



ALLIANCEBERNSTEIN

Go your own way with a Separately Managed Account



Investing in Global Growth Through An SMA Why Now?

Our COVID-19 Outlook

We expect markets will remain volatile. The efforts to deal with the pandemic have been extraordinary and are clearly delivering outcomes that will ensure we see an economic recovery. What is uncertain is the magnitude and exact shape of that recovery.

Because of this, we are maintaining a balance within our portfolios, looking for strong earners that have continued to grow, even in this difficult year, and for some very high-quality businesses that have struggled but whose long-term outlook we regard as attractive.

Key Details

AB Concentrated Global Growth Managed Portfolio

Objective and Philosophy

- + Long-term investment performance with limited volatility
- + Philosophy based on the belief that long-term, consistent earnings growth drives long-term investment returns

Strategy

- + A concentrated portfolio of high-quality growth companies trading at attractive prices
- + Relies on fundamental, research-driven stock selection
- + Differentiated by quality bias, five-year perspective, valuation overlay, in-depth research and team approach
- + Emphasis on high-quality, sustainable

Who Should Consider Investing?

- + Investors who are interested in diversifying their portfolios and achieving greater transparency in their holdings

About AB

Who We Are

AllianceBernstein is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private wealth clients in major world markets. We are one of the largest investment management firms in the world, with US\$600 billion in assets under management as of 30 June 2020. Our global client base includes some of the world’s leading institutions as well as private wealth clients and retail investors. We maintain research, portfolio management, wealth-management and client service offices around the world, reflecting our global capabilities and the needs of our clients. Partnering closely with our clients, our research and portfolio management teams collaborate across asset classes, regions, sectors, and investment strategies to spark new thinking and deliver superior outcomes to keep our clients “Ahead of Tomorrow.”

Singular Focus: We believe our exclusive focus on asset management—without the potential distractions or conflicts associated with investment banking, insurance writing, commercial banking, or proprietary trading—helps us maintain a highly effective investment organization with a culture that exists solely to benefit our clients.

Defined by a Legacy of Research Excellence: We maintain large and experienced teams of in-house fundamental and quantitative analysts. We focus the full scope of our research expertise and innovation on the global investing landscape with the goal of making a difference for our clients.

Responsible Investor: As a global firm, we care deeply about environmental, social and governance (ESG) issues and the impact they can have on the world and our clients’ financial interests. Our long-standing disciplined research process includes ESG factors, and our fundamental analysts carefully assess whether ESG factors could have a material impact on our forecasts and investment decisions. We take a three-pronged approach to active ownership—directly engaging with issuers as part of our research/investment process, utilizing an engagement framework to assist us in identifying companies we should engage with on ESG issues, and selectively engaging as part of our proxy voting process.

Harnessing Diverse Thinking to Drive Differentiated Insights

Different Viewpoints, Broad Expertise and a Culture of Collaboration Foster Better Ideas



185 Buy-Side Analysts*	
123 Fundamental	16 Multi-Asset
37 Quantitative	21 Alternatives
80 Equities	14 Wealth Management
53 Fixed Income	8 Economists
17 Average Years of Experience	

140 Portfolio Managers	
45 Equities	16 Alternatives
45 Fixed Income	12 Wealth Management
22 Multi-Asset	
22 Average Years of Experience	

Current analysis does not guarantee future results.

Map shows research and investment-management offices.

*Includes one quantitative analyst who provides support across multiple platforms

As of 30 June 2020.

Source: AB

Why choose AB for separately managed accounts?

Australian investors interested in diversifying their portfolios have an opportunity to do so with greater transparency and potential tax advantages by owning international shares directly through separately managed accounts (SMAs).

Unlike a managed fund, in which investors hold units in a pooled ownership structure, an SMA creates individual investor accounts in which investors hold shares directly, as beneficial owners, while enjoying the advantage of professional portfolio management.

The structure gives investors greater transparency into their individual security holdings than would be possible with a managed fund. It also offers certain tax advantages.

In a managed fund, for example, investors may suffer tax consequences from decisions or tax events within the structure that occur beyond their control. The SMA structure, by contrast, makes it easier for investors to be taxed on their individual cost base.

The AB Concentrated Global Growth Managed Portfolio offers Australian investors the advantages of an SMA structure plus the ability to diversify their equities exposures.

The Portfolio—which focuses on 25–35 stocks from around the world, all of which are high-quality with the potential to deliver superior investment returns—was launched in Australia in 2016 but has a strong track record going back more than 10 years (*Display*).

Despite Disappointing Market Earnings Growth, We Have Consistently Delivered Positive Earnings



Past performance does not guarantee future results.

In USD. Earnings growth is represented by historical annual earnings growth figures. Inception of the Concentrated Global Growth Composite: April 1, 2005. Numbers may not sum due to rounding. The returns presented above are gross of fees. The results do not reflect the deduction of investment-management fees; the client's return will be reduced by the management fees and any other expenses incurred in the management of its account. For example, a US\$100 million account paying a 0.50% annual fee with a given rate of 10% compounded over a 10-year period would result in a net-of-fee return of 9.5%. Investment advisory fees are described in Part 2A of AB's Form ADV. This is supplemental information to the GIPS-compliant performance and disclosure page.

*Historical earnings compound annual growth rate (CAGR) and returns for the period April 1, 2005, through December 31, 2019. As of December 31, 2019. Source: MSCI and AB; see Performance Disclosure.

Performance Disclosure

Concentrated Global Growth Composite (in US Dollar)

Period	Composite Assets (USD millions)	Composite Accounts at End of Period	Gross Return (%)	Net Return (%)	Internal Composite Dispersion (%)	Composite 3 Year Ann. Ex Post Standard Deviation (%)	Benchmark 3 Year Ann. Ex Post Standard Deviation (%)	Total Firm Assets (USD billions)	MSCI World Index Return (%)
2019	1,225.0	9	37.43	36.20	0.78	12.08	11.14	574.4	27.67
2018	344.6	7	(5.04)	(5.89)	0.25	12.10	10.38	473.5	(8.71)
2017	313.8	4	31.49	30.32	0.17	11.44	10.23	512.9	22.40
2016	221.1	4	3.29	2.37	0.16	12.07	10.92	444.5	7.51
2015	174.8	4	3.38	2.46	0.06	10.18	10.80	432.1	(0.87)
2014	82.0	3	11.91	10.91	0.17	10.27	10.23	440.7	4.94
2013	103.8	10	19.26	18.19	0.30	13.71	13.54	416.5	26.68
2012	113.4	13	19.99	18.84	0.27	16.34	16.74	395.7	15.83
2011	80.5	11	(1.87)	(2.80)	0.37	17.35	20.15	336.5	(5.54)
2010	11.8	5	13.79	12.18	1.14	20.45	23.72	399.8	11.76
3 Years *			19.72	18.65					12.57
5 Years *			12.88	11.87					8.74
10 Years *			12.60	11.52					9.47

*annualized through most recent year-end

PRESENTATION OF THE FIRM—AllianceBernstein L.P. (“ABL”) is a registered investment advisor with the US Securities and Exchange Commission. AB Institutional Investments and AB Investments (collectively, the “Firm”) are the institutional and retail sales, marketing and client service units of ABLP. In February 2006, Alliance Capital Management L.P. changed its name to ABLP.

COMPLIANCE STATEMENT—The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods from 1993 through 2018. The verification reports are available upon request. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firmwide basis and (2) the Firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

COMPOSITE DESCRIPTION—The performance results displayed herein represents the investment performance record for the Concentrated Global Growth Composite (the “Composite”). The Composite includes all fee-paying discretionary accounts and, when applicable, pooled investment vehicles. The Concentrated Growth investment team seeks to build a concentrated portfolio of mid- and large- capitalization companies with attractive long-term earnings growth prospects. Acquired firm performance has been linked to Firm’s performance effective December 12, 2013 with the acquisition of W.P. Stewart & Co., Ltd. The investment management process has remained substantially the same. Due to GIPS Firm definition and monthly composite inclusion policy, private client accounts have been removed from the acquired accounts in the Composite effective December 31, 2013. The creation date of this Composite is December 2013.

For the performance period presented, investment professionals may have changed or departed, none of which in the Firm’s view have altered the composite’s strategy.

Accounts in the Composite may utilize derivative contracts, including but not limited to, swaps, swaptions, options, futures, options on futures and currency transactions for risk-management purposes or for enhancing expected returns by adjusting exposure to the markets, sectors, countries, currencies or specific securities permitted by these guidelines. The impact of all derivatives is fully incorporated into the calculation of risk and return and the use of derivatives shall not violate the investment guidelines that limit exposure to markets, sectors, countries, currencies or specific securities. Investment in non-exchange-traded (over-the-counter) derivatives exposes the accounts within the Composite to counterparty risk.

A complete list with descriptions of all composites managed by the Firm and/or additional information regarding policies for valuing accounts, calculating performance, and preparing compliant presentations is available upon request via email to CompositeRequests@alliancebernstein.com.

TOTAL RETURN METHODOLOGY AND FEE STRUCTURE—Performance figures in this presentation have been presented gross and net of investment-management fees. Net performance figures have been calculated by deducting the highest fee payable by a separately managed institutional account; 0.90% of assets, annually. The Composite may contain mutual funds with share classes that incur higher management fees. Prior to 2014, the Composite’s net-of-fee return is calculated by deducting the actual fees charged to each account in the Composite. The current investment advisory fee schedule applicable for this Composite is as follows:

- 0.900% on the first 50 million in US Dollars
- 0.750% on the next 50 million in US Dollars
- 0.650% on the balance

RATE OF RETURN—No representation is made that the performance shown in this presentation is indicative of future performance. An account could incur losses as well as generate gains. Performance figures for each account are calculated monthly on a trade-date basis using a total rate-of-return calculation. Investment transactions are recorded on a trade date basis, and interests and dividends are recorded on accrual basis, net of withholding taxes, if applicable. Investments in securities are valued in accordance with the Firm’s Valuation Policies and reflect a good faith estimate of fair value levels for all investments, which may not be realized upon liquidation. The fair valuation process requires judgment and estimation by the Firm. The gross-of-fee returns reflect the deduction of trading costs. The Composite returns are calculated based on the asset-weighted monthly composite constituent account returns where the weight is the beginning fair value of the accounts.

DISPERSION—Internal dispersion is calculated using the asset-weighted standard deviation of all accounts included in the Composite for the entire year; it is not presented for periods less than one year or when there were fewer than two accounts in the Composite for the entire year. The three-year annualized ex post standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period; it is not presented for periods of less than three years.

The benchmark, which is not covered by the report of independent verifiers, is the MSCI World Index.

AllianceBernstein Investment Management Australia Limited ABN 58 007 212 606, AFSL 230 683 ("ABIMAL") is the portfolio manager of the AB Concentrated Global Growth Managed Portfolio ("Portfolio"). Investors will not be able to invest in the Portfolio directly but only through an Investor Directed Portfolio Service (IDPS) under arrangements between the investor and the IDPS operator ("Operator"). Information in this document is not to be construed as advice and is provided solely for informational purposes and is not an offer to buy or sell securities or to provide any service. In constructing the Portfolio or providing information ABIMAL has not taken into account any person's specific investment objectives, financial situation or particular needs.

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