



HOW WE PARTNER WITH FINANCIAL ADVISERS

The role of financial advisers in Australia is changing, and that means that the relationship between financial advisers and investment managers is changing, too.

WHEN THE CLIENT WINS, WE ALL WIN

Increasingly, financial advice practices that succeed are those that clearly demonstrate their value proposition to clients, and provide a breakdown of their costs, including platform administration and advice fees.

Among fund managers, a similar move began a decade or so ago with the advent of products that aimed at transparency and simplicity and a high level of client engagement.

They were typically based on relatively small portfolios and focused on absolute rather than relative returns. Their managers emphasized regular and comprehensive client communications to explain performance and the rationale behind stock selections.

By aligning these approaches (*Display*), we see considerable potential for enhancing the relationship between financial advisers

and investment managers in a way that improves client outcomes and experience and, ultimately, works to the advantage of all parties involved.

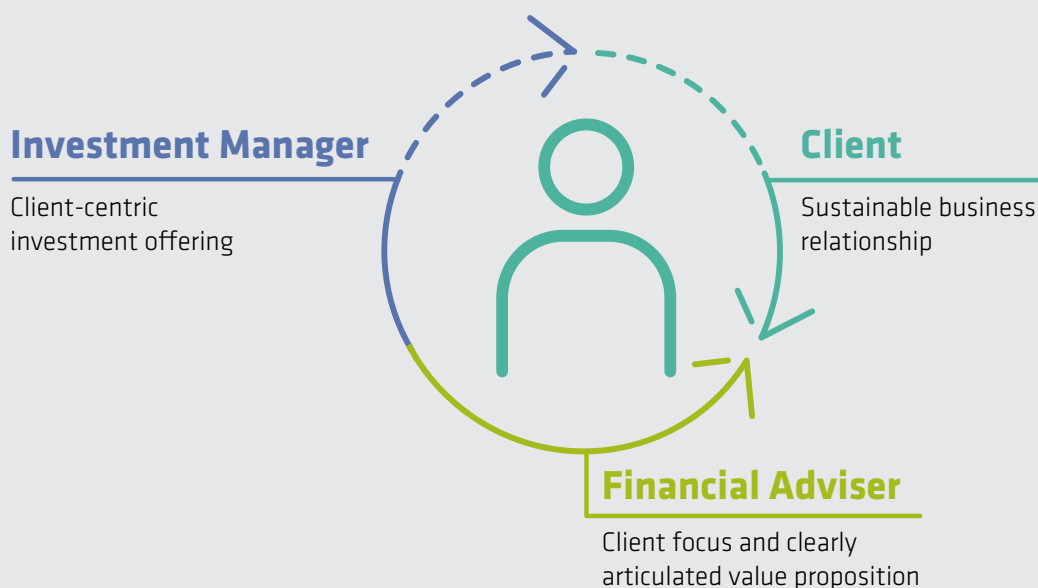
OUR CLIENT-CENTRIC APPROACH

Our focus at AB on putting clients front and centre in our thinking about new products has been integral to our way of doing business for many years. As we extend our fund offerings in Australia, our client-centric ethos is helping to shape our relationship with the adviser community.

This is happening in two ways—in the design of the investment strategies we bring to market, and in our commitment to sharing our investment knowledge with financial advisers.

While the approach to client relationships differs among the many financial advisers we work with, there appears to be a

WORKING TOGETHER WITH THE SAME CLIENT FOCUS



particular affinity between adviser models driven by client value and investment strategies designed to meet identified client requirements.

In the Australian retail market, we have developed a number of offerings in respect to client needs (see box).

An interesting—and, at first sight, paradoxical—point to note about these funds is that, despite being developed to meet specific identified client requirements, they have broad applicability to investors with appropriate risk profiles.

The AB Managed Volatility Equities Fund, for example, is of potential interest to all investors in or near retirement, not just the members of the superannuation fund for which it was designed. (In the institutional market, it's also of interest to insurers in managing their liabilities.)

However, while the funds can be marketed widely, they are not off-the-shelf products. Some of the concepts they embody are, from the point of view of “mum and dad” investors, quite innovative and sophisticated—necessarily so, given the complexity and turbulence of today's market environment.

EXAMPLES OF CLIENT-CENTRIC AB PRODUCTS IN THE AUSTRALIAN RETAIL MARKET

- + **AB Managed Volatility Equities Fund**, the result of close collaboration between AB and an Australian superannuation fund, which wanted a strategy that would help protect members' capital during market drawdowns
- + **AB Dynamic Global Fixed Income Fund**, in which the portfolio was tailored in line with a client's specific objectives, including a cash-plus target through the cycle, capital preservation and negative correlation to equities
- + **AB Concentrated US Growth Managed Portfolio** and the **AB Concentrated Global Growth Managed Portfolio**, offered in separately managed accounts to meet investor demand for greater transparency in portfolio construction and trading decisions
- + **AB Global High Income Fund**, in response to a request from a major institutional client for a fixed-income solution that would provide a competitive return above the Australian cash rate and negative correlation to equities

This, we believe, is where our interests coincide exactly with those of value-driven advisers.

HELPING ADVISERS TO HELP THEIR CLIENTS

We seek to align ourselves with advisers who, in aiming to build long-term relationships with their clients, attempt to understand their clients' needs, communicate effectively with them and deliver appropriate investment solutions that are innovative and sophisticated.

And we aim to help build those relationships. While no one knows advisers' clients better than advisers do, we believe that we can make valuable contributions by helping advisers communicate with their clients and, of course, by supplying advisers with suitable investment offerings.

OUR COMMITMENT TO ADVISERS

An important aspect of our commitment to the investor community lies in the research we carry out into investment opportunities worldwide, and in our enthusiasm for sharing our research insights with our clients and financial advisers.

Our portfolio-management teams across equity, fixed-income, multi-asset and alternative strategies globally include more than 200 research analysts.

We pride ourselves not only on the quality and comprehensiveness of our research, but also on our ability to deliver research and other communications to our clients and advisers in various formats and through a range of channels on a weekly, monthly, quarterly and occasional basis.

Our dedication to research is part of our wider focus on sharing knowledge with our clients to keep them Ahead of Tomorrow, and to help advisers do the same for their clients.

Our dedication to research is part of our wider focus on sharing knowledge with our clients to keep them ahead of what's next in investment markets, and to help advisers do the same for their clients.

We understand, too, that advisers have a practical need to keep their professional knowledge up to date. For this reason, we have partnered with financial education providers Kaplan Professional and DeakinPrime to develop learning modules through which advisers can earn CPD points.

We also offer the opportunity to earn CPD points directly by accessing research on our website. For more information about how you can do this today, please contact Aust_ClientService@alliancebernstein.com.

LET'S WORK TOGETHER

These are challenging times for the investment-management and financial advice industries. For fund managers and advisers who are prepared to rise to the challenge by working together to serve clients' interests, however, we believe that the future holds a great deal of promise.

ABOUT AB

AB is a leading global investment-management and research firm. We bring together a wide range of insights, expertise and innovations to advance the interests of our institutional investors, individuals and private clients in major world markets.

AB offers a comprehensive range of research, portfolio-management, wealth-management and client-service offices around the world, reflecting our global capabilities and the needs of our clients. As of August 31, 2017, our firm managed US\$529 billion in assets, including US\$258 billion on behalf of institutions. These include pension plans, superannuation schemes, charities, insurance companies, central banks and governments in more than 45 countries.

We're truly global, but we're not just portfolio managers and analysts in one location investing globally. We have an extensive global footprint that we've built over four decades. Our global teams collaborate across asset classes and investment strategies in order to spark new thinking and deliver superior outcomes for our clients. Every day brings a new set of investment challenges and opportunities. Through our unique combination of expertise, innovative offerings and global reach, we anticipate and advance what's next—applying collective insights to help keep our clients at the forefront of change.

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RISKS OF MANAGED INVESTMENT SCHEMES

All investments carry risk and different investment strategies may carry different levels of risk depending on the assets held. Generally assets with the highest long-term returns may also carry the highest levels of risk. The Funds listed above aim to produce higher returns and therefore carry a higher level of risk than an investment that aims to produce more modest returns.

Before deciding whether to invest, please refer to the relevant Fund's Product Disclosure Statement ("PDS") for a full description of the Fund's features, benefits and risks.

NOTE TO AUSTRALIAN READERS

AllianceBernstein Investment Management Australia Limited (ABN 58 007 212 606, AFSL 230 683) ("ABIMAL") is the responsible entity of the AB Managed Volatility Equities Fund (ARSN 099 739 447), the AB Dynamic Global Fixed Income Fund (ARSN 165 810 686) and the AB Global High Income Fund (ARSN 165 810 382) ("Funds") and is the issuer of units in the Funds. AllianceBernstein Australia Limited (ABN 53 095 022 718, AFSL 230 698) ("ABAL") is the investment manager of the Funds. ABAL in turn has delegated a portion of the investment manager function for the Funds to AllianceBernstein L.P. ("AB"). The Funds' Product Disclosure Statements ("PDS") are available by contacting the client services team at AllianceBernstein Australia Limited at (02) 9255 1299 or at www.alliancebernstein.com.au. Investors should consider the PDS in deciding to acquire, or continue to hold, units in the Funds.

ABIMAL is the portfolio manager of the AB Concentrated US Growth Managed Portfolio and the AB Concentrated Global Growth Managed Portfolio ("Portfolios"). Investors will not be able to invest in the Portfolios directly but only through an Investor Directed Portfolio Service (IDPS) under arrangements between the investor and the IDPS operator ("Operator").

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