVESTMENT STRATEGIES

WBAM will recommend an initial allocation of assets (among stocks, bonds, and cash) based on client objectives, time horizon, risk tolerance and, within certain limits, client preferences. The approach favors a wide range of globally-diversified assets, using modern portfolio theory to assess the optimal characteristics of a portfolio for each client's unique financial circumstances.

The equity strategy involves long-term investments (held at least five years and ideally, ten years or longer) in no-load equity funds. The advisor believes the securities markets to be generally efficient,

that few active managers reliably exceed benchmark returns in the long run, and that it is nearly impossible to identify in advance those few who will provide returns in excess of the benchmark. WBAM thus endeavors to use passively managed funds wherever possible.

The advisor selects a combination of large-cap, small-cap, international, and, to a lesser extent, hybrid and core funds; the selection has a bias toward low multiples of book, earnings, and cash-flow aggregate values. In determining portfolio design, the advisor considers the amount of assets being invested, the client's particular circumstances, and how each asset affects overall portfolio behavior.

Portfolio rebalancing is a key part of the investment strategy. In tax-sheltered accounts, individual asset classes are rebalanced when allocations exceed certain limits, based on a proprietary method involving asset-class volatility, expected return, and covariance with the remainder of the portfolio. For taxable accounts, a similar rebalancing method is used, but tax issues constitute an integral part of the equation.

WBAM manages bond investments within the portfolio using no-load bond funds, laddered U.S. Treasuries and FDIC-insured CDs, and/or tax-exempt bonds (if the client already owns individual municipals). In the case of bond funds, the advisor generally chooses short- and/or intermediate-term funds where the average maturity is under ten years.

RISK OF LOSS

First and foremost, the advisor believes that, particularly during periods of high market volatility, there are only two kinds of assets in a portfolio: risky assets, mainly comprising stocks, but also including low-quality and longer-duration bonds, and low-risk assets, mainly short-duration, very high-quality bonds. The former must, in the judgment of the advisor, have significantly higher expected returns than the latter to warrant their inclusion in the portfolio. Risky assets can sustain losses, under extraordinary circumstances, of more than 50%, whereas low-risk assets should be expected to retain most of their value.

The advisor considers only the volatility of the overall portfolio in constructing its design; this is determined primarily by the mix of risky and low-risk assets. While the advisor takes into consideration the historical correlations and volatilities among the risky assets in the portfolio, the advisor believes that the use of mean-variance-based "black box" techniques are of extremely limited value in portfolio design.

The advisor does not believe there are benefits from market timing and does not employ any such strategies. However, the advisor does believe that expected returns vary with market valuations and occasionally adjusts the allocation of risky assets in a direction opposite valuation changes.

Item 9 – Disciplinary Information

WBAM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with WBAM has any information to disclose which is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Neither WBAM nor its management persons have any financial industry activities or affiliations that are disclosable in this Item.

Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading

- A** WBAM has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting William Bernstein at (503) 488-5581 or bill@bernsteinasset.com.

- B,C,D** We do not own or manage any companies or investments that we advise our Clients to buy.

WBAM or individuals associated with our firm may buy and sell some of the same securities for their own account that WBAM buys and sells for its Clients. When appropriate we will purchase or sell securities for Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases WBAM or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory Clients while at the same time, allowing employees to invest their own accounts.

WBAM will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of WBAM shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of WBAM shall prefer his or her own interest to that of the advisory Client.
2. WBAM maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of WBAM reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

Item 12 – Brokerage Practices

- A** Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, WBAM may use its discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by WBAM. In recommending broker-dealers, WBAM will comply with its fiduciary duty to seek best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- Any other factors that we consider to be relevant.

Generally speaking, we will recommend that Clients establish brokerage accounts with TD Ameritrade ("TD") or Ameritas Investment Corp. ("AIC"), both of which are registered broker-dealers and SIPC members, so long as they continue to meet the above criteria. We work with primarily these broker dealers for administrative convenience and also because these broker dealers offer a good value to our Clients for the transaction costs and other costs incurred.

- B** WBAM may aggregate trades for Clients. The allocations of a particular security will be determined by WBAM before the trade is placed with the broker. When practical, Client trades in the same security will be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available. When employing a block trade:

- WBAM will make reasonable efforts to attempt to fill Client orders by day-end.
- If the block order is not filled by day-end, WBAM will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed;
- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of WBAM's Clients, WBAM may deviate from this policy.

Item 13 – Review of Accounts

- A** Accounts are reviewed by William Bernstein who is responsible for overseeing all regulatory compliance for the firm. See Mr. Bernstein's Form ADV Part 2B, Item 2 for more information about him. The frequency of reviews is determined based on the Client's investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually.
- B** More frequent reviews may be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C** Investment advisory Clients receive standard account statements from the custodian of their accounts on a monthly basis. WBAM also provides Clients with a verbal report summarizing the account activity generally quarterly, but in any event, no less than annually.

Item 14 – Client Referrals and Other Compensation

We do not compensate, nor receive compensation from, any third parties in connection with any services we provide for Clients, including referrals. Neither WBAM nor its related persons directly or indirectly compensate or receive compensation that is disclosable pursuant to this Item.

Item 15 – Custody

With the exception of WBAM's ability to debit fees, WBAM does not otherwise have custody of the assets in the account.

WBAM shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a custodian.

Item 16 – Investment Discretion

WBAM has ongoing and continuous discretionary authority to execute its investment recommendations for Clients in accordance with WBAM's Statement of Investment Policy (or similar document used to establish each Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this discretionary authority, Client allows WBAM to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in matters necessary or incidental to the handling of the account, including monitoring certain assets.

Item 17 – Voting Client Securities

- A** Without exception, we do not vote proxies on behalf of Clients
- B** We do not have authority to vote Client securities. Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or a designated representative of the Client, who is responsible to vote the proxy.

Item 18 – Financial Information

- A** WBAM does not require advisory fees to be paid in advance and under no circumstances will WBAM collect more than \$1,200.00, more than six months in advance of services from any Client.
- B** WBAM has discretionary authority over Client funds and securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.
- C** Neither WBAM, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.