

# Russell Research / Special Report

## ALLIANCEBERNSTEIN L.P.

### PRODUCTS AFFECTED

PRODUCT	ASSET CLASS	GEO EMPHASIS	CAP TIER	DURATION RANGE
AllianceBernstein Global Style Blend	Equity <b>STYLE</b> Market-Oriented	Global <b>SUBSTYLE</b> -	All Cap <b>MARKET STATUS</b> Developed Markets	-
AllianceBernstein International Style Blend	Equity <b>STYLE</b> Market-Oriented	Global ex US <b>SUBSTYLE</b> -	All Cap <b>MARKET STATUS</b> Developed Markets	-
AllianceBernstein Intl Structured Eq 2% TE	Equity <b>STYLE</b> Market-Oriented	Global ex US <b>SUBSTYLE</b> -	All Cap <b>MARKET STATUS</b> Developed Markets	-
AllianceBernstein Passive EAFE	Equity <b>STYLE</b> Market-Oriented	Global ex US <b>SUBSTYLE</b> -	- <b>MARKET STATUS</b> Developed Markets	-
AllianceBernstein US Style Blend	Equity <b>STYLE</b> Market Oriented	US <b>SUBSTYLE</b> Normal	Large Cap <b>MARKET STATUS</b> Developed Markets	-
Asia ex Japan Growth	Equity <b>STYLE</b> Market-Oriented	Asia ex Japan <b>SUBSTYLE</b> -	All Cap <b>MARKET STATUS</b> All Markets	-
Bernstein Asia ex Japan Value Equities	Equity <b>STYLE</b> Value	Asia ex Japan <b>SUBSTYLE</b> -	All Cap <b>MARKET STATUS</b> All Markets	-
Bernstein Diversified	Equity	US	Large Cap	-

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Value - R1000 Value	STYLE Value	SUBSTYLE Deep Value	MARKET STATUS Developed Markets	
<b>PRODUCT</b> Bernstein Diversified Value Equity - S&P	<b>ASSET CLASS</b> Equity <b>STYLE</b> Market Oriented	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Value Biased	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Emerging Markets Value Equities	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Emerging Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Europe ex UK Equities Value	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Europe ex UK <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Europe Strategic Value	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Europe <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein European Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Europe <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Eurozone Strategic Value	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Euro Countries <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Global Diversified	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> Deep Value	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Global Strategic	<b>ASSET CLASS</b> Equity <b>STYLE</b>	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b>	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b>	<b>DURATION RANGE</b> -

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	Value	Deep Value	Developed Markets	
<b>PRODUCT</b> Bernstein Global Value Equity	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Global	<b>CAP TIER</b> Large Cap	<b>DURATION RANGE</b> -
	<b>STYLE</b> Value	<b>SUBSTYLE</b> Deep Value	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein Global X Japan Diversified Value	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Global ex Japan	<b>CAP TIER</b> -	<b>DURATION RANGE</b> -
	<b>STYLE</b> -	<b>SUBSTYLE</b> -	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein Global X Japan Equities	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Global ex Japan	<b>CAP TIER</b> -	<b>DURATION RANGE</b> -
	<b>STYLE</b> -	<b>SUBSTYLE</b> -	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein Intermediate Municipal Fixed Income	<b>ASSET CLASS</b> Fixed Income	<b>GEO EMPHASIS</b> US	<b>CAP TIER</b> -	<b>DURATION RANGE</b> Intermediate
	<b>STYLE</b> Municipals	<b>SUBSTYLE</b> -	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein International Diversified Value	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Global ex US	<b>CAP TIER</b> Large Cap	<b>DURATION RANGE</b> -
	<b>STYLE</b> Value	<b>SUBSTYLE</b> Deep Value	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein International Value Equity	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Global ex US	<b>CAP TIER</b> Large Cap	<b>DURATION RANGE</b> -
	<b>STYLE</b> Value	<b>SUBSTYLE</b> Deep Value	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein Intl Strategic- Concentrated	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Global ex US	<b>CAP TIER</b> Large Cap	<b>DURATION RANGE</b> -
	<b>STYLE</b> Value	<b>SUBSTYLE</b> Deep Value	<b>MARKET STATUS</b> Developed Markets	
<b>PRODUCT</b> Bernstein Japan Strategic Value Equity	<b>ASSET CLASS</b> Equity	<b>GEO EMPHASIS</b> Japan	<b>CAP TIER</b> All Cap	<b>DURATION RANGE</b> -
	<b>STYLE</b> Value	<b>SUBSTYLE</b> Relative Value	<b>MARKET STATUS</b> Developed Markets	

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<b>PRODUCT</b> Bernstein Japan Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> Japan <b>SUBSTYLE</b> Relative Value	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Small Capitalization Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Deep Value	<b>CAP TIER</b> SMid Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Small/Mid Cap Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Deep Value	<b>CAP TIER</b> SMid Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Strategic Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Deep Value	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Structured Equity R1000 Value	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Deep Value	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein Structured Equity S P 500	<b>ASSET CLASS</b> Equity <b>STYLE</b> Market Oriented	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Normal	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein UK Strategic Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> UK <b>SUBSTYLE</b> Relative Value	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Bernstein UK Value Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Value	<b>GEO EMPHASIS</b> UK <b>SUBSTYLE</b> Relative Value	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -

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<b>PRODUCT</b> Canadian Core Plus Fixed Income	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Core Plus	<b>GEO EMPHASIS</b> Canada <b>SUBSTYLE</b> -	<b>CAP TIER</b> - <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> Core Plus	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Core Plus	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> -	<b>CAP TIER</b> - <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> Emerging Market Debt	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Emerging Market Debt	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> Hard FX Sovereign	<b>CAP TIER</b> - <b>MARKET STATUS</b> Emerging Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> Emerging Markets Blend	<b>ASSET CLASS</b> Equity <b>STYLE</b> Market-Oriented	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Emerging Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Euro Fixed Income	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Core Plus	<b>GEO EMPHASIS</b> Europe <b>SUBSTYLE</b> -	<b>CAP TIER</b> - <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> European Concentrated Growth Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Europe <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> European Growth Equity	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Europe <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Global Credit	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Investment Grade Corporate	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> -	<b>CAP TIER</b> - <b>MARKET STATUS</b> All Markets	<b>DURATION RANGE</b> -

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<b>PRODUCT</b> Global Ex Jpn Research Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global ex Japan <b>SUBSTYLE</b> Normal	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Global Growth Emerging Markets	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> -	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> Emerging Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Global Large Cap Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> Normal	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Global Research Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> Normal	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Global Thematic Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> Normal	<b>CAP TIER</b> All Cap <b>MARKET STATUS</b> All Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> International Large Cap Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global ex US <b>SUBSTYLE</b> Growth Biased	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> International Large Cap Growth ACWI ex US	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global ex US <b>SUBSTYLE</b> Normal	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> International Research Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> Global ex US <b>SUBSTYLE</b> Growth Biased	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b>	<b>ASSET CLASS</b>	<b>GEO EMPHASIS</b>	<b>CAP TIER</b>	<b>DURATION RANGE</b>

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Kokusai Large Cap Growth ex Japan	Equity <b>STYLE</b> Growth	Global ex Japan <b>SUBSTYLE</b> Normal	Large Cap <b>MARKET STATUS</b> Developed Markets	-
<b>PRODUCT</b> Large Capitalization Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Earnings Momentum	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Local Emerging Market Debt	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Emerging Market Debt	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> Local Currency	<b>CAP TIER</b> - <b>MARKET STATUS</b> Emerging Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> Long Credit	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Investment Grade Corporate	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Corporate	<b>CAP TIER</b> - <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> Long
<b>PRODUCT</b> Mid Cap Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> -	<b>CAP TIER</b> Mid Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Multicurrency Broad Market	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Core Plus	<b>GEO EMPHASIS</b> Global <b>SUBSTYLE</b> -	<b>CAP TIER</b> - <b>MARKET STATUS</b> All Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> Small Capitalization Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Consistent Growth	<b>CAP TIER</b> Small Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b> Small/Mid Cap Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Consistent Growth	<b>CAP TIER</b> SMid Cap <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> -
<b>PRODUCT</b>	<b>ASSET CLASS</b>	<b>GEO EMPHASIS</b>	<b>CAP TIER</b>	<b>DURATION RANGE</b>

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UK Equity Blend	Equity <b>STYLE</b> Market-Oriented	UK <b>SUBSTYLE</b> Growth at a Price	All Cap <b>MARKET STATUS</b> Developed Markets	-
<b>PRODUCT</b> UK Fixed Income	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Core	<b>GEO EMPHASIS</b> UK <b>SUBSTYLE</b> -	<b>CAP TIER</b> - <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> Broad Market
<b>PRODUCT</b> US Growth	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Earnings Momentum	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	-
<b>PRODUCT</b> US Investment Grade Corporate Bond	<b>ASSET CLASS</b> Fixed Income <b>STYLE</b> Investment Grade Corporate	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Corporate	<b>CAP TIER</b> - <b>MARKET STATUS</b> Developed Markets	<b>DURATION RANGE</b> Long
<b>PRODUCT</b> US Strategic Research	<b>ASSET CLASS</b> Equity <b>STYLE</b> Growth	<b>GEO EMPHASIS</b> US <b>SUBSTYLE</b> Earnings Momentum	<b>CAP TIER</b> Large Cap <b>MARKET STATUS</b> Developed Markets	-

**Special Report**

On February 15, 2012 Russell Associates met with Peter Kraus and Sharon Fay to get an update on organizational matters at Alliance Bernstein. Sharon indicated that they would be undertaking meaningful changes to the growth and value investment teams and gave us a high-level overview of these changes. The details were announced subsequent to our meeting on February 16th. Sharon noted that her goals were to reduce overlap and leverage expertise.

The changes announced reflect a desire by AllianceBernstein to withdraw from non-US regional growth equities and peripheral growth strategies. The expectation is that the growth cuts will be more severe to the headcount in the London office. The cuts to the value team will reflect the current geographic spread of resources with the additional impact that the closure of the Canadian Value service will mean additional cuts in New York where this team has been based.

As net asset flows have continued to be negative, AllianceBernstein has needed to reduce expenses. Accordingly, the US Large Cap Growth service previously run by Scott Wallace has been transitioned to the US Growth service team managed by Frank Caruso. As a result of this change, Scott and his team will be leaving the firm. The International Large Cap

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**ALLIANCEBERNSTEIN L.P.**

Growth and Emerging Markets Growth teams have been consolidated. Laurent Saltiel remains head of International Large Cap Growth and Laurent and Jean Van de Walle are co-Heads of Emerging Markets growth. Sergey Davalchenko joins these two as part of the portfolio management team. Dan Roarty has been appointed Team Leader of the Global and International Research Growth services. Chris Toub will relinquish his role as chair and remains on the team.

AllianceBernstein has taken the decision to close Canadian Value services, Global and US Value Extension services, European Growth, Asia ex-Japan Growth and Hong Kong Growth strategies.

Prior to this announcement Growth services had a total of 41 research analysts. AllianceBernstein has made 15 analysts redundant and a further 8 members of the Growth services team; from the ranks of senior client facing PMs. On Value services, 7 of the 58 research analysts and 1 additional team member were let go. We recognize that Alliance Bernstein has seen significant outflows particularly in their Growth services and as such felt the need to make greater reductions in this service.

In Value services Kevin Simms will become the sole CIO of International Value and Henry D'Auria sole CIO of Emerging Markets Value. Sharon will remain CIO of Global Value. Kevin will transition his duties as Global Director of Value Research to two individuals. Takeo Aso, Director of Research - Japan Value has been appointed as EAFE Director of Value Research, and is expected to move to London from Tokyo. Atsushi Horikawa has been named co-Director of Research - Japan Value and will fully assume this role from Takeo by end of 2012. Avi Lavi, CIO UK/European Value, has been appointed Global Director of Value Research and will join Kevin and Sharon on the construction of Global portfolios. Avi will transition his CIO responsibilities to Tawhid Ali over 2012. Roy Maslen has been appointed sole CIO - Australian Value and Stuart Rae will relinquish is co-CIO role and remains on the team. Hamish FitzSimons has been appointed Director of Research - Australian Value.

Russell analysts will be in touch with their respective AllianceBernstein contacts to discuss these changes further and will provide additional information on these changes as appropriate. Any rank implications will be communicated at that time.

Fixed income services at AllianceBernstein have remained a source of strength to the organization. The firm has continued to roll out additional strategies as well as add investment professionals to support these strategies.

Several months after joining AllianceBernstein, Peter Kraus noted the high concentration of assets in relatively few strategies. Accordingly, from that time he has sought to diversify the business. Peter has done this by adding hedge funds, fund of funds, real estate, etc. Peter appears to be balancing the needs of existing products with that of new strategies.

Peter noted his comments on risk when he first joined the firm may have led some to believe that he was attempting to manage portfolio risks within the services. Peter's intention was to signal that he was attempting to manage business risk highlighted by the concentration of assets in the business. We do not believe that Peter is forcing a risk budget onto the portfolio management teams.

Peter recognizes that until they can turn performance around the retention of clients will be problematic. Peter believes that consolidating services, eliminating duplication of efforts, reducing distractions to investment professionals and increasing the level of accountability will address the poor performance. He has ensured that annual reviews are occurring and has put a greater emphasis on mentoring within the firm in an attempt to move away from what he perceives as the personality dependent culture of the past.

Peter has also sought to improve communication and collaboration across teams. Every three weeks Peter chairs a meeting of the lead portfolio managers across the asset class teams as well as the head trader and representatives from

**ALLIANCEBERNSTEIN L.P.**

risk teams. This group has created a process for dynamic allocation. Though not beholden to the output of this group, the portfolio managers benefit from a cross sectional view of the markets. The goal is to help the portfolio managers make better decisions in an environment driven more by macro events versus bottom-up fundamentals.

Although the reduction in assets at AllianceBernstein has been difficult for the firm, the changes being implemented by Sharon and Peter should allow them to focus their best talent on the investment strategies. With the changes noted above, Peter and Sharon believe the teams should remain stable for the foreseeable future. We will continue to monitor the asset flows and performance for signs of stabilization of the firm.

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