

Form ADV Part 2A

Institutional Research Services Brochure

Bernstein Institutional Services LLC

1345 Avenue of the Americas, New York, NY 10105, United States of America | +1 212-969-1000 |

This brochure provides information about the qualifications and business practices of Bernstein Institutional Services LLC's research services operating under the "**Bernstein**" and "**Autonomous**" brands. If you have any questions about the contents of this brochure, please contact us at BernComplNY.us@bernsteinsg.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Bernstein Institutional Services LLC is available on the SEC's website at www.adviserinfo.sec.gov.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Summary of Material Changes (ADV Item 2)

This Brochure has been updated since the last Brochure dated January 5, 2024 to reflect information relating to the acquisition by Societe Generale ("SocGen") of an indirect ownership interest in Bernstein Institutional Services LLC ("BIS"), which acquisition is expected to occur or around April 1, 2024, as further described below.

Dear Client,

We are pleased to provide you with our Institutional Research Services Brochure ("Brochure"), which is also known as Part 2A of our firm's SEC Form ADV. It contains important information about our business practices as well as a description of potential conflicts of interest related to our research services which could affect your relationship with us. This Brochure is for clients of Bernstein Institutional Services LLC who receive research services under the "**Bernstein**" or "**Autonomous**" brands.

We are providing you with this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered investment adviser to provide a written disclosure statement upon entering into an advisory relationship. Future updates to this Brochure may be obtained by written request to Bernstein Institutional Services LLC, Attn: Chief Compliance Officer, 1345 Avenue of the Americas, New York, NY 10105.

If you have any questions about the information in this statement, please contact your sales representative.

Respectfully yours,

Robert van Brugge

CEO

Table of Contents

(ADV Item 3)

Summary of Material Changes (ADV Item 2)	3
A. Bernstein Institutional Services Investment Advisory Business (ADV Item 4)	6
Introduction	6
Ownership and History	6
Our Research Services	6
Assets Under Management	7
Our Approach to Research	7
B. Fees and Compensation (ADV Item 5)	7
Additional Compensation and Conflicts of Interest	8
C. Performance Fees and Side-by-Side Management (ADV Item 6)	8
D. Types of Clients (ADV Item 7)	8
E. Methods of Analysis, Strategies and Risk of Loss (ADV Item 8)	8
Our Methods of Analysis and Investment Strategies	8
The Risks of Investing	8
F. Disciplinary Information (ADV Item 9)	9
G. Other Financial Industry Affiliations (ADV Item 10)	9
Other Business Activities of BIS	9
Our Affiliated Brokers	9
Other Financial Industry Relationships	10
Adviser Recommendations	10
H. Code of Ethics, Personal Trading, and Client Transactions (ADV Item 11)	10
Our Code of Ethics	10
Personal Trading	11
Outside Business Affiliations	11
Our Interests in Client Transactions	11
Our Approach to Potential Conflicts	11
I. Brokerage Practices (ADV Item 12)	12
J. Review of Accounts (ADV Item 13)	12
K. Client Referrals and Other Compensation (ADV Item 14)	12
L. Custody (ADV Item 15)	13
M. Investment Discretion (ADV Item 16)	13
N. Voting Client Securities (ADV Item 17)	13
O. Financial Information (ADV Item 18)	13

A. Bernstein Institutional Services Investment Advisory Business (ADV Item 4)

Introduction

This Brochure describes the Research Services (defined below) offered by Bernstein Institutional Services LLC ("BIS") under the "Bernstein" or "Autonomous" brands.

We believe research excellence is the key to better outcomes, so we have built research capabilities with exceptional breadth, depth and focus on innovation.

Ownership and History

In November 2022, AllianceBernstein L.P. ("AB") and SocGen announced plans to form a joint venture combining their equity execution and equity research businesses. AB, SocGen and certain affiliates of each are parties to a definitive agreement pursuant to which the parties have agreed, among other things, that (i) AB, SocGen and their affiliates will contribute their U.S. equity execution and equity research businesses to BIS and (ii) SocGen will acquire an indirect, minority ownership interest in BIS. The closing of this transaction is scheduled to occur on or around April 1, 2024, subject to regulatory approvals and certain other closing conditions. Upon the closing of the transaction, BIS will be jointly owned by AB and SocGen. AB is a publicly-traded partnership headquartered in Nashville, Tennessee. AB's partnership units are listed on the New York Stock Exchange, and AB's general partner is AllianceBernstein Corporation. SocGen is a *société anonyme* incorporated and headquartered in France. SocGen's shares are publicly listed on Euronext Paris.

BIS became registered with the SEC as an investment adviser in February 2024. BIS will commence operations as an investment adviser after the completion of the transaction described above, and any information in this Brochure regarding SocGen's relationship to BIS is subject to the closing of that transaction.

Our Research Services

Our Bernstein Research Services business unit ("Bernstein Research Services", "we" "us" or "our") provides the following research services to institutional clients through its **Bernstein** and **Autonomous** brands (the "Research Services"):

- Written research reports that are produced by our FINRA-registered research analysts ("Research Analysts");
- Other written research-related communications from our Research Analysts relating to published research reports and companies covered by Research Analysts and the securities of such companies, including models and other analysis from Research Analysts; and
- Interactions with our Research Analysts in conferences, meetings and calls.

The Research Services discussed in this Brochure do not include any services or communications provided by our Sales and Trading personnel, including any services or communications from such personnel that may refer to or be based on Research Services.

The Research Services discussed in this Brochure are solely provided to clients who pay us in a manner that constitutes special compensation under the Investment Advisers Act of 1940 (the "Advisers Act"), such as separate or "hard dollar" cash payments. BIS provides Research Services in its capacity as a broker-dealer to clients who pay for such services in a manner that does not constitute special compensation under the Advisers Act, such as commission-based or "soft dollar" payments; those Research Services are not covered by any investment advisory relationship applicable to the Research Services described in this Brochure.

The Research Services that we provide, and our relationship with clients in connection with such services, are subject to a number of important limitations and conditions:

- **Term.** The investment advisory relationship is limited in duration to the period during which the client receives specific Research Services, commencing upon delivery of such services and terminated upon receipt of the services.
- **Scope.** Our investment advisory relationship with clients is strictly limited to the provision of the Research Services. The advisory relationship does not extend to any other dealings that clients have with BIS, including where we provide Research Services in our capacity as a broker-dealer, regardless of whether those dealings or related communications occur contemporaneously or simultaneously with the provision of the Research Services, involve the same Bernstein Research Services personnel (including in the same interactions), or pertain to the same securities or other investments.
- **Impersonal advice.** The Research Services are based solely on the Research Analyst's evaluation of the applicable subject company, industry, sector, markets or macro-economic conditions without regard to any other factors. The Research Services consist solely of impersonal investment advice, are for general use only, and do not include tailored or personalized investment advice or recommendations. The Research Services are

not tailored and do not purport to meet any client's specific investment objectives, goals, strategies, financial needs or risk profile, nor those of any of underlying clients of any person receiving the Research Services.

- **Client's responsibilities.** Because the Research Services are not personalized or tailored to any clients (or their underlying clients), the client is responsible for exercising its own independent judgment in evaluating the Research Services. Clients may use the Research Services as one of many sources of investment-related information but should not rely on the Research Services as the primary or sole basis for any investment decision.
- **Conflicts.** Bernstein Research Services can give advice, make recommendations, and take action in the performance of its duties to other clients or for its own accounts that will differ from advice or recommendations given, or in the timing and nature of action taken, with respect to the Research Services. Bernstein Research Services is not obligated to recommend for purchase or sale any security or other investment that Bernstein Research Services purchases or sells, or recommends for purchase or sale, to or for the account of any other client or for its or their accounts. Bernstein Research Services produces a number of different types of research products including, among others, fundamental analysis and quantitative analysis, under both the "Autonomous" and "Bernstein" brands. Bernstein Research Services can provide Research Services to some clients that are inconsistent with, and reach different conclusions from, information in Research Services provided to other clients. When this occurs, the differences in ideas contained in the Research Services generally reflect the different time frames, assumptions, views, and analytical methods of the persons or brands involved. Bernstein Research Services favors some clients over others in various ways, including favoring clients that have greater relationships with or are responsible for greater revenues to Bernstein Research Services. For example, Bernstein Research Services personnel communicate to some clients with respect to their newly published research, market developments or other Research Services before communicating with other clients and provide certain clients with preferred or more extensive access to Research Analysts. As a result, Bernstein Research Services and certain clients are able to act on Research Services more quickly than other clients, which may adversely impact such clients' investments or investment opportunities. Trades placed by such clients or their underlying accounts will receive prices that are less favorable than prices obtained by Bernstein Research Services and the favored clients if the market for the applicable securities has increased (for purchases or decreased (for sales.)
- **No monitoring.** Bernstein Research Services does not undertake to monitor clients' accounts or investments in connection with Research Services.

Bernstein Research Services and the Research Services clients may further define the nature of their relationship (including limitations on Bernstein Research Services' role and obligations) and agree to other terms and conditions with respect to the Research Services through agreements or other documentation. Research reports may also include or be accompanied by additional disclosures, terms and limitations, which clients should review.

Assets Under Management

Bernstein Research Services does not manage any assets on a discretionary or non-discretionary basis in connection with providing the Research Services and thus does not have any assets under management in connection with the Research Services.

Our Approach to Research

Bernstein Research Services seeks to produce high-quality in-depth research, and we have a global team of research professionals, whose disciplines include economic, fundamental equity, fixed income and quantitative research, that support our Research Services.

When analyzing securities, we utilize a broad spectrum of information, including, without limitation, financial publications, third-party research materials, annual reports, prospectuses, regulatory filings, company press releases, corporate rating services, inspections of corporate activities and meetings with management of various companies.

B. Fees and Compensation (ADV Item 5)

Bernstein Research Services provides our Research Services for a fee. The fees that Bernstein Research Services charges clients for our Research Services will vary as a result of the overall client relationship and the types of other services the client elects to receive from Bernstein Research Services.

The fees for our Research Services are payable in accordance with our agreement with the client and generally the client will be sent an invoice for the Research Services. We do not have discretionary authority to manage any assets or securities in connection with the Research Services. Accordingly, fees are not deducted from client assets.

Bernstein Research Services' fees for Research Services are exclusive of any brokerage commissions, transaction fees or other related costs and expenses that may be incurred by the client in connection with any securities transactions independently made by the client.

Some clients may pay fees in advance. If client terminates their agreement prior to the end of the billing period, we may refund any unearned fees on a pro rata basis.

Additional Compensation and Conflicts of Interest

Our personnel involved in Research Services are not compensated based on the sale of securities in connection with the Research Services. If any of our Research Services clients execute transactions through us as broker-dealer, we will receive transaction-based compensation for the execution of such trades. This practice presents a potential conflict of interest in so far as it gives Bernstein Research Services an incentive to recommend securities to its Research Services clients based on potential future brokerage compensation rather than on specific client needs. This conflict of interest, however, is mitigated by disclosure in this Brochure and our Research Services clients' freedom to place their brokerage transactions with the broker-dealer of their choice. Each of our clients has full discretion to determine whether, to what extent and how it will use research reports or trading recommendations obtained from us.

C. Performance Fees and Side-by-Side Management (ADV Item 6)

Bernstein Research Services does not collect performance-based fees from clients with respect to the Research Services.

D. Types of Clients (ADV Item 7)

Bernstein Research Services only offers the Research Services to "institutional accounts", as defined by FINRA Rule 4512(c).

E. Methods of Analysis, Strategies and Risk of Loss (ADV Item 8)

Our Methods of Analysis and Investment Strategies

Our Research Analysts create proprietary in-depth research and analysis on global financial matters, which includes key themes for stocks and markets.

Our Research Analysts develop an investment perspective through a comprehensive review of the industry and the company. They create a financial model of the company's business and evaluate historical and projected results using this model. The valuation process employs different methodologies, such as sum-of-the-parts analysis, discounted cash flow analysis, and comparable company analysis. When analyzing securities, we utilize a broad spectrum of information, including, without limitation, financial publications, third-party research materials, annual reports, prospectuses, regulatory filings, company press releases, corporate rating services, expert interviews, surveys, inspections of corporate activities and meetings with management of various companies. Analysts gather information from diverse sources, including direct communication with company's management, examination of regulatory filings, press releases, earnings announcements, news articles, participation in earnings conference calls, as well as conducting channel checks and engaging in discussions with suppliers, customers, and other industry insiders.

The Risks of Investing

There is no guarantee that any investments that are recommended through the Research Services will be profitable, and there is always a risk of loss that clients should be prepared to bear. Our Research Services do not take into account other research reports or trading recommendations and are not tailored to meet the specific objectives, needs or the investment strategy of any clients or their accounts. There is no guarantee that reliance on any research provided by Research Services will prove to be profitable, avoid investment losses or achieve a client's specific investment objective.

Any security or other investment that is discussed, analyzed or recommended in our Research Services is subject to significant risk, including:

- **Market Risk.** The market value of an investment will move up or down, sometimes rapidly and unpredictably. You can expect that these fluctuations will cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. At any time, market risk will affect a single issuer, industry, sector of the economy or the market as a whole. Global economies and financial markets are increasingly interconnected, which increases the probabilities that conditions in one country or region might adversely impact issuers in a different country or region. Conditions affecting the general economy, including political, social, or economic instability at the local, regional, or global level will also affect the market value of a security. Health crises, such as pandemic and epidemic diseases, as well as other incidents that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have led and may in the future lead to increased market volatility and have an adverse effect on your portfolio's value. For example, any preventative or protective actions that governments take in respect of such diseases or events can be expected to result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for a Fund's portfolio companies. The occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.
- **Quantitative Tools Risk.** Some of our Research Services incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks or otherwise produce the intended results.

- **Foreign (Non-US) Risk.** Securities of non-US issuers often involve more risk than those of US issuers. These securities often fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory, or other factors.
- **Currency Risk.** Fluctuations in currency exchange rates can be expected to negatively affect the value of an investment or reduce its returns.
- **Capitalization Risk.** Recommendations for investments in small- and mid-capitalization companies are often more volatile than investments in large-cap companies. Investments in small-cap companies can be expected to have additional risks because these companies have limited product lines, markets or financial resources.
- **Controversial Investment Risk.** Some of our recommendations for investments could be deemed controversial from an environmental, social or governance perspective. Some issuers experience controversial situations which could cause the value of the issuer to move up or down, sometimes rapidly and unpredictably.
- **Liquidity Risk.** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the investor from selling out of such illiquid securities at an advantageous price, or forcing us to sell such illiquid securities at a disadvantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk. Liquidity risk can arise from the need to post unusually large amounts of cash collateral to counterparties of derivatives trades.
- **Sustainability Risk.** Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a portfolio's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks, and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that this data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a loss of its value and therefore an impact on the net asset value of the concerned portfolio.

F. Disciplinary Information (ADV Item 9)

All aspects of BIS's businesses are subject to various federal and state laws and regulations, and to laws in various foreign countries. Accordingly, from time to time, regulators contact BIS seeking information concerning the firm and its business activities. From time to time, BIS is also a party to civil lawsuits.

Currently, there are no material regulatory enforcement proceedings pending against Bernstein Research Services or its management.

G. Other Financial Industry Affiliations (ADV Item 10)

Other Business Activities of BIS

BIS is also registered as broker-dealer under the Securities Exchange Act. Certain members of Bernstein Research Services' management are registered representatives or associated persons of BIS's broker-dealer. In its capacity as a broker-dealer, Bernstein Research Services provides Research Services and equity execution services to institutional brokerage clients. Registered representatives of BIS's broker-dealer may solicit trading through BIS, and BIS and its representatives have a financial incentive through commissions to engage in such trading activity. Research clients of BIS may, but are not required to, execute transactions through BIS. SG Americas Securities, LLC ("SGAS"), which is a subsidiary of SocGen, provides clearing services for equity trades that are executed through BIS.

Our Affiliated Brokers

Bernstein Research Services is part of a global business which seeks to produce high-quality in-depth research, and we have a global team of research professionals, whose disciplines include economic, fundamental equity, fixed income and quantitative research, that support our Research Services. Outside of the United States, these research professionals operate through various affiliates, who also provide similar services equivalent to the Research Services to the clients of Bernstein Research Services.

Sanford C. Bernstein & Co., LLC ("SCB"); 1345 Avenue of the Americas, New York, NY 10105, United States of America

SCB is a broker-dealer registered with the SEC and a member of FINRA. SCB is also registered with the SEC as an investment adviser. Certain employees of BIS and Bernstein Research Services are also associated persons of SCB. SCB provides securities custody services for some equity execution clients of BIS.

Bernstein Autonomous LLP ("BALLP"); 60 London Wall, London, EC2M 5SH, UK

BALLP is a broker-dealer regulated by the United Kingdom's Financial Conduct Authority ("FCA") and is operates in Canada subject to the Ontario Securities Commission's International Dealer Exemption. Certain employees of BIS and Bernstein Research Services are recognized as Senior Managers of BALLP under the FCA's Senior Managers and Certification Regime.

Sanford C. Bernstein (Canada) Limited ("Bernstein Canada"); Brookfield Place, 161 Bay Street, Toronto, Ontario M5J 2S1, Canada

Bernstein Canada is a Dealer Member regulated by the Ontario Securities Commission ("OSC") and Investment Industry Regulatory Organization of Canada ("IIROC"). Certain employees of BIS are registered with the OSC and IIROC through Bernstein Canada.

Sanford C. Bernstein (Hong Kong) Limited ("Bernstein Hong Kong"); One Island East, Taikoo Place, 18 Westland Road, Quarry Bay, Hong Kong

Bernstein Hong Kong is licensed and regulated in Hong Kong by the Securities and Futures Commission. It is incorporated in Hong Kong with limited liability.

Sanford C. Bernstein (India) Private Limited ("SCB India"); North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East Mumbai MH 400051

SCB India is licensed and regulated by Securities and Exchange Board of India ("SEBI") as a research analyst entity under the SEBI (Research Analyst) Regulations, 2014, having registration no. INH000006378 and as a stock broker having registration no. INZ000213537. BIS India is engaged in the business of providing research and stock broking services.

Sanford C. Bernstein Ireland Limited ("SCB Ireland"); Dolmen House, 4 Earlsfort Terrace, Dublin 2 D02 E024, Ireland

SCB Ireland is authorized and regulated by the Central Bank of Ireland.

Sanford C. Bernstein (Singapore) Private Limited ("SCB Singapore"); 1 Raffles Quay #27-11 Singapore, 048583

SCB Singapore is a licensed entity under the Securities and Futures Act and registered with Company Registration No. 20213710W and is regulated by the Monetary Authority of Singapore.

BSG France S.A. ("BSG FR SA"); 2, 4 et 6 Boulevard Franck Kupka 92800 Puteaux, France

BSG France SA is a French investment firm authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the French Autorité des Marchés Financiers (AMF) and indirectly by the European Central Bank (ECB).

Other Financial Industry Relationships

AB, SocGen and each of their subsidiaries provide various financial services, including investment advisory, asset management, investment banking, banking, trust, insurance, and commodities and derivatives services. Research clients may receive financial services from one or more of these entities, and can be introduced to such services by BIS personnel, but such services are not tied to the Research Services.

Adviser Recommendations

BIS does not recommend or select other investment advisers for clients in connection with the Research Services.

H. Code of Ethics, Personal Trading, and Client Transactions (ADV Item 11)

Our Code of Ethics

All officers, employees and certain other associated persons of BIS's investment adviser ("Advisory Personnel") are required to follow our Code of Business Conduct and Ethics (the "Code" or "Code of Ethics").

The Code summarizes the firm's values, ethical standards, and commitment to address potential conflicts of interest that arise from its activities. Policies and procedures have been designed to implement the principles in the Code, some of which are described in this section.

The Code can be viewed at www.bernsteinresearch.com or a copy may be obtained by writing to the BIS's Chief Compliance Officer, 1345 Avenue of the Americas, New York, NY 10105.

Personal Trading

Personal securities transactions by Advisory Personnel raise a potential conflict of interest when Advisory Personnel own or trades in a security that is owned or recommended for purchase or sale by Advisory Personnel to a client. The Code of Ethics includes rules that are designed to detect and prevent conflicts of interest when Advisory Personnel own, buy or sell securities which may be owned by, or recommended for purchase or sale to clients.

Before Advisory Personnel can engage in a personal securities trade the Code requires that they obtain preclearance from our Compliance Department, and they must hold any purchased securities for at least 30 days, provided that there are certain exemptions from the preclearance and minimum holding period requirements for investments in mutual funds, ETFs, index options, registered closed-end funds, unit investment trusts, US Treasuries, and municipal bonds. The Code requires Advisory Personnel to maintain accounts at certain designated brokerage firms and requires that their personal accounts be disclosed to the firm. Research Analysts and Advisory Personnel who directly support them are generally prohibited from trading in (i) issuers in their coverage sector or funds where a significant portion of the assets are invested in their coverage sector or (ii) issuers that are the subject of any unpublished research that they have access to. Additionally, all Advisory Personnel are restricted from trading in securities for the first 24 hours after BIS publishes an initiation of coverage or a change in investment rating.

Subject to reporting and certain controls, we allow Advisory Personnel to hire discretionary investment advisers to manage their personal accounts.

The Code's personal trading procedures are administered by the firm's Legal and Compliance Department.

Outside Business Affiliations

Outside business activities of Advisory Personnel raise potential conflicts of interest depending on the person's position within BIS and BIS's relationship with the activity in question. Outside business activities also create a potential conflict of interest if they cause Advisory Personnel to choose between an outside business interest and the interests of Bernstein Research Services or any of its clients.

Advisory Personnel are required to obtain supervisory approval before engaging in any outside business activities, including (i) engaging in any business activity outside the scope of their employment with BIS or its affiliates; (ii) being employed by an entity other than BIS or an affiliate; (iii) serving as an officer, director, partner, employee, sole proprietor, or consultant of another public or private company (including a family-owned company); (iv) becoming a general or limited partner in a private partnership (other than an investment fund sponsored by an affiliate); and (v) becoming a shareholder in a public or private company where a control relationship exists between the person and the company. In some cases, approval of BIS's Executive Committee is required in order for Advisory Personnel to engage in outside business activities.

Our Interests in Client Transactions

In the course of providing the Research Services, we are not restricted from recommending securities and investments in which BIS, its Advisory Personnel or its affiliates have a financial interest. BIS and its affiliates do not manage any "proprietary" investment accounts—*i.e.*, accounts that are funded with the firm's own money for the primary purpose of creating profits for the firm—or engage in principal or proprietary trading. However, BIS and its affiliates have financial interests in securities and investments through investment funds in which BIS or an affiliate is the general partner or managing member (or acts in a similar capacity) and is entitled to a share of the fund's profits. Additionally, from time to time, BIS and its affiliates purchase securities and investments on a proprietary basis in an error account.

BIS and its affiliates do not purchase for clients, or recommend the purchase of, securities issued by AB or its affiliates.

Other Trading Activities

When providing the Research Services, Bernstein Research Services does not require that clients execute any transactions through BIS or any affiliates. However, Bernstein Research Services clients may also receive services from or interact with personnel from BIS or an affiliate, including Sales and Trading personnel, who have an interest in recommending transactions that generate trading revenue for BIS or its affiliates. Clients should be aware that such services and interactions are separate from the Research Services and are not investment advisory services.

BIS and its affiliates engage in agency cross transactions, which are transactions in which BIS or its affiliate acts as agent for both the buyer and the seller and receives a commission on both sides of the trade. Advisory Personnel are not prohibited from recommending a security for which BIS or its affiliate already has or order on the opposite side of the market, which might lead to an agency cross transaction.

Our Approach to Potential Conflicts

Various parts of this brochure discuss potential conflicts of interest that arise from our services. We disclose these conflicts due to the fiduciary relationship we have with our investment advisory clients.

When acting as a fiduciary, Bernstein Research Services owes its Research Services clients a duty of loyalty. This includes the duty to address, or at minimum disclose, potential conflicts of interest that exist between different clients; between the firm and clients; or between our Advisory Personnel and our clients. Where potential conflicts arise from our fiduciary activities, we take steps to mitigate, or at least disclose, them. Where conflicted activities do not involve fiduciary obligations—such as the level of client servicing we offer through each client channel—we reserve the right to act in accordance with our business judgment.

Conflicts arising from fiduciary activities that we cannot avoid (or choose not to avoid) are mitigated through written policies that we believe protect the interests of our clients as a whole. In these cases—which include issues such as personal trading and client entertainment, discussed below—regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules and using robust compliance practices, we believe that we handle these conflicts appropriately.

Some potential conflicts are outside the scope of compliance monitoring. Identifying these conflicts requires careful and continuing consideration of the interaction of different products, business lines, operational processes and incentive structures. These interactions are not static; changes in the firm's activities can lead to new potential conflicts. Potential conflicts also arise from new products or services, operational changes, new reporting lines and market developments.

While we do not believe that there are any conflicts that pose material risks to our clients' interests, the following potential conflicts are inherent in our structure and activities:

- **Research Services.** The advice and other information that is provided by Bernstein Research Services and its personnel through the Research Services could potentially be influenced by the financial and other interests of BIS's affiliates and other business units of BIS. To address this conflict, BIS maintains information barriers and other controls that are designed to prevent personnel from influencing Research Analysts and undermining the objectivity of the Research Services.
- **Advisor Personnel Investments.** There is a potential conflict of interest when Advisory Personnel trade in a security that is subject to coverage by Research Analysts. The Code of Ethics and related policies are designed to detect and prevent this conflict of interest. As noted in Section H above, Research Analysts and Advisory Personnel who directly support them are generally prohibited from trading in issuers in their coverage sector or in funds where a significant portion of the assets are invested in their coverage sector. Additionally, all Advisory Personnel are restricted from trading in securities for the first 24 hours after we publish an initiation of coverage or a change in investment rating.
- **Fees.** The fee arrangements with our clients vary widely. The fact that our revenues are represented by the fees we charge our clients means that we cannot be considered to be acting as your fiduciary when negotiating fees.
- **Gifts and Entertainment.** Advisory Personnel should not attempt to unduly influence clients or potential clients with inducements such as gifts, meals or entertainment, or charitable or political contributions. In order to help identify and manage these potential conflicts of interest, we have adopted a gifts and entertainment policy (the "Gifts and Entertainment Policy") under our Code of Ethics. Among other things, the Gifts and Entertainment Policy generally prohibits the exchange of cash gifts, limits the value of non-cash business gifts to US\$100, and sets basic limits on the value of business entertainment that Advisory Personnel can provide. Supervisory approval is required for activities above those limits. Certain forms of business entertainment are also prohibited for all Advisory Personnel. We also comply with the relevant local rules, laws and regulations related to gifts and entertainment in other jurisdictions in which we operate.

I. Brokerage Practices (ADV Item 12)

We do not select or recommend broker-dealers for client transactions in connection with the Research Services.

You are not required to transact with BIS or any other affiliated brokers in connection with the Research Services, but if you choose in your own discretion to implement any of the recommendations through BIS or any affiliate, we will be acting solely as a broker-dealer, not as an investment adviser (unless otherwise agreed in writing) in connection with those transactions. In executing transactions in accordance with your instructions, BIS or any affiliate, acting as a broker-dealer, may act as agent or as principal for its own account. SGAS, which is a subsidiary of SocGen, provides clearing services for equity trades that are executed through BIS.

J. Review of Accounts (ADV Item 13)

We do not provide personalized advice, review client accounts or provide reporting in connection with the Research Services.

K. Client Referrals and Other Compensation (ADV Item 14)

BIS does not receive any economic benefit from persons other than its clients for the Research Services described in this Brochure. BIS does not compensate any non-supervised persons for referrals to the Research Services.

L. Custody (ADV Item 15)

BIS does not take custody of any client funds, assets or securities in connection with the Research Services described in this Brochure.

M. Investment Discretion (ADV Item 16)

BIS does not have discretionary authority to manage any assets or securities in connection with the Research Services.

N. Voting Client Securities (ADV Item 17)

The Research Services do not involve the voting of client securities.

O. Financial Information (ADV Item 18)

Not applicable.